

REFINITIV

DELTA REPORT

10-K

GSAT - GLOBALSTAR, INC.

10-K - DECEMBER 31, 2023 COMPARED TO 10-K - DECEMBER 31, 2022

The following comparison report has been automatically generated

TOTAL DELTAS	4621
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 CHANGES	344
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 DELETIONS	1543
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 ADDITIONS	2734
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UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

FORM 10-K

(Mark One)



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

For the Fiscal Year Ended **December 31, 2022** **December 31, 2023**

OR



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

For the Transition Period from to

Commission File Number 001-33117

GLOBALSTAR, INC.

(Exact Name of Registrant as Specified in Its Charter)

Delaware

(State or Other Jurisdiction of
Incorporation or Organization)

41-2116508

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

1351 Holiday Square Blvd.

Covington, Louisiana 70433

(Address of Principal Executive Offices)

Registrant's Telephone Number, Including Area Code **(985) 335-1500**

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

Title of each class	Trading Symbol	Name of exchange on which registered
Common Stock, par value \$0.0001 per share	GSAT	NYSE American

Securities registered pursuant to section 12(g) of the Act:

None

Indicate by check mark if the registrant is a well-known seasoned issuer as defined in Rule 405 of the Securities Act.

Yes ☒ No ☐

Indicate by check mark if the registrant is not required to file reports pursuant to Section 13 or Section 15(d) of the Act.

Yes ☐ No ☒

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days.

Yes ☒ No ☐

Indicate by check mark whether the registrant has submitted electronically every Interactive Data File required to be submitted pursuant to Rule 405 of Regulation S-T (§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. (Check one):

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

Yes ☒ No ☐

Indicate by check mark whether the registrant is a shell company (as defined by Rule 12b-2 of the Exchange Act)

Yes ☐ No ☒

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

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

Indicate by check mark whether the registrant is a shell company (as defined by Rule 12b-2 of the Exchange Act)

Yes ☐ No ☒

The aggregate market value of the registrant's common stock held by non-affiliates at June 30, 2022 June 30, 2023, the last business day of the registrant's most recently completed second fiscal quarter, was approximately \$0.8\$0.7 billion.

As of February 24, 2023 February 23, 2024, 1.811 million 1.9 billion shares of voting common stock were outstanding, 0.1 million shares of preferred stock were outstanding, and no shares of nonvoting common stock were authorized or outstanding. Unless the context otherwise requires, references to common stock in this Report mean the Registrant's voting common stock.

DOCUMENTS INCORPORATED BY REFERENCE

Portions of the Registrant's Proxy Statement for the 2023 2024 Annual Meeting of Stockholders are incorporated by reference in Part III of this Report.

FORM 10-K

For the Fiscal Year Ended December 31, 2022 December 31, 2023

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PART I**Forward-Looking Statements**

Certain statements contained in or incorporated by reference into this Annual Report on Form 10-K (the "Report"), other than purely historical information, including, but not limited to, estimates, projections, statements relating to our business plans, objectives and expected operating results, and the assumptions upon which those statements are based, are forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995. These forward-looking statements generally are identified by the words "believe," "project," "expect," "anticipate," "estimate," "intend," "strategy," "plan," "may," "should," "will," "would," "will be," "will continue," "will likely result," and similar expressions, although not all forward-looking statements contain these identifying words. These forward-looking statements are based on current expectations and assumptions that are subject to risks and uncertainties which may cause actual results to differ materially from the forward-looking statements. Forward-looking statements, such as the statements regarding **our ability to identify and realize opportunities and to generate the expected revenues and other benefits of the XCOM License Agreement, our ability to integrate the licensed technology into our current line of business, the ability of Dr. Jacobs and other new employees to drive innovation and growth,** our ability to develop and expand our business (including our ability to monetize our spectrum rights), our anticipated capital spending, our ability to manage costs, our ability to exploit and respond to technological innovation, the effects of laws and regulations (including tax laws and regulations) and legal and regulatory changes (including regulation related to the use of our spectrum), the opportunities for strategic business combinations and the effects of consolidation in our industry on us and our competitors, our anticipated future revenues, our anticipated financial resources, our expectations about the future operational performance of our satellites (including their projected operational lives), our expectations for future increases in our revenue and profitability, our performance and financial results under the Service Agreements, the expected strength of and growth prospects for our existing customers and the markets that we serve, commercial acceptance of new products, problems relating to the ground-based facilities operated by us or by independent gateway operators, worldwide economic, geopolitical and business conditions and risks associated with doing business on a global basis, business interruptions due to natural disasters, unexpected events or public health crises, including viral pandemics such as the COVID-19 coronavirus, and other statements contained in this Report regarding matters that are not historical facts, involve predictions. Risks and uncertainties that could cause or contribute to such differences include, without limitation, those in Item 1A. Risk Factors of this Report. We do not intend, and undertake no obligation, to update any of our forward-looking statements after the date of this Report to reflect actual results or future events or circumstances.

Item 1. Business

Mobile Satellite Services Business

Globalstar, Inc. ("we," "us" or the "Company") provides Mobile Satellite Services ("MSS") including voice and data communications services in addition to as well as wholesale capacity services through its global satellite network. We offer these services over our network of in-orbit satellites and our active ground stations ("gateways"), pursuant to our spectrum licenses, which we refer to collectively as the Globalstar System. In addition to supporting Internet of Things ("IoT") data transmissions in a variety of applications, we provide reliable connectivity in areas not served or underserved by terrestrial wireless and wireline networks and in circumstances where terrestrial networks are not operational due to natural or man-made disasters. By providing wireless communications services across the globe, we meet our customers' increasing desire for connectivity.

Business Strategy

Our competitive advantages are leveraged through a strategy that relies primarily on four pillars to drive increasing shareholder value: wholesale satellite capacity, terrestrial spectrum and network solutions, IoT and legacy services. The four pillars are outlined below.

Wholesale Satellite Capacity

Wholesale satellite capacity services include satellite network access and related services using our satellite spectrum and network of satellites and gateways.

In September 2022, Apple Inc. ("Partner") announced new satellite-enabled services for certain of its products (the "Services"). We are the satellite operator for the Services certain satellite-enabled services offered by Apple Inc. ("Partner") (the "Services") pursuant to the agreement (the "Service Agreement") and certain related ancillary agreements (such agreements, together with the Service Agreement, as each is amended from time to time, the "Service Agreements"). The Services constitute the service which was previously described and disclosed as the Terms Agreement.

Since execution of the Service Agreements in 2020 and prior to the commencement of the Services in 2022, the parties completed several milestones, including (i) a feasibility phase, (ii) material upgrades to our ground network, (iii) construction of 10 new gateways around the world, (iv) the successful launch of the ground spare satellite, and (v) rigorous in-field system testing. The Service Agreements generally require us to allocate network capacity to support the Services, which launched in November 2022, and Partner to enable Band 53/n53 for use in cellular-enabled devices designated by Partner for use with the Services.

Partner made the Services available to its customers beginning in November 2022 (the "Service Launch"). In As consideration for the Services provided by us, Partner will make payments to us under the Service Agreements, such as include a recurring service fee, payments relating to certain Service-related operating expenses and capital expenditures, including under the satellite procurement agreement with Macdonald, Dettwiler and Associates Corporation ("MDA" or, the "Vendor"), and potential bonus payments subject to satisfaction of certain licensing, service and related criteria.

In addition to the services provided under the Service Agreements, Services, we intend to continue to develop wholesale customer opportunities over our retained satellite capacity (discussed below) for IoT and other initiatives.

We retain 15% of network capacity to support our existing and future Duplex, SPOT and IoT subscribers. This capacity can support a substantial increase in our own subscriber base, particularly following recent and planned investments in our space and ground segments. The retained satellite capacity can be used by us directly or through additional wholesale arrangements.

Terrestrial Spectrum and Network Solutions

We have terrestrial licenses in 11 countries resulting in approximately 10.0 10.2 billion MHz-POPs (megahertz of our spectrum authority in each country multiplied by a total population of approximately 797 814 million over the covered area). Prospective spectrum partners, including cable companies, legacy or upstart wireless carriers, system integrators, utilities and other infrastructure operators, all benefit from access to uniform and increasingly "borderless" spectrum working across geographies. Our expanding portfolio of terrestrial spectrum represents a substantial opportunity for us. Given our senior status as the incumbent operator in the Big LEO "Big LEO" band, we believe that our valuable assets include our extensive portfolio of domestic and international licenses to access the globally harmonized spectrum that is essential to all of the services that we offer today and into the future. The Service Agreements significantly enhance the device ecosystem for Band 53/n53.

In August 2023, we entered into an Intellectual Property License Agreement (the "License Agreement") with XCOM Labs, Inc. ("Licensor" or "XCOM"). Under the License Agreement, we purchased an exclusive right and license (the "License") as well as certain Intellectual Property Assets (as defined in the License Agreement) relating to the development and commercialization of XCOM's key novel technologies for wireless spectrum innovations, including XCOM Radio Access Network ("XCOM RAN") systems, XCOM's commercially available coordinated multi-point radio system. XCOM RAN systems deliver substantial capacity gains in dense, complex, challenging wireless environments in sub 7 GHz spectrum. We also gained exclusive access to XCOM's peer-to-peer connectivity technologies that could have applications across cellular and satellite devices. As part of the License Agreement, certain XCOM employees, including engineering, test, product and R&D professionals, who helped develop the licensed technologies, will continue to further commercialize the technology on behalf of Globalstar. Bringing together Globalstar's terrestrial spectrum and relationships with leading partners around the world with XCOM's differentiated technology, which we believe is well suited for high-performance applications, creates a significant opportunity to deliver for private network customers with mission-critical needs.

IoT

Satellite IoT connectivity has become more critical to a growing number of sectors and use cases. We plan to continue to evolve and develop our IoT initiatives. In June 2022, we introduced the Realm Enablement Suite, an innovative portfolio of satellite asset tracking hardware and software solutions featuring a powerful application enablement platform for processing smart data at the edge, which improves processing time and reliability in remote locations. edge. With Realm, partners can accelerate new solutions to market with smart applications that generate an advanced level of telematics data. The Realm Enablement Suite includes Integrity 150, the first solar-powered, deployment-ready satellite asset tracking device with an application enablement platform; ST150M, a satellite modem module that drastically simplifies product development; and the Realm application enablement platform, which will offer tools and an extensive library for quickly accessing and developing smart applications at the edge for vertical-specific solutions.

We also continue to expand deployments that support environmentally friendly initiatives, including remote monitoring of fluid levels and tanks, which replaces replace the need for motor vehicles to access these assets, as well as asset monitoring solutions for solar lighting and other renewable energy sources.

In 2023, we expect to introduce a We are currently developing two-way commercial IoT product products which would significantly expand our opportunities in the IoT Market market, because this technology would have capabilities that include both tracking as well as command control.

Legacy Services

We remain committed to our legacy satellite business and serving our current subscriber base while offering future innovations in MSS. Our existing Duplex and SPOT customers are expected to benefit from expanded capacity through additional ground infrastructure and satellites which improve service levels.

Communications Products and Services

We currently provide the following communications services:

- two-way voice communication and data transmissions via our GSP-1600 and GSP-1700 phone ("Duplex");
- one-way or two-way communication and data transmissions using mobile devices, including our SPOT family of products, such as SPOT X®, SPOT Gen4™ and SPOT Trace®, that transmit messages and the location of the device ("SPOT");
- one-way data transmissions using a mobile or fixed device that transmits its location and other information to a central monitoring station, including our commercial IoT products, such as our battery- and solar-powered SmartOne, STX-3, ST100, ST-150 and Integrity 150 ("Commercial IoT");
- satellite network access and related services utilizing our satellite spectrum and network of satellites and gateways ("Wholesale Capacity Services"); and
- engineering and other communication services using our MSS and terrestrial spectrum licenses the Globalstar System ("Engineering and Other").

We compete aggressively on price, price and strive for differentiation in the solutions that we offer to our customers. We offer a range of price-competitive products to the industrial, governmental and consumer markets. We markets and expect to retain our position as a cost-effective, high-quality leader in the MSS industry.

As technological advancements are made, we continue to explore opportunities to develop new products and provide new services over our network to meet the needs of our existing and prospective customers. We have pursued and continue to pursue initiatives that we expect will expand our satellite communications business and even more intensively effectively utilize our network assets. These initiatives include evaluating our product are focused in part on further investment and service offerings in light development of the shift in demand across the MSS industry from full Duplex voice and data services to direct-to-handset and IoT-enabled devices. Integrated with this assessment is the development of devices, including a two-way reference design module, as well as additional wholesale products and services. We expect to significantly expand our Commercial IoT offerings which is among and terrestrial network solutions leveraging our other current initiatives. In recent years, we have considered the value of maintaining our second-generation Duplex services in light of alternative uses for our capacity, including uses under the Service Agreements. As previously disclosed, in September 2022, we abandoned our second-generation Duplex assets, including gateway property, prepaid licenses XCOM RAN product and royalties, and inventory. We will continue to support first-generation Duplex services, including voice communications and data transmissions using our satellite phones and data modems, terrestrial spectrum authorizations.

Globalstar System

Satellite Network

Our constellation of Low Earth Orbit ("LEO") satellites includes second-generation satellites both first and certain first-generation second-generation satellites. We designed our satellite network so to maximize the probability that at least one satellite is visible from any point on the Earth's surface between the latitudes 70° north and 70° south. We designed our second-generation satellites to last twice as long in space, have 40% greater capacity and be built at a significantly lower cost compared to our first-generation satellites. We also have an in-orbit spare satellite available to raise to operational orbit if it becomes necessary.

Our goal is to provide service levels and call or message success rates equal to or better than our MSS competitors so our products and services are attractive to potential customers. We believe that our system outperforms geostationary ("GEO") satellites used by some of our competitors. GEO satellite signals must travel approximately 42,000 additional miles on average, which introduces considerable delay and signal degradation to GEO calls.

In February 2022, we entered into a satellite procurement agreement with MDA Macdonald, Dettwiler and Associates Corporation ("MDA") pursuant to which we expect to acquire at least 17 satellites that will and up to 26 satellites. We have filed an application with the Federal Communications Commission (the "FCC") to replenish our existing constellation HIBLEO-4 U.S.-licensed system with these satellites and ensure operate them under an additional fifteen-year license term to provide long-term continuity of our mobile satellite services. We are acquiring the satellites to provide continuous satellite services to Partner under the Service Agreements, as well as services to our current and future customers. We have committed to purchase these new satellites for a total contract price of \$327.0 million and have the option to purchase additional satellites at a lower per unit cost, subject to certain conditions. MSS. The technical specifications and design of these new replacement satellites are similar to our current second-generation satellites. Rocket Lab USA, Inc. is the Vendor's satellite bus subcontractor. The satellite procurement agreement requires delivery of the Vendor to deliver 17 new satellites by

2025, all 2025. In 2023, we entered into a Launch Services Agreement with Space Exploration Technologies Corp. ("SpaceX") and certain related ancillary agreements (the "Launch Services Agreements"), providing for the launch of which are expected the first set of these satellites. The Launch Services Agreements provide a launch window from April to be launched by the end of September 2025. Under the Service Agreements, subject to certain terms and conditions, Partner has agreed to make service we will receive payments equal to 95% of the approved capital expenditures under the satellite procurement agreement and Launch Services Agreements (to be paid on a straight-line basis over the useful life of the satellites) and certain other costs incurred for the new satellites, as adjusted based on certain provisions, beginning with the Phase 2 Service Period.

In June 2022, we successfully launched our on-ground spare second-generation satellite. This satellite is expected to remain as an in-orbit spare and will only be raised to its operational orbit at a future date if needed.

Period (the "Approved Capital Expenditure Payments").

Ground Network

Our satellites communicate with a network of gateways, each of which serves an area of approximately 700,000 to 1,000,000 square miles. A gateway must be within line-of-sight of a satellite and the satellite must be within line-of-sight of the subscriber to provide services. We have positioned our gateways to provide coverage over most of the Earth's land and human population and continue to evaluate and expand our gateway footprint to optimize coverage.

Each of our gateways has multiple antennas that communicate with our satellites and pass communications seamlessly between antenna beams and satellites as the satellites traverse the gateways, thereby reflecting the signals from our users' terminals to our gateways. Once a satellite acquires a signal from an end-user, the Globalstar System authenticates the user and establishes the voice or data channel to complete the call to the public switched telephone network ("PSTN"), a cellular or another wireless network or the internet for data communications including Commercial IoT. Over the past few years, we have procured and installed new antennas at our new and existing gateways around the world.

We believe that our network's design enables faster and more cost-effective system maintenance and upgrades because the system's software and much of its hardware are located on the ground. Our multiple gateways allow us to reconfigure our system quickly to extend another gateway's coverage to make up for lost coverage from a disabled gateway or to handle increased call capacity resulting from surges in demand.

Our ground network includes our ground equipment, which uses patented CDMA technology to permit permitting communication to multiple satellites. Our system architecture provides full frequency re-use. This maximizes satellite diversity (which maximizes quality) and network capacity as we can reuse the assigned spectrum in every satellite beam in every satellite. In addition, we have developed a proprietary technology for our SPOT and Commercial IoT services.

Throughout the past few years, we have commenced leases for built additional gateways around the world. We also made significant progress on our initiative to upgrade certain gateway equipment, world, including new antennas and appliques, to improve our ability to pursue significant new opportunities to deploy our network assets as technologies and customer needs evolve and to ensure our network performance continues to excel as these opportunities increase demand on our capacity.

Customers

For our subscriber driven revenue, the specialized needs of our global customers span many industries. As of December 31, 2022 December 31, 2023, we had approximately 769,000 783,000 subscribers worldwide, principally within the following markets: recreation and personal; government; public safety and disaster relief; oil and gas; maritime and fishing; natural resources, mining and forestry; construction; resources; utilities; animal tracking; and transportation. In response to Russia's invasion of Ukraine, during the first quarter of 2022, we disconnected satellite services to gateways in Russia that were operated by an independent gateway operator. Accordingly, approximately 25,000 subscribers that previously received satellite services through these gateways were removed from our subscriber count. Our subscriber count does not include only includes our Partner's MSS subscribers. Our system is able to offer our customers cost-effective communications solutions completely independent of cellular coverage. Although traditional users of wireless telephony and broadband data services have access to these services in developed locations, our customers often operate, travel and/or live in remote regions or regions with under-developed telecommunications infrastructure where these services are not readily available or are not provided on a reliable basis. Our top revenue-generating markets in the United States and Canada are government (including federal, state and local agencies), public safety and disaster relief, oil and gas, recreation and personal telecommunications. In recent years, the number of Commercial IoT devices on our network has increased significantly, significantly, driven by a 16% and 8%, respective, increase in volume of equipment sold during the years ended December 31, 2023 and 2022.

In addition to our subscribers, we also provide services to our Partner other customers, such as under the Service Agreements as discussed above in the Wholesale Capacity Services section. Agreements. Our FCC license allows us to provide service over our network to up to over 250 million users in the United States. Our subscriber count does not include our Partner's subscribers.

For the year ended December 31, 2022, December 31, 2023 and 2022, our Partner wholesale capacity customer under the Service Agreements was responsible for 49% and 24%, respectively, of our revenue with revenue; no other customer was responsible for more than 10% of our revenue. For the years year ended December 31, 2021 and 2020, no one single customer was responsible for more than 10% of our revenue. The loss of a large customer, such as our Partner wholesale capacity customer under the Service Agreements, could have an adverse impact to our financial condition, results of operations and cash flows.

Duplex Two-Way Voice and Data Products

Mobile Voice and Data Satellite Communications Services and Equipment

We provide mobile voice and data services to a variety of commercial, government and individual customers for remote business continuity, recreational usage, safety, emergency preparedness and response and other applications. We offer our services for use only with equipment designed to work on our network. Subscribers typically pay an initial activation fee, a usage fee for a fixed or unlimited number of minutes, and fees for additional services such as voicemail, call forwarding, short messaging, email, data

compression and internet access. We regularly monitor our service offerings and rate plans in accordance with customer demands and market changes and offer pricing plans such as bundled minutes, annual plans and unlimited plans.

Although we no longer manufacture the GSP-1600 and GSP-1700 phones, we continue to support services for these devices. Both phones include Qualcomm Incorporated's ("Qualcomm") patented CDMA technology, which we believe provides superior voice quality when compared to competitors' handsets.

Product Distribution

Our sales group is responsible for conducting direct sales with key accounts and for managing partner relationships. Customers also place orders through our existing sales force and through our direct e-commerce website.

SPOT Consumer Retail Products

The SPOT product family has been used to initiate over 9,000 thousands of rescues since its launch in 2007. SPOT delivers affordable and reliable satellite-based connectivity and real-time GPS tracking to hundreds of thousands of its users, completely independent of cellular coverage.

We differentiate ourselves from other MSS providers by offering affordable, high-utility mobile satellite products that appeal to both businesses and the mainstream consumer market. We believe that we are the only vertically-integrated mobile satellite company. Our vertical integration results in decreased pre-production costs, greater quality assurance and shorter time to market for our retail consumer products.

We currently sell SPOT Gen4™, SPOT X® and SPOT Trace®. SPOT Gen4™ offers enhanced tracking features and is also water resistant. The product enables users to transmit predefined messages to a specific preprogrammed email address, phone or data device, including requests for assistance and "SOS" messages in the event of an emergency. SPOT X® is a two-way SPOT device with keyboard functionality allowing subscribers to send and receive SMS messages. SPOT X® connects to a smartphone via Bluetooth® wireless technology through the SPOT X® app to send and receive satellite messages. SPOT Trace® is a cost-effective, anti-theft and asset-tracking device. SPOT Trace® ensures cars, motorcycles, boats, ATVs, snowmobiles and other valuable assets are where they need to be, notifying owners via email or text anytime movement is detected, using 100% satellite technology to provide location-based messaging and emergency notification for on or off the grid communications.

We target our SPOT devices to recreational and commercial markets that require personal tracking, emergency location and messaging solutions that operate beyond the reach of terrestrial wireless and wireline coverage. Using our network and web-based mapping software, these devices provide consumers with the ability to trace a path geographically or map the location of individuals or equipment. SPOT products and services are available through our product distribution channels and our direct e-commerce website. We are a vertically-integrated mobile satellite company and this integration results in decreased pre-production costs, greater quality assurance and shorter time to market for our retail consumer products.

Product Distribution

We distribute and sell our SPOT products through a variety of distribution channels. We have distribution relationships with a number of "Big Box" retailers and other similar distribution channels, including Amazon, Bass Pro Shops, Cabela's, Camping World, REI, Sportsman's Warehouse, Academy and West Marine. We also sell SPOT products and services directly using our existing sales force and through our direct e-commerce website, www.findmespot.com.

Commercial IoT Transmission Products

Commercial IoT service is currently a one-way data service from an IoT device over the Globalstar System that can be used to track and monitor assets. Our subscribers use our Commercial IoT devices for a host of applications: applications, including to track assets, such as cargo containers and rail cars; to monitor utility meters; and to monitor oil and gas assets. At the heart of the Commercial IoT service is a demodulator and RF interface, called an appliqué, which is located at a gateway and an application server in our facilities. The appliqué-equipped gateways provide coverage over vast areas of the globe. The small size of the IoT devices makes them attractive for use in tracking asset shipments, monitoring unattended remote assets, trailer tracking and mobile security. We provide Commercial IoT services to customers operating in a variety of industries, including primarily government, transportation, construction, agriculture and forestry. Current users include various governmental agencies, such as the Federal Emergency Management Agency, U.S. Army, U.S. Air Force, National Oceanic and Atmospheric Administration, U.S. Forest Service and U.K. Ministry of Defence, as well as other organizations, such as BP, Shell and The Salvation Army.

We designed our Commercial IoT service to address demand in the market for a small and cost-effective solution for sending data, such as geographic coordinates, from assets or individuals in remote locations to a central monitoring station. Customers realize an efficiency advantage from tracking assets on a single global system as compared to several regional systems.

Satellite Transmitter Modules and Chips

We offer small satellite transmitter modules, such as the STX-3, ST-150 and ST100, and chips, such as our proprietary ASIC, which enable an integrator's products to access our network. We have sales arrangements with major resellers to market our IoT services, including some value-added resellers that integrate our modules into their proprietary solutions designed to meet certain specialized niche market applications. The STX3 provides additional opportunities to integrate satellite connectivity into products used for vehicle and asset tracking, remote data reporting and data logger reporting that have limited size requirements. Affordable pricing, low power consumption and its small size make the STX3 a highly efficient device ready for integration in a wide variety of applications. The ST100, or ST100 Satellite Transmitter, is a small, lightweight and low power IoT board with embedded antennas. The ST100 offers a customizable approach to new commercial IoT product innovations and can be used by simply adding power, a mechanical enclosure and configuring the settings within the device firmware. For more advanced technical requirements, third parties can write their own firmware on the ST100 and utilize

Bluetooth® wireless technology and the serial connector to expand the use of the board and integrate it with other devices or hardware. The ASIC provides a single chip one-way solution that can be embedded in a customer's own solution.

SmartOne Asset Managers

We also offer complete products that utilize the STX-3 transmitter module and our ASIC chip. Our Commercial IoT units, including the enterprise-grade SmartOne family of asset-ready tracking units, are used worldwide by industrial, commercial and government customers. These products provide cost-effective, low-power, ultra-reliable, secure monitoring that help solve a variety of security applications and asset tracking challenges. Partnering with existing third party technology providers, we are developing IoT products to connect existing and new users and accelerate deployment of an expanded Globalstar IoT product suite.

We also offer SmartOne Solar™, which is solar-powered and supports similar functionality to our SmartOne suite of products without the need to recharge batteries or line power the device over an expected life of up to ten years. These features will result in a longer field life than existing devices. **Solar-powered devices also take advantage of our network's ability to support multiple billions of daily transmissions.** The SmartOne Solar™ also has unparalleled safety and environmental certifications including ATEX, IECEx, North America (NEC & CEC), IP68/69K, and HERO.

Realm Enablement Suite

The Realm Enablement Suite is an innovative portfolio of satellite asset tracking hardware and software solutions featuring a powerful application enablement platform for processing smart data at the edge. With Realm, partners can accelerate new solutions to market with smart applications that generate an advanced level of telematics data. The Realm Enablement Suite includes Integrity 150, the first solar-powered, deployment-ready satellite asset tracking device with an application enablement platform; ST150M, a satellite modem module that drastically simplifies product development; and the Realm application enablement platform, which will offer tools and an extensive library for quickly accessing and developing smart applications at the edge for vertical-specific solutions.

Future Developments

We have other initiatives underway to expand our Commercial IoT offerings, including the development of a two-way reference design module, which we expect will **complete enhance** our lineup of competitive product offerings. Operating on our Realm Enablement Suite, the two-way module and finished product will provide the fundamentals to effectively pursue sales opportunities with carriers, enterprises, large resellers, system integrators, and any party looking to extend their business models with satellite connectivity.

Product Distribution

The reseller channel for Commercial IoT equipment and service is comprised primarily of value-added resellers and commercial communications equipment companies that retain and bill clients directly, outside of our billing system. Many of our resellers specialize in niche vertical markets where high-use customers are concentrated. We expect that demand for our Commercial IoT products and services will increase as more applications are developed and deployed that utilize our technology.

Wholesale Capacity Services

Wholesale satellite capacity services include satellite network access and related services using our satellite spectrum and network of satellites and gateways.

Engineering and Other

We provide engineering services to assist certain customers in developing new applications to operate on our network and to enhance our ground network. These services include hardware and software designs to develop specific applications operating over our network, as well as the installation of gateways and antennas. **Also included in "Engineering and Other" is revenue associated with our spectrum manager lease agreement with Nokia to utilize Band 53.**

Spectrum and Regulatory Structure

We benefit from a worldwide allocation of radio frequency spectrum in the international radio frequency tables administered by the International Telecommunications Union ("ITU"). Access to this globally harmonized spectrum enables us to design satellites, networks and terrestrial infrastructure enhancements more cost effectively because the products and services can be deployed and sold worldwide. In addition, this broad spectrum assignment enhances our ability to capitalize on existing and emerging wireless and broadband applications.

Satellite Network

In the United States, the **Federal Communications Commission ("FCC") FCC** has authorized us to operate between 1610-1618.725 MHz for "Uplink" communications from mobile earth terminals to our satellites and between 2483.5-2500 MHz for "Downlink" communications from our satellites to our mobile earth terminals. The FCC has also authorized us to operate our domestic gateways with our first and second-generation satellites in the 5091-5250 and 6875-7055 MHz bands.

We licensed and registered our second-generation satellites in France. We also obtained all authorizations necessary from the FCC to operate our domestic gateways with our second-generation satellites. In accordance with our authorization to operate the second-generation satellites, we completed the enhancements to the existing gateway operations in Aussaguel, France to include satellite operations and control functions. We have redundant satellite operation control facilities in Covington, Louisiana, Milpitas, California and Aussaguel, France.

During 2020, our French authorizations to provide MSS and operate the gateway in Aussaguel, France were renewed for an additional 10-year term. We have also filed applications in both Germany and France to operate a substantially larger satellite constellation than we have today; these applications have been accepted by the ITU and have an established date.

Terrestrial Authority for Globalstar's Licensed 2.4 GHz Spectrum

In December 2016, the FCC unanimously adopted a Report and Order permitting us to seek modification of our existing MSS licenses. We are authorized to provide terrestrial broadband services over 11.5 MHz of our licensed Mobile Satellite Services MSS spectrum at 2483.5 to 2495 MHz throughout the United States of America and its Territories. In August 2017, We are licensed by the FCC modified Globalstar's MSS licenses, granting us authority to provide terrestrial broadband these services over the 11.5 MHz portion of and we expect our licensed MSS spectrum. Specifically, the FCC modified our space station authorization and our blanket mobile earth station license to permit a terrestrial network using 11.5 MHz of our licensed mobile-satellite service spectrum. be renewed in 2024.

In December 2018, we successfully completed the The Third Generation Partnership Project ("3GPP") standardization process for has designated the 11.5 MHz of our licensed MSS spectrum terrestrially authorized by the FCC. The 3GPP designated the terrestrial band as Band 53. Additionally, in March 2020, we announced that the 3GPP approved the 53 with 5G variant of our Band 53, which is known as n53. This new band class provides a pathway for our terrestrial spectrum to be integrated into handset and infrastructure ecosystems. Additional follow-on 3GPP specifications and approvals are expected in the future. During 2019, we executed a spectrum manager lease agreement with Nokia in order to permit Nokia to utilize Band 53 within its equipment domestically and have such equipment type-certified for sale and deployment.

In February 2021, Qualcomm Technologies announced its new Snapdragon X65 modem-RF System, which includes support for Band n53. By having global 5G band support for n53 in Qualcomm Technologies' 5G solutions, our potential device ecosystem expands significantly to include the most popular smartphones, laptops, tablets, automated equipment and other IoT modules. In September 2022, we announced the Service Agreements, which require Partner to enable Band 53/n53 for use in cellular-enabled devices designated by Partner for use with the Services, subject to certain terms and conditions; we believe this inclusion significantly enhances the device ecosystem for Band 53/n53.

We believe our MSS spectrum position provides potential for harmonized terrestrial authority across many international regulatory domains and have been seeking approvals in various international jurisdictions. To date, we have received additional terrestrial authorizations in various countries including Brazil, Canada, and South Africa and Spain, among others. We expect this global effort to continue for the foreseeable future while we seek additional terrestrial approvals to internationally harmonize our S-band spectrum across the entire 16.5 MHz authority for terrestrial mobile broadband services.

We expect our terrestrial authority will allow future partners have a strategic perpetual licensing agreement for exclusive access to develop high-density dedicated networks using the TD-LTE certain key XCOM technologies and 5G protocols personnel. The license covers a number of XCOM's novel technologies for private networks as well as the densification of wireless spectrum innovations, including XCOM RAN, XCOM's commercially available coordinated multipoint radio system. XCOM technologies deliver substantial capacity gains and other benefits in dense, complex, challenging wireless environments in sub 7 GHz spectrum including Band n53. We also gained exclusive access to XCOM's peer-to-peer connectivity technologies that could have applications across cellular networks. We believe that our offering has competitive advantages over other conventional commercial spectrum allocations. Such other allocations must meet minimum population coverage requirements, which effectively prohibit the exclusive use of most carrier spectrum for dedicated small cell deployments. In addition, low frequency carrier spectrum is not physically well suited to high-density small cell topologies, and mmWave spectrum is subject to range and attenuation limitations. We believe that our licensed 2.4 GHz band holds physical, regulatory and ecosystem qualities that distinguishes it from other current and anticipated allocations, and that it is well positioned to balance favorable range, capacity and attenuation characteristics. satellite devices.

Industry

We compete in the MSS sector of the global communications industry. MSS operators provide voice and data services using a network of one or more satellites and associated ground facilities. Mobile satellite services are usually complementary to other forms of terrestrial communications services and infrastructure and are intended to allow for connectivity beyond the reach of cellular. Customers typically use satellite voice and data communications in situations where existing terrestrial wireline and wireless communications networks are impaired or do not exist, exist or where they prefer to operate on a single system across terrestrial territories.

Government organizations, military, natural disaster aid associations, event-driven response agencies and corporate security teams across the world depend on mobile and fixed voice and data communications services on a regular basis. Businesses with global operations require communications services when operating in remote locations. MSS users span the forestry, maritime, government, oil and gas, mining, leisure, emergency services, construction and transportation sectors, among others.

Over the past two decades, the global MSS market has experienced significant growth. Increasingly, better-tailored, improved technology products and services are creating new channels of demand. Growth in demand for mobile satellite services is driven by the declining cost of these services, the diminishing size and lower cost of the devices, as well as heightened demand by governments, businesses and individuals for ubiquitous global voice and data coverage. Growth in mobile satellite data services is driven by the rollout of new applications requiring higher bandwidth, as well as low-cost data collection and asset-tracking devices and technological improvements permitting integration of mobile satellite services over smartphones and other Wi-Fi enabled devices.

Communications industry sectors that are relevant to our business include:

- MSS, which provide customers with connectivity to mobile and fixed devices using a network of satellites and ground facilities;
- fixed satellite services, which use geostationary satellites to provide customers with voice and broadband communications links between fixed points on the earth's surface; and
- terrestrial services, which use a terrestrial network to provide wireless or wireline connectivity and are complementary to satellite services.

Additionally, the emergence of satellite to cellular technology has brought with it an increased number of satellite providers working in collaboration with mobile providers to extend smart phone messaging capability.

Within the major satellite sectors, fixed and MSS operators differ significantly from each other. Fixed satellite services providers, such as Intelsat Ltd., Eutelsat Communications and SES S.A., and aperture terminal companies, such as Hughes and Gilat Satellite Networks, are characterized by large, often stationary or "fixed," ground terminals that send and receive high-bandwidth signals to and from the satellite network for video and high speed data customers and international telephone markets. On the other hand, MSS providers, such as Globalstar, ORBCOMM, Viasat, Inc. ("Viasat") (which acquired Inmarsat PLC ("Inmarsat") and), Iridium Communications Inc. ("Iridium"), and ORBCOMM, focus more on voice and/or data services (including data services which track the location of remote assets such as shipping containers), where mobility or small-sized terminals are essential. As mobile satellite terminals begin to offer higher bandwidth to support a wider range of applications, we expect MSS operators will increasingly compete with fixed satellite services operators. There are also multiple new systems that have recently launched as well as systems that are expected to launch over the coming years. These include SpaceX's Starlink and Amazon Kuiper. These systems each have many thousands of satellites in their constellations providing a host of services across consumer broadband, government and direct-to-cellular.

LEO systems reduce transmission delay compared to a geosynchronous system due to the shorter distance signals have to travel. In addition, LEO systems are less prone to signal blockage and, consequently, we believe provide a better overall quality of service.

We are also a provider of licensed wireless spectrum for use in terrestrial networks. As more and more devices are connected wirelessly and as their applications increase in bandwidth intensity, more terrestrial spectrum is required. In the United States, there are a number of other current licensed spectrum providers, including Anterix, Nextwave and Terrastar as well as various other licensed spectrum holders. We also provide an alternative to unlicensed spectrum used with Wi-Fi or lightly licensed spectrum like CBRS.

Each spectrum band is unique due to its propagation or ecosystem development; accordingly, some bands suit needs that others may not. Our spectrum band offers partners an international resource that has a robust and growing ecosystem.

Competition

The global communications industry is highly competitive. We currently face substantial competition from other service providers that offer a range of mobile and fixed communications options. Our most direct competition comes from other global MSS providers. Our largest global competitors are ORBCOMM, Inmarsat Viasat, Iridium and Iridium. ORBCOMM. We compete primarily on the basis of coverage, quality, portability and pricing of services and products. In recent years, advancements in technology have also encouraged non-traditional companies to enter the market.

Viasat operates its owned and leased satellites. Viasat provides communications technologies and services to enterprises, consumers, military and government users. During 2023, Viasat completed the acquisition of Inmarsat, owns which owned and operates operated a fleet of geostationary satellites. Due to its multiple-satellite geostationary system, Inmarsat's coverage area extends extended to and covers covered most bodies of water more completely than our system. Accordingly, Inmarsat (through Viasat) is the leading provider of satellite communications services to the maritime sector. Inmarsat also offers global land-based and aeronautical communications services. We compete with Inmarsat in several key areas, particularly in our maritime markets. Inmarsat markets mobile handsets designed to compete with both Iridium's mobile handset service and our GSP-1700 handset service.

Iridium owns and operates a fleet of low earth orbit satellites. Iridium provides voice and data communications to businesses, the United States government as well as foreign governments, non-governmental organizations and consumers. Iridium markets products and services that are similar to those marketed by us. Additionally, Garmin's inReach devices provide two-way tracking with SOS capabilities, capabilities; Honeywell Global Tracking has a personal tracking unit that enables a smartphone with satellite tracking and messaging capabilities capabilities; and Somewear has a satellite hotspot; these products work on Iridium's satellite network.

ORBCOMM owns and operates a fleet of low earth orbit satellites. ORBCOMM primarily provides asset tracking, monitoring and control solutions for its customers in the IoT market, which directly compete with our IoT products and services.

We compete with regional mobile satellite communications services in several markets. In these cases, our competitors serve customers who require regional, not global, mobile voice and data services, so our competitors present a viable alternative to our services in certain markets. All of these competitors operate geostationary satellites. Our principal regional MSS competitor in the Middle East and Africa is Thuraya.

Our direct to device direct-to-cellular service also faces competition from newly announced service providers, including SpaceX Iridium and a number of new market entrants. While our service is currently the most robust service providing satellite capabilities to smartphones, other satellite service providers are expected to provide similar satellite services in the near-term to competitive smartphone devices, near-term.

In some of our markets, such as rural telephony, we compete directly or indirectly with very small aperture terminal ("VSAT") operators that offer communications services SpaceX, which offers voice over IP through private networks using very small aperture terminals or hybrid systems to target business users. VSAT operators have its own devices and satellites which has become increasingly competitive due to technological advances that have resulted in smaller, more flexible and less expensive terminals.

We compete indirectly with terrestrial wireline ("landline") and wireless communications networks. We provide service in areas that are inadequately covered by these ground systems. To the extent that terrestrial communications companies invest in underdeveloped areas, we will face increased competition in those areas.

Our SPOT products compete indirectly with Personal Locator Beacons ("PLBs"). A variety of manufacturers offer PLBs to industry specifications.

Our industry has significant barriers to entry, including the cost and difficulty associated with obtaining spectrum licenses and successfully building and launching a satellite and ground network. In addition to cost, there is a significant amount of lead-time associated with obtaining the required licenses, designing and building the satellite constellation and synchronizing the network technology.

For terrestrial spectrum opportunities, our primary competition is other licensed and unlicensed spectrum alternatives and, to a lesser extent, lightly licensed bands. Anterix, a licensed spectrum holder, is also a successful competitor for use cases that require low data over longer distances. distances primarily for utilities. We may be able to address certain of these use cases with spectrum provided by our satellite network.

Governmental Regulations

Please refer to Item 1A: Risk Factors - "Risks Related to Government Regulations" for further discussion of the impact of governmental regulations on our business.

United States International Traffic in Arms Regulations and United States Export Administration Regulations

The United States International Traffic in Arms regulations under the United States Arms Export Control Act authorize the President of the United States to control the export and import of articles and services that can be used in the production of arms. The President has delegated this authority to the U.S. Department of State, Directorate of Defense Trade Controls. United States Export Administration Regulations enforced by the United States Bureau of Industry and Security, as well as regulations enforced by the United States Office of Foreign Assets Control regulate the export of certain products, services, and associated technical data. Among other things, these regulations limit the ability to export certain articles and related technical data to certain nations. Some information involved in the performance of our operations falls within the scope of these regulations. As a result, we may have to obtain an export authorization or restrict access to that information by international companies that are our vendors or service providers. We have received and expect to continue to receive export licenses for covered articles and technical data shared with approved parties outside the United States. We also are subject to restrictions related to transactions with persons subject to United States or foreign sanctions. These regulations, enforced by the United States Office of Foreign Assets Control, limit our ability to offer services and equipment to certain parties or in certain areas.

Environmental Matters

We are subject to various laws and regulations relating to the protection of the environment and human health and safety (including those governing the management, storage and disposal of hazardous materials). Some of our operations require continuous power supply. As a result, current and historical operations at our ground facilities, including our gateways, include storing fuels and batteries, which may contain hazardous materials, to power back-up generators. As an owner or operator of property and in connection with our current and historical operations, we could incur significant costs, including cleanup costs, fines, sanctions and third-party claims, as a result of violations of or in connection with liabilities under environmental laws and regulations.

Foreign Operations

We supply services and products to a number of foreign customers. Although most of our sales are denominated in U.S. dollars, we are exposed to currency risk for sales in Canada, Europe, Brazil and various other countries. In 2022, 2023, approximately 27% 20% of our sales were generated in foreign countries, which generally are denominated in local currencies. See Note 2: 3: Revenue in the Consolidated Financial Statements for additional information regarding revenue by country. For more information about our exposure to risks related to foreign locations, see Item 1A: Risk Factors - "We face special risks by doing business in international markets and developing markets, including currency and expropriation risks, which could increase our costs or reduce our revenues in these areas."

Intellectual Property

We hold various U.S. and foreign patents and patents pending, that expire between 2023 and 2039, including those acquired from the License Agreement. These patents cover many aspects of our satellite system, our global network, and our user terminals, terminals and XCOM technologies. In recent years, we have reduced our foreign filings and decided to allow some previously granted foreign patents to lapse based on (a) the relative significance of the patent, (b) our assessment of the likelihood that someone would infringe in the foreign country, and (c) the probability that we could or would enforce the patent in light of the expense of filing and maintaining the foreign patent which, in some countries, is quite substantial. We continue to maintain all of the patents in the United States, Canada and Europe that we believe are important to our business. Our intellectual property is pledged as security for our obligations under our credit facility agreement we entered into in 2019 (the "2019 Facility Agreement") the Funding Agreements (as defined below).

Human Capital

As of December 31, 2022 December 31, 2023, we had 332 348 employees in fourteen fifteen countries around the world; 22 24 of our employees were located in Brazil and subject to collective bargaining agreements. We consider our relationship with our employees to be good. We are an equal opportunity employer and comply with labor and employment laws in all of the countries in which we operate.

Our compensation and benefit packages are designed to attract and retain employees and were developed using market research. We attract employees through various platforms, such as online job portals, recruiters, in-person job fairs, local universities and employee referrals. Salaries are competitive and based on job position, physical regional location, experience and skills. skill set. In addition to base salary, certain employees participate in longer-term incentive programs, which include awards of stock-based compensation. Our benefits packages include, but are not limited to, health insurance, a retirement plan, an employee stock purchase plan, flexible spending accounts, life and accidental injury insurance, long- and short-term disability, and paid time off for holidays, vacation, personal choice holidays, sick time and parental leave.

We also encourage training and development through Globalstar University, which is an online platform that hosts a variety of training programs ranging from leadership and management programs to technical, on the job training. Employee engagement is also important for to us, and includes an interactive wellness program, corporate communications and employee surveys. Our commitment to diversity and inclusion is part of our worldwide culture, which our employees confirmed in our most recent employee survey as "Diversity and Inclusion" continues to be one of the highest rated culture categories.

In response to COVID-19 mitigation measures, we remain focused on the health and safety of our employees. We continue to support hybrid working arrangements and accommodate flexible work schedules, as needed.

Seasonality

Usage on the network and to some extent, subscriber device sales are subject to seasonal and situational changes. April through October are typically our peak months for usage-based service revenues and equipment sales. We also experience event-driven revenue fluctuations in our business. Most notably, emergencies, natural disasters and other sizable projects where satellite-based communications devices are the only solution may generate an increase in revenue. In the consumer area, SPOT devices sales are influenced by outdoor and leisure activity opportunities, as well as our holiday promotions.

Services and Equipment

Sales of services accounted for approximately 89% 92%, 85% 89% and 88% 85% of our total revenues for 2023, 2022, 2021, and 2020, 2021, respectively. We also sell the related voice and data equipment to our customers, which accounted for approximately 11% 8%, 15% 11% and 12% 15% of our total revenues for 2023, 2022, 2021, and 2020, 2021, respectively.

Global Chip Shortage

In recent years, the global chip shortage has negatively impacted our manufacturing processes, including causing delays in and increased costs of sourcing certain component parts. We have mitigated some of the impact of these shortages through strategic changes in our manufacturing process and supply chain.

Additional Information

We file annual, quarterly and current reports, proxy statements and other information with the Securities and Exchange Commission (the "SEC"). The SEC maintains an internet site that contains annual, quarterly and current reports, proxy and information statements and other information that issuers (including Globalstar) file electronically with the SEC. Our electronic SEC filings are available to the public at the SEC's internet site, www.sec.gov.

We make available free of charge financial information, news releases, SEC filings, including our annual report on Form 10-K, quarterly reports on Form 10-Q, current reports on Form 8-K and amendments to these reports on our website at www.globalstar.com as soon as reasonably practical after we electronically file such material with, or furnish it to, the SEC. The documents available on, and the contents of, our website are not incorporated by reference into this Report.

Item 1A. Risk Factors

You should carefully consider the risks described below, as well as all of the information in this Report and all of the other reports we file from time to time with the SEC, in evaluating and understanding us and our business. Additional risks not presently known or that we currently deem immaterial may also impact our business operations and the risks identified in this Report may adversely affect our business in ways we do not currently anticipate. Our business, financial condition or results of operations could be materially adversely affected by any of these risks.

Risks Related to Our Business

Revenue under the Service Agreements constitutes a substantial portion of our current revenues, and there is no assurance that we will receive the revenue expected under the Service Agreements.

The Consideration received under the Service Agreements contributed constituted approximately 24% 49% of our revenue for the year ended December 31, 2022 December 31, 2023. The Service Agreements impose a number of substantial obligations on us, provide for certain of our fees to be payable only upon satisfaction of the conditions therein and are terminable by each party. It is possible that we may fail to meet these obligations, that the conditions to the payment of such fees may not be satisfied, that our Partner's products that employ the Services will not succeed or that the Service Agreements may be terminated. If any of these events were to occur, we would not receive the revenues we currently expect to receive under the Service Agreements, which could materially and adversely affect our business and results of operations.

If we experience operational disruptions with respect to our gateways or operations center, we may not be able to provide service to our customers.

Our satellite network traffic is supported by our gateways located around the globe. We operate our satellite constellation from our Network Operations Control Centers at three locations (France, California and Louisiana) to provide geo-redundancy and ongoing coverage. Our gateway facilities are subject to the risk of significant malfunctions or catastrophic loss due to unanticipated events and would be difficult to replace or repair and could require substantial lead-time to do so. In North

America, we have implemented contingency coverage which allows neighboring gateways to provide services in the event of a gateway failure. Material changes in the operation of these facilities may be subject to prior FCC approval, and the FCC might not give such approval or may subject the approval to other conditions that could be unfavorable to our business. Our gateways and operations centers may also experience service shutdowns or periods of reduced service in the future as a result of equipment failure, delays in deliveries, regulatory issues or routine system testing. Equipment failures would impede our ability to provide service to our customers, which could have a material impact on our business.

The actual orbital lives of our satellites may be shorter than we anticipate, and we may be required to reduce available capacity on our satellite network prior to the end of their orbital lives.

Although we designed our second-generation satellites to provide commercial service over a 15-year life, we can provide no assurance as to whether any or all of them will continue in operation for their full 15-year design life. A number of factors will affect the actual commercial service lives of each satellite, including:

- the amount of propellant used in maintaining the satellite's orbital location or relocating the satellite to a new orbital location (and, for a newly-launched satellite, the amount of propellant used during orbit raising following launch);
- the durability and quality of its construction;
- the performance of its components;
- hazards and conditions in space such as solar flares and space debris;
- operational considerations, including operational failures and other anomalies; and
- changes in technology which may make all or a portion of our satellite fleet obsolete.

It is possible that the actual orbital lives of one or more of our existing satellites may be shorter than originally anticipated. Further, it is also possible that the total available payload capacity of a satellite may need to be reduced prior to the satellite reaching its end-of-orbital life. We periodically review the expected orbital life of each of our satellites using current engineering data. A reduction in the orbital life of any of our satellites could result in a reduction of revenue, the recognition of an impairment loss and an acceleration of capital expenditures. The potential impact on our revenue from a reduction in the orbital life of one or more satellites may vary depending on the satellite's orbital location as well as the type of device and service a customer is using.

Our satellites may collide are exposed to a wide and unique range of risks, including collisions with space debris, natural disasters and other extreme space weather events, all of which could adversely affect the performance of our constellation.

Our ability to maneuver our satellites to avoid potential collisions with space debris is limited by, among other factors, uncertainties and inaccuracies in the projected orbit location of, and predicted conjunctions with, debris objects tracked and cataloged by the U.S. government. Some space debris is too small to be tracked, and therefore its orbital location is completely unknown. Debris that cannot be tracked is still large enough to potentially cause severe damage to or failure of one of our satellites should a collision occur. If our constellation experiences satellite collisions with space debris, our service could be impaired. Any such collision could potentially expose us to significant losses.

A natural disaster could diminish our ability to provide communications service.

Natural disasters, including collateral effects, could damage or destroy our ground stations and disrupt service to our customers. In addition, space weather, including coronal mass ejections and solar flares have the collateral effects of disasters such as flooding may impair, damage or destroy our ground equipment, potential to impact the performance. If we experience operational disruptions with respect to a natural disaster were to impair, damage or destroy any of our ground facilities, space weather event, we may be rendered unable to provide service to our customers in the affected area, either temporarily or indefinitely. Even if our gateways are not affected by natural disasters, our service could be disrupted if a natural disaster damages the public switch telephone network, terrestrial wireless networks or our ability to connect to the public switch telephone network or terrestrial wireless networks. Additionally, there are inherent dangers and risk associated with our satellite operations, including the risk of increased radiation. Any such failures or service disruptions could harm our business and results of operations.

The implementation of our business plan and our ability to generate income from operations assume we are able to maintain a healthy constellation and ground network capable of providing commercially acceptable levels of coverage and service quality, which are contingent on a number of factors.

Our products and services are subject to the risks inherent in relying on a large-scale, complex telecommunications system employing advanced technology. Any disruption to our satellites, services, information systems or telecommunications infrastructure could result in degrading or disrupting services to our customers for an indeterminate period of time.

Satellites utilize highly complex technology and operate in the harsh environment of space and therefore are subject to significant operational risks while in orbit. Our satellites may experience temporary outages or otherwise may not be fully functioning at any given time. There are some remote tools we use to remedy certain types of problems affecting the performance of our satellites, but the physical repair of satellites in space is not feasible. We do not insure our satellites against in-orbit failures after an initial period of six months, whether the failures are caused by internal or external factors. In-orbit failure may result from various causes, including component failure, solar array failures, telemetry transmitter failures, loss of power or fuel, inability to control positioning of the satellite, solar or other astronomical events, including solar radiation and flares, and collision with space debris or other satellites. These failures are commonly referred to as anomalies. Some of our satellites have had malfunctions and other anomalies in the past and may have anomalies in the future. Anomalies may occur, for reasons described above or arising from the failure of other systems or components, and intrasatellite redundancy may not be available upon the occurrence of such anomalies. There can be no assurance that, in these cases, it will be possible to restore normal operations. Where service cannot be restored, the failure could cause the satellite to have less capacity available for service, to suffer performance degradation or to cease operating prematurely, either in whole or in part. We cannot guarantee that we could successfully develop and implement a solution if one of these anomalies occurs.

In addition, satellites are particularly vulnerable to loss and malfunction at the time they are launched and deployed into orbit, and some of our competitors have experienced catastrophic losses of substantial numbers of satellites in connection with launch and deployment. While we typically obtain launch insurance to mitigate the risk of such a loss, such insurance would not cover all our economic losses if we experienced such an event, and there would be a substantial delay before we could obtain satellites to replace the ones we lost. Accordingly, a loss of a significant number of our new satellites at launch or deployment could adversely affect our ability to continue to provide our existing satellite services and may cause us to lose opportunities to use our constellation to provide new services. Additionally, human operators may execute improper implementation commands that may negatively impact a satellite's performance.

If a satellite fails prior to the end of its estimated useful life, we would record an impairment charge in our statement of operations to reduce the remaining net book value of that satellite to zero; any such impairment charges could depress our net income (or increase our net loss) for the period in which the failure occurs.

The implementation of our business plan depends on increased demand for wireless communications services via satellite (including IoT applications) and via terrestrial mobile broadband networks, both for our existing services and products and for new services and products.

We plan to introduce new products and services that work over our network as well as terrestrial mobile broadband services. However, demand for wireless communication services may not grow, or may decrease, either generally or in particular geographic markets, for particular types of services or during particular time periods. A lack of demand

could impair our ability to sell our services, could exert downward pressure on prices, or both. This, in turn, could decrease our revenue and profitability and adversely affect our ability to increase our revenue and profitability over time.

The success of our business plan will depend on a number of factors, including but not limited to:

- our ability to maintain the health, capacity and control of our satellites;
- our ability to maintain the health of our ground network;
- our ability to influence the level of market acceptance and demand for our products and services;
- our ability to introduce new products and services that meet this market demand;
- our ability to retain current customers and obtain new customers;
- our ability to obtain additional business using our existing and future spectrum authority both in the United States and internationally;
- our ability to control the costs of developing an integrated network providing related products and services, as well as our future terrestrial mobile broadband services;
- our ability to market successfully our products and services;
- our ability to develop and deploy innovative network management techniques to permit mobile devices to transition between satellite and terrestrial modes;
- the cost and availability of user equipment that operates on our network;
- the effectiveness of our competitors in developing and offering similar products and services;
- our ability to successfully predict market trends;
- our ability to hire and retain qualified executives, managers and employees;
- our ability to provide attractive service offerings at competitive prices to our target markets; and
- our ability to raise additional capital on acceptable terms when required.

Our business will be negatively impacted if we fail to adequately anticipate our satellite capacity needs or are unable to obtain satellite capacity.

In February 2022, we entered into a satellite procurement agreement with MDA pursuant to which we expect to acquire at least 17 satellites that will replenish our existing constellation and provide long-term continuity of our mobile satellite services. We are acquiring the satellites to provide continuous satellite services and meet our obligations under the Service Agreements, as well as to provide services to our current and future customers. We may not have sufficient satellite capacity available to meet increases in demand, and we may not be able to quickly or easily adjust our capacity to such changes in demand. In addition, satellites represent a significant capital expenditure. Our business could be adversely affected if we are not able to anticipate or adapt to consumer demands for satellite capacity.

Rapid and significant technological changes in the satellite communications industry may impair our competitive position and require us to make significant capital expenditures, which may require additional capital that has not been arranged.

The space and communications industries are subject to rapid advances and innovations in technology. New technology could render our system obsolete or less competitive by satisfying consumer demand in more attractive ways or through the introduction of incompatible standards. Particular technological developments that could adversely affect us include the deployment by our competitors of new satellites with greater power, flexibility, efficiency or capabilities, as well as continuing improvements in terrestrial wireless technologies. We must continue to keep up with technological changes and remain competitive. Customer acceptance of the services and products that we offer will continually be affected by the technology in our product and service offerings relative to competitive offerings. New technologies may be protected by patents and therefore may not be available to us. We expect to face competition from companies using new technologies and new satellite systems.

The hardware and software we utilize in operating our first-generation gateways were designed and manufactured over 20 years ago and portions have deteriorated. This original equipment may become less reliable as it ages and will be more difficult and expensive to service. It may be difficult or impossible to obtain all necessary replacement parts for the hardware before the new equipment and software is fully deployed. Some of the hardware and software we use in operating our gateways are significantly customized and tailored to meet our requirements and specifications and could be difficult and expensive to service, upgrade or replace. Although we maintain inventories of some spare parts, it nonetheless may be difficult, expensive or impossible to obtain replacement parts for our hardware due to a limited number of parts being manufactured to our requirements and specifications. In addition, our business plan contemplates updating or replacing some of the hardware and software in our network as technology advances, but the complexity of our requirements and specifications may present us with technical and operational challenges that complicate or otherwise make it expensive or infeasible to carry out such upgrades and replacements. If we are not able to suitably service, upgrade or replace our equipment, it could harm our ability to provide our services and generate revenue.

We face intense competition in all of our markets, which could result in a loss of customers, lower revenues and difficulty entering new markets.

Satellite-based Competitors

There are currently at least four other MSS operators providing services similar to ours on a global or regional basis: Iridium, Thuraya, Inmarsat Viasat (though its acquisition of Inmarsat) and ORBCOMM Inc. Recently, the FCC partially approved SpaceX's application to launch a portion of its satellite constellation. The provision of satellite-based products and services is subject to downward price pressure when the capacity exceeds demand or as new competitors enter the marketplace with competitive pricing strategies. We also face competition with respect to network coverage and market share in specialized industries, such as maritime and governmental.

Other providers of satellite-based products could introduce their own products similar to our SPOT, Commercial IoT or Duplex products, which may materially adversely affect our business plan and sales volume. In addition, we may face competition from new competitors or new technologies. Many companies target the same customers, and we may not be able to successfully retain our existing customers or attract new customers. As a result, we may not grow our customer base and revenue.

Additionally, in connection with the Service Agreements, our direct to device service also faces competition from other satellite service providers that are expected to provide similar satellite services. For instance, SpaceX has launched its Starlink constellation and has plans to competitive smartphone devices. enter the direct-to-cellular market through a series of partnerships. Other satellite providers are in the process of establishing partnerships and network capabilities to offer additional service alternatives.

Terrestrial Competitors

In addition to our satellite-based competitors, terrestrial wireless voice and data service providers are continuing to expand into rural and remote areas, particularly in less developed countries. They provide the same general types of services and products that we provide through our satellite-based system. Many of these companies have greater resources, more name recognition and newer technologies than we do. Industry consolidation could adversely affect us by increasing the scale or scope of our competitors and thereby making it more difficult for us to compete. We could lose market share and revenue as a result of increasing competition from land-based communication service providers.

Although satellite communications services and ground-based communications services are not identical, the two compete in similar markets with similar services. Consumers may perceive cellular voice communication products and services as cheaper and more convenient than satellite-based products and services.

Terrestrial Broadband Network Competitors

We also expect to compete with a number of other satellite companies that plan to develop terrestrial networks that utilize their MSS spectrum. DISH Network received FCC approval to offer terrestrial wireless services over the MSS spectrum that previously belonged to TerreStar and ICO Global. Furthermore, Ligado Networks (formerly LightSquared) also has received FCC approval certain approvals relating to the build out of its wireless network utilizing its MSS spectrum. Any of these competitors could deploy terrestrial mobile broadband networks before we do, could combine with existing terrestrial networks that provide them with greater financial or operational flexibility than we have or could offer wireless services, including mobile broadband services, that customers prefer over ours.

Other Spectrum Owners

In the United States, our terrestrial spectrum efforts will compete with other terrestrial spectrum holders including Anterix, Nextwave and holders to CBRS licenses. The government may also unlock new spectrum bands.

We could fail to achieve the strategic objectives of the XCOM transaction, and our new Chief Executive Officer may not succeed, which could negatively impact our business and results of operations.

In August 2023, we entered into an Intellectual Property License Agreement with XCOM pursuant to which we acquired a license to use certain intellectual property assets of XCOM. In connection with the transaction, we appointed Dr. Paul E. Jacobs, founder of XCOM, as our Chief Executive Officer. The XCOM transaction may not advance our business strategy in the way we intend, which could harm our growth or profitability. In addition, we may not realize the expected benefits or synergies from the XCOM transaction or realize a satisfactory return on our investment in the XCOM assets or increase our revenue. These risks may be exacerbated because we have a new Chief Executive Officer. Our new Chief Executive Officer may not succeed at working with the current management team, growing revenue, or implementing a successful business plan. All of the foregoing could negatively impact our results of operations and financial condition.

Uncertain global macro-economic and political conditions could materially adversely affect our results of operations and financial condition.

Our results of operations are materially affected by economic and political conditions in the United States and internationally, including inflation, deflation, interest rates, recession, availability of capital, energy and commodity prices, trade laws and the effects of governmental initiatives to manage economic conditions. Current or potential customers may delay or decrease spending on our products and services as their business and/or budgets are impacted by economic conditions. The inability of current and potential customers to pay us for our products and services may adversely affect our earnings and cash flows. In addition, deterioration of conditions in worldwide credit markets could limit our ability to obtain financing to fund our operations and capital expenditures.

The current invasion of conflicts in Ukraine by Russia has escalated tensions among the United States, the North Atlantic Treaty Organization ("NATO") and Russia. The United States and other NATO member states, as well as non-member states, have announced new sanctions against Russia and certain Russian banks, enterprises and individuals. These Gaza, and any future additional sanctions and any resulting conflict between Russia, the United States and NATO countries imposed as a result, could have an adverse impact on our current operations.

Further, such invasion, ongoing military conflict, resulting sanctions and related countermeasures by NATO states, the United States and other countries conflicts are likely to lead to market disruptions, including significant volatility in commodity prices, credit and capital markets, as well as supply chain interruptions for equipment, which could have an adverse impact on our operations and financial performance.

Volatility in the financial markets may impede our ability to access capital markets and may adversely affect our financial condition.

Our Service Agreements with Partner require us to raise additional financing, such as to refinance our 2019 Facility Agreement. Turmoil in the capital markets, including the tightening of credit and increased interest rates, have impacted, and may continue to impact in the future, our ability to raise financing on terms and at a cost favorable to the Company. We are, and may be again in the future, required to raise capital during a weak economy, and have little flexibility to wait for more favorable terms or economic conditions. We are likely to face higher borrowing costs, less available capital, more stringent terms and tighter covenants. Such unfavorable market conditions could have an adverse impact on our ability to fund our operations and capital expenditures in the future, including our obligations under the Service Agreements and the satellite procurement agreement with MDA. Any adverse change in the terms of our financing, including increased costs, could have a negative impact on our financial condition.

Lack of availability of components from the electronics industry, required in our retail products, gateways and satellites could delay or adversely impact our operations.

We rely upon the availability of components, materials and component parts from the electronics industry. The electronics industry is subject to occasional shortages in parts availability depending on fluctuations in supply and demand. Industry shortages may result in delayed shipments of materials or increased prices, or both. As a consequence, elements of our operation which use electronic parts, such as our retail products, gateways and satellites, could be subject to disruptions, cost increases or both. Recent disruptions in the global supply chain have limited our ability to procure component parts timely and at reasonable prices. During 2022 and at times in 2023, supply chain disruptions and production issues negatively impacted our ability to sell our most popular SPOT and Commercial IoT products. We continue to fulfill customer orders, including the sell-through of safety stock, and maintain adequate margins on subscriber equipment sales as well as maintain our gateways; however the continued The future impact of global component part shortages is unknown and may continue to adversely impact our business, financial condition and results of operations.

Our business is capital intensive. We may not be able to raise adequate capital on reasonable terms to finance our business strategies, or we may be able to do so only on terms that significantly restrict our ability to operate our business.

Implementation of our longer-term business strategy requires a substantial outlay of capital. As we pursue business strategies and seek to respond to developments in our business and opportunities and trends in our industry, our actual capital expenditures may differ from our expected capital expenditures. There can be no assurance that we will be able to satisfy our capital requirements in the future. In addition, if one of our satellites failed unexpectedly, there can be no assurance of insurance recovery for our losses or the timing thereof, and we may need to obtain additional financing to replace the satellite. **When**

To the extent we determine we need are required to obtain raise additional funds through external financing, turmoil in the capital markets, including the tightening of credit and are unable increased interest rates, may impact our ability to do so raise financing on terms and conditions we determine at a cost favorable to us or at all, we the Company. We may be prevented from fully implementing required to raise capital during a weak economy, and have little flexibility to wait for more favorable terms or economic conditions. We are likely to face higher borrowing costs, less available capital, more stringent terms and tighter covenants. Such unfavorable market conditions could have an adverse impact on our business strategy, ability to fund our operations and capital expenditures in the future. Any adverse change in the terms of our financing, including increased costs, could have a negative impact on our financial condition.

If we do not develop, acquire, maintain and maintain protect proprietary information and intellectual property rights, it could limit the growth of our business and reduce our market share.

Our business depends on technical knowledge, and we base our business plan in part on our ability to keep up with new technological developments and incorporate them in our products and services. We own or have the right to use our patents, work products, inventions, designs, software, systems and similar know-how. Our proprietary information may be disclosed to others, or others may independently develop similar information, systems and know-how.

Our success depends, in part, on our ability to protect our proprietary intellectual property rights, including certain methodologies, practices, tools, technologies and technical expertise we utilize in designing, developing, implementing and maintaining our technologies. The steps we take to protect our intellectual property may be inadequate, and we may choose not to pursue or maintain protection for our intellectual property. We will not be able to protect our intellectual property if we are unable to enforce our rights or if we do not detect unauthorized use of our intellectual property. Despite our precautions, it may be possible for unauthorized third parties to copy our technology and use information that we regard as proprietary to create technology that competes with ours.

Protection of our information, systems and know-how may result in litigation, the cost of which could be substantial. Third parties may assert claims that our products or services infringe on their proprietary rights. Any such claims, if made, may prevent or limit our sales of products or services or increase our costs. Defending intellectual property suits is both costly and time-consuming and, even if ultimately successful, may divert management's attention from other business concerns. An adverse determination in litigation to which we may become a party could, among other things:

- subject us to significant liabilities to third parties, including treble damages;
- require disputed rights to be licensed from a third party for royalties that may be substantial;
- require us to cease using technology that is important to our business; or
- prohibit us from selling some or all of our products or offering some or all of our services.

We face special risks by doing business in international markets and developing markets, including currency and expropriation risks, which could increase our costs or reduce our revenues in these areas.

Although our most economically important geographic markets currently are the United States and Canada, we have substantial markets for our mobile satellite services in, and our business plan includes, developing countries or regions that are underserved by existing telecommunications systems, such as rural Brazil **Central America, Argentina** and Africa. Developing countries are more likely than industrialized countries to experience market, currency and interest rate fluctuations and high inflation. In addition, these countries present risks relating to government policy, price, wage and exchange controls, social instability, expropriation and other adverse economic, political and diplomatic conditions.

Conducting operations outside the United States involves numerous special risks and expanding our international operations would increase these risks. These risks include, but are not limited to:

- difficulties in penetrating new markets due to established and entrenched competitors;
- difficulties in developing products and services that are tailored to the needs of local customers;
- lack of local acceptance or knowledge of our products and services;
- unavailability of or difficulties in establishing relationships with distributors;
- significant investments, including the development and deployment of gateways in countries that require them to connect the traffic coming to and from their territory;
- instability of international economies and governments;
- changes in laws and policies affecting trade and investment in other jurisdictions;
- noncompliance with the Foreign Corrupt Practices Act ("FCPA"), UK Bribery Act, sanctions laws and export controls;
- **violation by employees or suppliers in regards to our code of conduct and business ethics;**
- **exposure to varying legal standards in other jurisdictions, including intellectual property protection and other similar laws and regulations;**
- difficulties in obtaining required regulatory authorizations;
- difficulties in enforcing legal rights in other jurisdictions;

- variations in local domestic ownership requirements;
- requirements that operational activities be performed in-country;
- changing and conflicting national and local regulatory requirements; and
- uncertainty in foreign currency exchange rates and exchange controls.

These risks could affect our ability to compete successfully and expand internationally. To the extent that the prices for our products and services are denominated in U.S. dollars, any appreciation of the U.S. dollar against other currencies will increase the cost of our products and services to our international customers and, as a result, may reduce the competitiveness of our international offerings and make it more difficult for us to grow internationally. Limited availability of U.S. currency in some local markets or governmental controls on the export of currency may prevent our customers from making payments in U.S. dollars or delay the availability of payment due to foreign bank currency processing and controls.

Our operations involve transactions in a variety of currencies. Sales denominated in foreign currencies involve primarily the Canadian dollar, the euro and the Brazilian real. Accordingly, our operating results may be significantly affected by fluctuations in the exchange rates for these currencies. Approximately 27% 20% and 31% 27% of our total revenue was to customers primarily located in Canada, Europe, Central America, and South America during 2022 2023 and 2021, 2022, respectively. Our results of operations for 2022 2023 and 2021 2022 included net losses gains of approximately \$6.6 million \$4.9 million and net losses of \$6.3 million \$6.6 million, respectively, on foreign currency transactions. We may be unable to offset unfavorable currency movements as they adversely affect our revenue and expenses. Our inability to do so could have a substantial negative impact on our operating results and cash flows.

Our global operations expose us to trade and economic sanctions, other restrictions, liabilities and exposure to penalties imposed by the United States, the European Union and other governments and organizations.

The U.S. Departments of Justice, Commerce, State and Treasury and other federal agencies and authorities have a broad range of civil and criminal penalties they may seek to impose against corporations and individuals for violations of economic sanctions laws, export control laws, FCPA and other federal statutes and regulations, including those established by the Office of Foreign Assets Control ("OFAC"). Under these laws and regulations, as well as other anti-corruption laws, anti-money-laundering laws, export control laws, customs laws, sanctions laws and other laws governing our operations, various government agencies require export licenses. They may seek to impose modifications to business practices, including cessation of business activities in sanctioned countries or with sanctioned persons or entities and modifications to compliance programs, which may increase compliance costs, and may subject us to fines, penalties and other sanctions. A violation of these laws or regulations could adversely impact our business, results of operations and financial condition.

Although we have implemented policies and procedures in these areas, we cannot assure you that our policies and procedures are sufficient or that directors, officers, employees, representatives, distributors, consultants, other partners, vendors, customers or subscribers have not engaged and will not engage in conduct for which we may be held responsible. We cannot assure you that our business partners have not engaged and will not engage in conduct that could materially affect their ability to perform their contractual obligations to us or result in us being held liable for such conduct. Violations of the FCPA, OFAC restrictions or other export control, anti-corruption, anti-money-laundering and anti-terrorism laws or regulations may result in severe criminal or civil sanctions, and we may be subject to other liabilities, which could have a material adverse effect on our business, financial condition, cash flows and results of operations.

Our indebtedness may adversely affect our cash flow and our ability to operate our business, including our ability to incur additional indebtedness.

Our On a near-term and longer-term basis, principal near-term liquidity requirements include primarily funding our operating costs, capital expenditures, and financing obligations, including repayment of amounts being financed through MDA, and future amounts expected to be incurred, scheduled recoupments under the satellite procurement agreement; repayment of the remaining principal balance due under the 2019 Facility Agreement; and our Funding Agreements, interest on our 2023 13% Notes (as defined below), and dividends due on any debt or our perpetual preferred equity instruments outstanding. stock. Our principal sources of liquidity during 2022 included include cash on hand (\$32.1 million), 56.7 million at December 31, 2023), cash flows from operations and vendor financing. Our principal sources of liquidity over proceeds from the next twelve months are expected to include cash on hand, cash flows from operations, prepayments funding agreement under the Service Agreements (discussed in Recent Developments below) and funds from a debt or equity financing that has not yet been arranged.

Our operating expenses for the twelve-month period ended December 31, 2022 were \$369.5 million, which included nonrecurring, noncash impairment charges of \$175.1 million as well as noncash depreciation, amortization and accretion of \$93.9 million.

Agreements. Another source of liquidity may include proceeds from the exercise of warrants under the Service Agreements. We also expect sources Agreements and the guaranty agreement with Thermo.

Our operating expenses for the year ended December 31, 2023 were \$224.0 million, which included noncash items such as stock-based compensation of liquidity to include funds from other debt or equity financings that have not yet been arranged; we are \$22.5 million and depreciation, amortization and accretion of \$88.2 million.

actively pursuing a new financing arrangement to refinance amounts due under the 2019 Facility Agreement.

On a longer-term basis, our liquidity requirements also include debt service obligations. We cannot provide assurance that we will not experience a liquidity shortfall in the short or long-term.

As of December 31, 2022 December 31, 2023, the principal balance of our debt obligations was \$203.0 million \$398.7 million, consisting of \$143.2 million \$117.3 million under the 2019 Facility 2023 Funding Agreement, \$75.5 million under the 2021 Funding Agreement and \$59.8 million under our vendor financing arrangement. In February 2023, we executed a prepayment agreement \$206.0 million under the Service Agreements, whereby Partner is obligated, subject 2023 13% Notes.

Refer to certain conditions, to fund an amount up to approximately \$252.0 million (to be adjusted as required), which is required to be recouped by Globalstar beginning at the earlier Part II, Item 7. Management's Discussion and Analysis of phase two service launch or the third quarter Financial Condition and Results of 2025. Operations – Liquidity and Capital Resources below for further discussion.

Our indebtedness could restrict us from making strategic acquisitions by limiting our ability to obtain additional financing for working capital, capital expenditures, product development, debt service requirements, acquisitions and general corporate purposes. Our indebtedness could restrict us from paying dividends to our common shareholders. It

could limit our flexibility in planning for, or reacting to, changes in our business or industry, placing us at a competitive disadvantage compared to competitors who are not as highly leveraged as us and who, therefore, may be able to take advantage of opportunities that our leverage prevents us from exploiting. Additionally, even though our current debt agreements place limits on our ability to incur additional debt, in the future we may incur additional debt which could further exacerbate these risks.

We may also access equity and debt capital markets from time to time or refinance our debt obligations with the intent to improve the terms of our indebtedness; the availability of such financing may be unavailable on terms and conditions we determine favorable to us or at all.

Restrictive covenants in our 2019 Facility Agreement and Service Agreements financing arrangements may limit our operating and financial flexibility and our inability to comply with these covenants could have significant implications.

Our 2019 Facility Agreement Funding Agreements and prepayment agreement associated with the Service Agreements 2023 13% Notes contain a number of significant restrictions and covenants. See Note 6: Long-Term Debt and Other Financing Arrangements in our Consolidated Financial Statements in Part II, Item 8 of this Report for further discussion of our debt covenants. Complying with these restrictive covenants, including financial and non-financial covenants, as well as those that may be contained in any agreements governing future indebtedness, may impair our ability to finance our operations or capital needs or to take advantage of favorable business opportunities. Our 2019 Facility Agreement includes a limitation financing arrangements include limitations on expenditures in connection with spectrum rights, the incurrence of certain operating expenses and capital expenditures, which may prohibit us from making certain expenditures that we consider accretive to our business and would otherwise make. Our ability to comply with these covenants will depend on our future performance, which may be affected by events beyond our control. We have received waivers from our lenders in the past; however, we may not be successful in obtaining waivers from the remaining lender in the future, which may result in noncompliance with restrictions and covenants. Our failure to comply with these covenants would be an event of default. An event of default under the 2019 Facility Agreement or the Service Agreements financing arrangements would permit the lender to accelerate the indebtedness under these agreements. That acceleration would permit holders of our obligations under other agreements that contain cross-acceleration provisions to accelerate our obligations to them. See Part II, Item 7. Management's Discussion and Analysis of Financial Condition and Results of Operations – Liquidity and Capital Resources of this Report for further discussion.

Our networks and those of our third-party service providers and customers may be vulnerable to unauthorized or unlawful access, access, including cyber-attacks and other security breaches, that could have significant negative consequences. Our use of personal information could give rise to costs and liabilities arising from developing data privacy laws.

Our business depends on our ability to limit and mitigate interruptions to or degradation of the security of our network. Our network and those of our third-party service providers and our customers may be vulnerable to unauthorized access, attacks, computer viruses, cyber-attacks, malware, data breaches, distributed denial of services and other security problems, breaches. Persons who circumvent security measures could wrongfully obtain or use information from such networks or cause interruptions, delays or malfunctions in our operations. An attack on, or security breach of our network could result in theft of trade secrets, intellectual property, or other company confidential information, the interruption, degradation, or cessation of services, an inability to meet our service requirements under the Service Agreements, and potentially compromise customer data breach stored on or transmitted over our network. We cannot guarantee that our security measures will not be circumvented, thereby resulting in security events, network disruption failures or interruptions that could harm impact our reputation, cause demand for our products network security or availability and services to fall or compromise our ability to pursue have a material adverse effect on our business, plans, financial condition and operational results. A number of significant, widespread security breaches have compromised companies and governmental agencies. In some cases, these breaches originated from outside the United States. We may be required to expend significant resources to protect against the threat of security breaches or to alleviate problems, including reputational harm and litigation, caused by any breaches, breaches, and we may experience a reduction in revenues, litigation and a diminution of goodwill, caused by a compromise of our cybersecurity. In addition, our customer contracts may not adequately protect us against liability to third parties with whom our customers conduct business. We cannot assure you that any measures we implement to protect against breaches will provide security, that we will be able to react in a timely manner, or that our remediation efforts following any attacks will be successful.

We collect and store data, including our customers' personal information. In jurisdictions around the world, personal information is increasingly becoming the subject of extensive legislation and regulations to protect consumers' privacy and security, such as the EU's General Data Protection Regulation that became effective in 2018. The interpretation of privacy and data protection laws and regulations regarding the collection, storage, transmission, use and disclosure of such information in some jurisdictions is unclear and ever evolving. These laws may be interpreted and applied differently from country to country and in a manner that is not consistent with presents a challenge to our current data protection practices. Complying with these varying international requirements could cause us to incur additional costs or change our business practices. Our services are accessible in many foreign jurisdictions, and some of these jurisdictions may claim that we are required to comply with their laws, even where we have no local entity, employees or infrastructure. We could be forced to incur significant expenses if we were required to modify our products, services or existing security and privacy procedures in order to comply with new or expanded regulations across numerous jurisdictions. In addition, we could face liability to end users alleging that their personal information is not collected, stored, transmitted, used or disclosed appropriately or in accordance with our privacy policies or applicable laws, including claims and litigation resulting from such allegations. Any failure on our part to protect information pursuant to applicable regulations could result in a loss of user confidence, reputation and customers, which could materially impact our results of operations and cash flows.

Due to fluctuations in the insurance market, we may be unable to obtain and maintain our insurance coverages, and the insurance we obtain may not cover all risks we undertake. As a result, we may incur material uninsured or under-insured losses.

The price, terms and availability of insurance have fluctuated significantly since we began offering commercial satellite services. The cost of obtaining insurance can vary as a result of either satellite failures or general conditions in the insurance industry. Rising premiums on insurance policies could increase our costs. In addition to higher premiums, insurance policies may provide for higher deductibles, shorter coverage periods and additional policy exclusions. Our insurance could become more expensive and difficult to maintain and may not be available in the future on commercially reasonable terms, if at all. Our failure to maintain sufficient insurance could also create an event of default under our debt agreements. Our insurance may not adequately cover losses incurred arising from claims brought against us or otherwise, which could be material.

Product Liability Insurance and Product Replacement or Recall Costs

We may be subject to product liability and product recall claims if any of our products and services are alleged to have caused injury to persons or damage to property. If any of our products prove to be defective, we may need to recall and redesign them. In addition, any claim or product recall that results in significant adverse publicity may negatively affect our business, financial condition or results of operations. We do not maintain any product recall insurance, so any product recall we are required to initiate could have a significant impact on our financial position, results of operations or cash flows. We investigate potential quality issues as part of our ongoing effort to deliver quality products to our customers.

Because consumers may use SPOT products and services in isolated or dangerous locations, users of our devices who suffer injury or death may seek to assert claims against us alleging failure of the device to facilitate timely emergency response. We cannot assure investors that any legal disclaimers will be effective or insurance coverage will be sufficient to protect us from material losses.

General Liability Insurance In-Orbit Exposures

Our liability policy, covers amounts up to €70 million per occurrence (with a €70 million annual limit) that we and other specified parties may become liable to pay for bodily injury and property damages to third parties related to processing, maintaining and operating our satellite constellation. Our current policy has a one-year term, which expires in October 2023, 2024. Our current in-orbit liability insurance policy contains, and we expect any future policies would likewise contain, specified exclusions and material change limitations customary in the industry. These exclusions may relate to, among other things, losses resulting from in-orbit collisions, acts of war, insurrection, terrorism or military action, government confiscation, strikes, riots, civil commotions, labor disturbances, sabotage, unauthorized use of the satellites and nuclear or radioactive contamination, as well as claims directly or indirectly occasioned as a result of noise, pollution, electrical and electromagnetic interference or interference with the use of property.

Our in-orbit insurance does not cover losses that might arise as a result of a satellite failure, other operational problems affecting our constellation, or damage resulting from de-orbiting a satellite. As a result, a failure of one or more of our satellites or the occurrence of equipment failures, collision damage, or other related problems that may result during the de-orbiting process could constitute an uninsured loss and could materially harm our financial condition.

The effect of an epidemic or pandemic, such as the COVID-19 pandemic, could have an adverse impact on our operations and the operations of our customers and may have a material adverse impact on our financial condition and results of operations.

An epidemic or pandemic could significantly disrupt our operations, including, but not limited to, our workforce, supply chain, regulatory processes and market demand of our products. An epidemic or pandemic could also significantly impact our customers, including their demand for and ability to pay for our services and equipment. **The extent to which COVID-19 could continue to impact our operations and financial condition will depend on future developments that are highly uncertain and cannot be predicted.**

We operate in many tax jurisdictions, and changes in tax rates or adverse results of tax examinations could materially increase our costs.

We operate in various U.S. and foreign tax jurisdictions. The process of determining our anticipated tax liabilities involves many calculations and estimates which are inherently complex. Our tax obligations are subject to review and possible challenge by the taxing authorities of these jurisdictions, such as the ongoing income tax return audit audits being conducted by the Canada Revenue Agency of our Canadian subsidiary. If taxing authorities were to successfully challenge our current tax positions, or if we changed the manner in which we conduct certain activities, we could become subject to material, unanticipated tax liabilities. We may also become subject to additional tax liabilities as a result of changes to tax laws in any of our applicable tax jurisdictions, which in certain circumstances could have a retroactive effect.

We are exposed to trade credit risk in the ordinary course of our business activities.

We are exposed to risk of loss in the event of nonperformance by our customers of their obligations to us. Some of our customers may be highly leveraged or subject to their own operating and regulatory risks. Many of our customers finance their activities through cash flows from operations, the incurrence of debt or the issuance of equity. From time to time, credit is less available and/or available on more restrictive terms. The combination of reduction of cash flow resulting from declines in commodity prices and the lack of availability of debt or equity financing may result in a significant reduction in our customers' liquidity and ability to make payments or perform on their obligations to us. Even if our credit review and analysis mechanisms work properly, we may experience financial losses in our dealings with other parties. Any increase in the nonpayment or nonperformance by our customers could reduce our cash flows.

We have been in the past from time to time, and may be in the future, subject to litigation and investigations that could have a substantial, adverse impact on our business.

From time to time we are subject to litigation, including claims related to our business activities. We have also been in the past, and may be in the future, subject to investigations by regulators and governmental agencies, including the United States Department of the Treasury's Office of Foreign Assets Control, the United States Department of Commerce, Bureau of Industry and Security and the United States Immigration and Customs Enforcement. Irrespective of their merits, litigation and investigations may be both lengthy and disruptive to our operations and could cause significant expenditure and diversion of management attention. At this time, we are not aware of any pending litigation, investigation, dispute or claim that could have a material adverse effect on our financial condition, results of operations or liquidity. However, we may be wrong in this assessment. Additionally, in the future we may become subject to additional litigation that could have a material adverse effect on our financial position and operating results, on the trading price of our securities and on our ability to access the capital markets.

Wireless devices' radio frequency emissions are the subject of regulation and litigation concerning their environmental effects, which includes alleged health and safety risks. As a result, we may be subject to new regulations, demand for our services may decrease, and we could face liability based on alleged health risks.

There has been adverse publicity concerning alleged health risks associated with radio frequency transmissions from portable hand-held telephones and other telecommunications devices that have transmitting antennas. Lawsuits have been filed against participants in the wireless communications industry alleging a number of adverse health consequences as a result of wireless phone usage. Other claims allege consumer harm from failures to disclose information about radio frequency emissions or aspects of the regulatory regimes governing those emissions. Although we have not been party to any such lawsuits, we may be exposed to such litigation in the future. Courts or governmental agencies could determine that we do not comply with applicable standards for radio frequency emissions and power or that there is valid scientific evidence that use of our devices poses a health risk. Any such finding could reduce our revenue and profitability and expose us and other communications service providers or device sellers to litigation, which, even if frivolous or unsuccessful, could be costly to defend.

Furthermore, any actual or perceived risk from radio frequency emissions could reduce the number of our subscribers and demand for our products and services.

Risks Related to Government Regulations

Our business is subject to extensive government regulation that will impact our future success.

Our MSS system is subject to significant regulation by the FCC in the United States, by the ARCEP and ANFR in France and in other foreign jurisdictions where we do business by similar authorities. Additionally, the availability of globally harmonized spectrum on which our MSS system depends is managed by the ITU, ITU and, to a certain

extent, sovereign nations. The rules and regulations of these regulatory authorities are subject to change and may not continue to permit our operations as currently conducted or as we plan to conduct them. Further, certain regulatory authorities may decide to allow additional uses within our ITU-allocation of spectrum that may be incompatible with our continued provision of MSS.

Failure to operate our satellites, ground stations, mobile earth terminals or other facilities as required by our licenses and applicable government regulations could result in the imposition of government sanctions against us, up to and including cancellation of our licenses.

Our system requires regulatory authorization in each of the jurisdictions in which we provide service. We may not be able to obtain or retain all regulatory approvals needed for operations. Regulatory changes, such as those resulting from judicial decisions or adoption of treaties, legislation or regulation in countries where we operate or intend to operate, may also significantly affect our business.

Our operations are subject to certain regulations of the United States State Department's Directorate of Defense Trade Controls (the export of satellites and related technical data), United States Treasury Department's Office of Foreign Assets Control (financial transactions and transactions with sanctioned persons or countries) and the United States Commerce Department's Bureau of Industry and Security (export of satellites and related technical data, our gateways and phones) and as well as other similar foreign regulations. These U.S. and foreign obligations and regulations may limit or delay our ability to offer products and services in a particular country. We may be required to provide U.S. and some foreign government law enforcement and security agencies with call interception services and related government assistance, in respect of which we face legal obligations and restrictions in various jurisdictions. These regulations may limit or delay our ability to operate in a particular country or engage in transactions with certain parties and may impose significant compliance costs. As new laws and regulations are issued, we may be required to modify our business plans or operations. If we fail to comply with these regulations in any country, we could be subject to sanctions that could affect, materially and adversely, our ability to operate in that country. Failure to obtain the authorizations necessary to use our assigned radio frequency spectrum and to distribute our products in certain countries could have a material adverse effect on our ability to generate revenue and on our overall competitive position.

Spectrum values historically have been volatile, and may again be volatile in the future, which could cause the value of our business to fluctuate.

Our business plan includes forming strategic partnerships to maximize the use and value of our spectrum, network assets and combined service offerings in the United States and internationally. Value that we may be able to realize from these partnerships may depend in part on the value ascribed to our spectrum. Historically, valuations of spectrum in other frequency bands have been volatile, and we cannot predict the future value that we may be able to realize for our spectrum and other assets. In addition, to the extent that the FCC makes additional spectrum available or promotes the more flexible use or greater availability (e.g., via spectrum leasing or new spectrum sales) of existing satellite or terrestrial spectrum allocations, the availability of such additional spectrum could reduce the value that we are able to realize for our spectrum.

Our business plan to use our licensed MSS spectrum to provide terrestrial wireless services depends upon action by third parties, which we cannot control.

Our business plan includes utilizing our licensed MSS spectrum to provide terrestrial wireless services, including mobile broadband applications, around the world. Our MSS licenses, including our terrestrial authority, are valid through various specified terms, which we will seek to renew. In addition, we will need to comply with certain conditions in order to provide terrestrial broadband service under our MSS licenses, including obtaining FCC certifications for our equipment that will utilize this spectrum authority. We are seeking similar approvals in various foreign **jurisdictions, including applying for licenses and commencing due diligence efforts, jurisdictions.** We cannot guarantee that such efforts will be successful.

We have entered into agreements with multiple third parties to develop an ecosystem of radios and devices using our terrestrially authorized spectrum. These third parties intend to use our terrestrially authorized spectrum to offer wireless services to their respective customers. Our anticipated future revenues and profitability are dependent upon the commercial success of their offerings.

Other future regulatory decisions could reduce our existing spectrum allocation or impose additional spectrum sharing agreements on us, which could adversely affect our services and operations.

The FCC may permit other MSS operators to operate in our frequency bands in the **future, future despite its prior decisions.** To date, there are no other authorized CDMA-based MSS operators. However, the FCC or other regulatory authorities may require us to share spectrum with other systems that are not currently licensed by the United States or any other jurisdiction. From time to time, **Globalstar has we have** faced applications by other operators for access to its licensed spectrum.

We registered our second-generation constellation with the ITU through France rather than the United States. The French radio frequency spectrum regulatory agency, ANFR, submitted the technical papers filing to the ITU on our behalf in July 2009.

As with the first-generation constellation, the ITU requires us to coordinate our spectrum assignments with other administrators and operators that use any portion of our spectrum frequency bands. We are actively engaged in but cannot predict how long the coordination process will take; however, we are able to use the frequencies during the coordination process in accordance with our national licenses.

The FCC and other regulatory jurisdictions internationally are permitting expanded unlicensed use of the 5 GHz band including within our C-band **Forward Link forward link** (earth station to satellite), which operates at 5091-5250 **Mhz MHz** which may have a significant adverse impact on our ability to provide mobile satellite **services. Additionally, the completion of the satellite navigation system in China could cause harmful interference to our existing and future** services.

If the FCC, our French regulator, or any other regulator, revokes, modifies or fails to renew or amend our licenses, our ability to operate may be limited.

We hold FCC licenses for the operation of our satellites, our U.S. gateways and other ground facilities and our mobile earth terminals that are subject to revocation if we fail to satisfy specified conditions or meet prescribed milestones. The FCC licenses are also subject to renewal and modification by the FCC.

We hold licenses issued by, and subject to the continued regulatory jurisdiction of, the French Ministry in charge of Space and the ARCEP, the French independent administrative authority of post and electronic communications regulations, for the operation of our second-generation satellites. These licenses are subject to revocation if we fail to satisfy specified conditions or meet prescribed milestones. These licenses are also subject to modification by the French regulators.

There can be no assurance that the FCC or our French regulators will renew the licenses we hold. If the FCC, the French Ministry, ARCEP or any other regulators revoke, modify or fail to renew or amend the licenses we hold or if we fail to satisfy any of the conditions of our respective licenses, then we may not be able to continue to provide

mobile satellite communications services, which would have a material adverse effect on our business and operations.

Furthermore, if we operate in any country without a valid license, we could face regulatory fines and criminal sanctions. We hold certain licenses in each country where our ground infrastructure is located. If we fail to maintain such licenses within any particular country, we may not be able to continue to operate the ground infrastructure located within that country, which could prevent us from continuing to provide mobile satellite communications services within that region.

Changes in international trade regulations and other risks associated with foreign trade could adversely affect our sourcing from foreign manufacturers.

We source our products from both domestic and foreign contract manufacturers, the largest concentration of which being in China. The adoption of regulations related to the importation of products, including quotas, duties, taxes and other charges or restrictions on imported goods, and changes in U.S. customs procedures could result in an increase in the cost of our products. Recently, For example, during 2018, the U.S. imposed increased tariffs on certain imports from China, including several of our products, resulting in lower gross margin on impacted products. The current tariffs could increase or expand to additional categories of products not currently covered. We cannot predict how any future tariffs or other trade restrictions will impact our business, but further trade restrictions on our products may result in further reductions to gross margin. In response to the current tariffs and other relevant factors, we have commenced the process, together with our contract manufacturer, of moving our manufacturing from their facility located in China to their facility located in Vietnam. This move may subject us to other risks in the manufacturing process.

Additionally, delays in goods clearing customs or the disruption of international transportation lines used by us could result in our inability to deliver goods to customers in a timely manner or the loss of sales altogether. Current or future social and environmental regulations or critical issues, such as those relating to the sourcing of conflict minerals from the Democratic Republic of the Congo or the need to eliminate environmentally sensitive materials from our products, could restrict the supply of components and materials used in production and increase our costs. Any delay or interruption to our manufacturing process or in shipping our products could result in lost revenue, which would adversely affect our business, financial condition or results of operations.

Risks Related to Our Common Stock

Our common stock is traded on the NYSE American but could be delisted in the future, which may impair our ability to raise capital.

Our common stock is listed on the NYSE American under the symbol "GSAT." Broker-dealers may be less willing or able to sell and/or make a market in our common stock if it were delisted, which may make it more difficult for shareholders to dispose of, or to obtain accurate quotations for the price of, our common stock. Removal of our common stock from listing on the NYSE American may also make it more difficult for us to raise capital through the sale of our securities.

Restrictive covenants in our 2019 Facility Agreement and Service Agreements do not allow us financing arrangements restrict our ability to pay dividends on our common stock for the foreseeable future, which may affect the market for our shares.

We do not expect to pay cash dividends on our common stock. Our 2019 Facility Agreement Funding Agreements and Service Agreements 2023 13% Notes currently prohibits the payment of restrict our ability to pay cash dividends on our common stock. During 2022, we issued shares of Series A Preferred Stock. The terms of Series A Preferred Stock provides provide for the payment of cumulative cash dividends at a rate of 7% per annum, subject to certain terms and conditions. If such dividends are not declared by our board of directors, the dividends will accrue and cumulative payment will be made on the next dividend payment date or upon liquidation. The issuance of the Series A Preferred Stock required consent from the remaining lender of our 2019 Facility Agreement.

Any future dividend payments are within the discretion of our board of directors and will depend on, among other things, our results of operations, working capital requirements, capital expenditure requirements, financial condition, contractual restrictions, business opportunities, anticipated cash needs, provisions of applicable law and other factors that our board of directors may deem relevant. We may not generate sufficient cash from operations in the future to pay dividends on our common stock. Our inability to pay dividends may limit the market for our shares.

The market price of our common stock is volatile, and there There is a limited market for our shares. common stock and our stock price may be volatile or may be subject to short selling.

The trading price of our common stock is subject to wide fluctuations. Factors affecting There are a wide variety of factors, many of which are outside of our control, that could affect the trading price of our common stock may include, but are not limited to:

- actual or anticipated variations in our operating results;
- failure in the performance of our current or future satellites;
- changes in financial estimates by research analysts, or any failure by us to meet or exceed any such estimates, or changes in the recommendations of any research analysts that elect to follow our common stock or the common stock of our competitors;
- actual or anticipated changes in economic, political or market conditions, such as recessions or international currency fluctuations;
- actual or anticipated changes in the regulatory environment affecting our industry;
- actual or anticipated changes in the value of terrestrial spectrum;
- actual or anticipated sales of common stock by our controlling stockholder or others;
- changes in the market valuations of our industry peers; and
- announcement by us or our competitors of significant acquisitions, strategic partnerships, divestitures, joint ventures or other strategic initiatives.

stock. The trading price of our common stock may also decline in reaction to events that affect other companies in our industry even if these events do not directly affect us. Our stockholders may be unable to resell their shares of our common stock at or above the initial purchase price. Additionally, because Because we are a controlled company, there is a limited market for our common stock, and we cannot assure our stockholders that a trading market will further develop or persist. In periods of low trading volume, sales of significant amounts of shares of our common stock in the public market could lower the market price of our stock.

For instance, if we effect a reverse stock split, a higher market price of our common stock may help generate greater or broader investor interest; however, we cannot assure you that a reverse stock split will result in a share price that will attract new investors. Additionally, the liquidity of the shares of our common stock may be affected adversely by a reverse stock split given the reduced number of shares that will be outstanding following a reverse stock split, especially if the market price of our common stock does not increase as a result of the reverse stock split.

Additionally, selling short is a technique used by a stockholder to take advantage of an anticipated decline in the price of a security. A significant number of short sales or a large volume of other sales within a relatively short period of time can create downward pressure on the market price of a security. Further sales of common stock could cause even greater declines in the price of our common stock due to the number of additional shares available in the market, which could encourage short sales that could further undermine the value of our common stock. Holders of our securities could, therefore, experience a decline in the value of their investment as a result of short sales of our common stock.

The future issuance of additional shares of our common stock could cause dilution of ownership interests and adversely affect our stock price.

We may issue our previously authorized and unissued securities, resulting in the dilution of the ownership interests of our current stockholders. We are authorized to issue 2.2 billion shares of common stock and 100 million shares of preferred stock, of which 0.3 million shares are designated as Series A Preferred Stock. As of **December 31, 2022** December 31, 2023, approximately **1.8 billion** 1.9 billion shares of common stock were issued and outstanding and 0.1 million shares of Series A Preferred Stock were issued and outstanding. As of **December 31, 2022** December 31, 2023, there were 0.4 billion shares of common and preferred stock available for future issuance, of which approximately **5.1** 5.2 million shares were contingently issuable upon the exercise of stock options and the vesting of restricted stock awards and units, 44.5 million shares were contingently issuable upon the achievement and vesting of stock price targets for certain performance based restricted stock units, 5.0 million shares may be issued to Thermo if they exercise the warrants issued to them as consideration for their guarantee under the 2023 Funding Agreement and 49.1 million shares may be exercised by Partner from issued if the warrants issued under in connection with the Service Agreements are exercised. 5.0 million warrants may vest if and when Thermo advances aggregate funds of \$25.0 million or more to purchase up us or a permitted third party pursuant to 2.64% the terms of our common stock (the "Warrants"). The number Thermo's guarantee. In the event Thermo is required to advance funds pursuant to its guarantee with us, we will also be required to issue it shares in respect of Warrants issued to Partner is subject to certain adjustments, such as divided payments in shares of Globalstar common stock, stock splits, stock repurchases, merger, sale of assets or upon certain issuances of Globalstar common stock. advance. We may issue additional shares of our common stock or other securities that are convertible into, or exercisable for, common stock for raising capital or other business purposes. Future sales of substantial amounts of common stock, or the perception that such sales could occur, may have a material adverse effect on the price of our common stock.

We have issued and may issue shares of preferred stock or debt securities with greater rights than our common stock.

Our certificate of incorporation authorizes our board of directors to issue one or more series of preferred stock and set the terms of the preferred stock without seeking any further approval from holders of our common stock. Currently, there are 100 million shares of preferred stock authorized, of which 0.1 million shares of Series A Preferred Stock are issued and outstanding. Any preferred stock that is issued may rank ahead of our common stock in terms of dividends, priorities and liquidation premiums and have preferential voting rights to those held by the holders of our common stock.

If persons engage in short sales of our common stock, the price of our common stock may decline.

Selling short is a technique used by a stockholder to take advantage of an anticipated decline in the price of a security. A significant number of short sales or a large volume of other sales within a relatively short period of time can create downward pressure on the market price of a security. Further sales of common stock could cause even greater declines in the price of our common stock due to the number of additional shares available in the market, which could encourage short sales that could further undermine the value of our common stock. Holders of our securities could, therefore, experience a decline in the value of their investment as a result of short sales of our common stock.

Provisions in our charter documents, debt agreements and Delaware corporate law may discourage takeovers, which could affect the rights of holders of our common stock.

Provisions of Delaware law and our amended and restated certificate of incorporation, amended and restated bylaws and our debt agreements could hamper a third party's acquisition of us or discourage a third party from attempting to acquire control of us. These provisions include:

- the election of our Minority Directors by a plurality of the vote of our stockholders other than Thermo;
- the requirement that (i) any extraordinary corporate transaction, such as a merger, reorganization or liquidation, involving us or any of our subsidiaries and (ii) any sale or transfer of a material amount of assets of Globalstar or any sale or transfer of assets of any of our subsidiaries which are material to us has to be approved by the Strategic Review Committee until such time as Thermo no longer beneficially owns at least 45% of our common stock;
- the ability of our board of directors to issue preferred stock with voting rights or with rights senior to those of the common stock without any further vote or action by the holders of our common stock;
- the division of our board of directors into three separate classes serving staggered three-year terms;
- the fact that if Thermo does not own a majority of our outstanding capital stock entitled to vote in the election of directors, our directors will be able to be removed for cause only with the affirmative vote of the holders of at least 66 2/3% of the outstanding shares of capital stock entitled to vote in the election of directors;
- prohibitions, at such time when Thermo does not own a majority of our outstanding capital stock entitled to vote in the election of directors, on our stockholders acting by written consent;
- prohibitions on our stockholders calling special meetings of stockholders or filling vacancies on our board of directors;
- the requirement, at such time when Thermo does not own a majority of our outstanding capital stock entitled to vote in the election of directors, that our stockholders must obtain a super-majority vote to amend or repeal our amended and restated certificate of incorporation or bylaws;

- change of control provisions **in under** our **2019 Facility Agreement, financing arrangements**, which provide that a change of control will constitute **an event of a default and unless waived by the lenders, will result in the acceleration of the maturity of all indebtedness under that agreement; exercise remedies thereunder;** and
- change of control provisions in our 2006 Equity Incentive Plan, which provide that a change of control may accelerate the vesting of all outstanding stock options, stock appreciation rights and restricted stock.

We also are subject to Section 203 of the Delaware General Corporation Law, which, subject to certain exceptions, prohibits us from engaging in any business combination with any interested stockholder, as defined in that section, for a period of three years following the date on which that stockholder became an interested stockholder. This provision does not apply to Thermo, which became our principal stockholder prior to our initial public offering.

These provisions also could make it more difficult for our stockholders to take certain corporate actions, and could limit the price that investors might be willing to pay in the future for shares of our common stock.

We are controlled by Thermo, whose interests may conflict with yours.

As of **December 31, 2022** December 31, 2023, Thermo owned approximately **60%** 58% of our outstanding common stock. Thermo's ownership of our outstanding common stock excludes the issuance of stock for warrants that have vested or may vest in connection with the Service Agreements as well as its ownership of perpetual preferred stock. We have depended substantially on Thermo to provide capital to finance our business. Although extraordinary corporate transactions, material sales of assets and certain transactions with related parties must be approved by the Strategic Review Committee, to the extent these and other matters are also subject to a vote of our shareholders, Thermo is able to control such vote. These matters include the election of certain members of our board of directors and numerous other matters, including changes of control and other significant corporate transactions, so long as these transactions are not between Thermo and Globalstar and until such time as Thermo shall no longer be the beneficial owner of 45% or more of our outstanding common stock.

In addition, Thermo has guaranteed certain of our delegations related to the Service Agreements and has received warrants to purchase our common stock as consideration for providing such guarantee.

Thermo is controlled by James Monroe III, our Executive Chairman. Through Thermo, Mr. Monroe holds equity interests in, and serves as an executive officer or director of, a diverse group of privately-owned businesses not otherwise related to us. We reimburse Thermo and Mr. Monroe for certain third party, documented, out-of-pocket expenses they incur in connection with our business.

The interests of Thermo may conflict with the interests of our other stockholders. Thermo may take actions it believes will benefit its equity investment in us or **loans to us in connection with its guarantees of our obligations** even though such actions might not be in your best interests as a holder of our common stock.

Item 1B. Unresolved Staff Comments

Not Applicable

Item 1C. Cybersecurity

We have an enterprise-wide information security program designed to identify, protect, detect and respond to and manage reasonably foreseeable cybersecurity risks and threats.

Our cybersecurity program is integrated into our overall risk management systems and led by our data protection officer. This program is on par with industry standards and best practices, such as the National Institute of Standards and Technology ("NIST") Cybersecurity Framework. Oversight of the program is performed by our executive management and board of directors. Internal employees as well as third party advisors were involved in the development and continued maintenance of our cybersecurity program. The program is evaluated and audited on an annual basis by independent third parties through ongoing IT compliance initiatives.

Our formalized cybersecurity incident response plan is a framework to facilitate the detection, identification, containment, eradication and recovery from cybersecurity incidents. This framework addresses how and which risks impact our operational, financial or reputational standing and/or the ability to comply with regulatory or legal requirements. The incident response plan is evaluated and tested on an annual basis by management and independent third parties.

As of the date of this report, we are not aware of any material risks from cybersecurity threats, that have materially affected or are reasonably likely to materially affect the Company, including our business strategy, results of operations, or financial condition. However, we are subject to various cybersecurity risks that could adversely affect our business, financial condition and results of operations. Such risks may include harm to our employees or customers, violation of privacy laws, theft, fraud, extortion as well as legal and reputational risk. See Item 1A. Risk Factors, "Our networks and those of our third-party service providers and customers may be vulnerable to unauthorized or unlawful access, including cyber-attacks and other security breaches, that could have significant negative consequences. Our use of personal information could give rise to costs and liabilities arising from developing data privacy laws." for further discussion.

Item 2. Properties

As of **December 31, 2022** December 31, 2023, our principal headquarters **are were** located in Covington, Louisiana. We own or lease the facilities described in the following table:

Facility Use	Location
Offices	Africa (Botswana)
	Brazil (Rio de Janeiro)
	Central America (Panama)
	Europe (Ireland)
	United States of America (California and Louisiana) ⁽¹⁾
Gateways	Africa (Botswana, Gabon and Rwanda)
	Argentina (Bosque Alegre)
	Asia (Japan, Singapore, South Korea and South Korea)Thailand)
	Australia (Dubbo, Meekatharra and Mount Isa)
	Brazil (Manaus, Petrolina and Presidente Prudente)
	Canada (Alberta and Ontario)
	Europe (Estonia, France, Greece and Spain) ⁽²⁾
	Mexico (Jocotitlan)
	Oceania (New Zealand)
	South America (Venezuela)
	United States of America (Alaska, Florida, Hawaii, Puerto Rico and Texas) ⁽³⁾

(1) Location includes a Satellite and Ground Control Center.

(2) Location includes a Satellite Control Center.

(3) Certain owned properties are encumbered by liens in favor of

In connection with the administrative agent under our 2019 Facility License Agreement (and previously disclosed, the office lease agreement between XCOM Labs, Inc. and its lessor is expected to be encumbered by liens under the Service Agreements) for the benefit of the lenders thereunder. See Part II, Item 7. *Management's Discussion and Analysis of Financial Condition and Results of Operations - Liquidity and Capital Resources - Contractual Obligations and Commitments* in this Report.

As of December 31, 2022, we have executed an additional agreement for a new gateway location that is expected assigned to commence Globalstar during 2023, 2024.

Item 3. Legal Proceedings

For a description of any material legal and regulatory proceedings and settlements, see Note 9: 10: Commitments and Contingencies in our Consolidated Financial Statements in Part II, Item 8 of this Report.

Item 4. Mine Safety Disclosures

Not Applicable

PART II

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

Common Stock Information

Our common stock trades on the NYSE American under the symbol "GSAT". We are authorized to issue 2.2 billion shares of voting common stock. As of February 24, 2023 February 23, 2024, 1.811 million 1.9 billion shares of our common stock were outstanding, held by 226 270 holders of record. The number of holders of record is based upon the actual number of holders registered at such date and does not include holders of shares in street name or persons, partnerships, associates, corporations or other entities in security position listings maintained by depositories.

Preferred Stock

We are authorized to issue 100 million shares of preferred stock, of which 0.3 million shares are designated as Series A Preferred Stock. On November 15, 2022, we issued 149,425 shares, of our 7.0% Perpetual Preferred Stock, Series A, \$0.0001 par value per share, with a liquidation preference of \$1,000 per share (the "Series A Preferred Stock"). Holders of Series A Preferred Stock will be entitled to receive, when, as and if declared by our Board of Directors or a committee thereof, cumulative cash dividends based on the liquidation preference of the Series A Preferred Stock, at a fixed rate equal to 7.00% per annum, payable quarterly in arrears on January 1, April 1, July 1 and October 1 of each year, beginning on January 1, 2023. As of February 24, 2023 February 23, 2024, 149,425 shares of our preferred stock were outstanding, held by four holders of record.

In January 2023, our Board of Directors declared a dividend totaling \$1.3 million for the period between November 15, 2022 and December 31, 2022; this payment was made in January 2023.

Dividend Information

We have never declared or paid any cash dividends on our common stock. Prior to January 2023, we have never declared or paid any cash dividends. We pay a dividend on our preferred stock. As discussed above, in November 2022, we issued shares of Series A Preferred Stock, which provides for the payment of cumulative cash dividends at a rate of 7% per annum. The issuance of the Series A Preferred Stock required consent from the remaining lender under our 2019 Facility Agreement. Except for preferred stock dividends, we currently intend to retain any future earnings and do not expect to pay any dividends in the foreseeable future. See Note 6: Long-Term Debt and Other Financing Arrangements in our Consolidated Financial Statements for further discussion.

Item 6. [Reserved]

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

The following discussion and analysis should be read in conjunction with our Consolidated Financial Statements and applicable notes to our Consolidated Financial Statements and other information included elsewhere in this Report, including risk factors disclosed in Part I, Item 1A. Risk Factors. The following information contains forward-looking statements, which are subject to risks and uncertainties. Should one or more of these risks or uncertainties materialize, our actual results may differ from those expressed or implied by the forward-looking statements. See "Forward-Looking Statements" at the beginning of this Report.

Performance Indicators

Our management reviews and analyzes several key performance indicators in order to manage our business and assess the quality and potential variability of our earnings and cash flows. These key performance indicators include:

- total revenue, which is an indicator of our overall business growth;
- subscriber growth and churn rate, which are both indicators of the satisfaction of our customers;
- average monthly revenue per user, or ARPU, which is an indicator of our pricing and ability to obtain effectively long-term, high-value customers. We calculate ARPU separately for each type of our subscriber-driven revenue, including Duplex, Commercial IoT and SPOT;
- operating income and adjusted EBITDA, both of which are indicators of our financial performance; and
- capital expenditures, which are an indicator of future revenue growth potential and cash requirements.

Comparison of the Results of Operations for the years ended December 31, 2022, December 31, 2023 and 2021, 2022

Revenue:

Our revenue is categorized as service revenue and equipment revenue. We provide services to customers using technology from our satellite and ground network. Equipment revenue is generated from the sale of devices that work over our network. During the twelve months ended December 31, 2022, December 31, 2023, total revenue increased \$24.2 million, \$75.3 million, or 19%, 51%, to \$223.8 million from \$148.5 million from \$124.3 million in 2021, 2022. See below for a further discussion of the fluctuation, fluctuations in revenue.

The following table sets forth amounts and percentages of our revenue by type of service (dollars in thousands).

		Year Ended December 31, 2022			Year Ended December 31, 2021			Year Ended December 31, 2023			Year Ended December 31, 2022					
		% of Total Revenue			% of Total Revenue			% of Total Revenue			% of Total Revenue					
Service Revenue:	Service Revenue:															
Subscriber services	Subscriber services															
Duplex	Duplex	\$ 29,222	20	%	\$ 31,197	25	%									
Duplex	Duplex															
Duplex	Duplex							\$ 25,932	12	%	\$29,222	20	%			
SPOT	SPOT	45,670	31	%	46,040	37	%	SPOT	44,184	20	20	%	45,670	31	31	%
Commercial IoT	Commercial IoT	19,516	13	%	17,951	14	%	Commercial IoT	22,867	10	10	%	19,516	13	13	%
Wholesale capacity services	Wholesale capacity services	34,913	24	%	8,945	7	%	Wholesale capacity services	109,067	49	49	%	34,913	24	24	%
Engineering and other services	Engineering and other services	2,747	1	%	2,331	2	%	Engineering and other services	2,146	1	1	%	2,747	1	1	%

Total Service Revenue	Total Service Revenue	\$132,068	89 %	\$106,464	85 %	Total Service Revenue	\$ 204,196	92	92 %	\$ 132,068	89	89 %
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The following table sets forth amounts and percentages of our revenue generated from equipment sales (dollars in thousands).

		Year Ended December 31, 2022		Year Ended December 31, 2021		Year Ended December 31, 2023			Year Ended December 31, 2022		
		% of Total Revenue		% of Total Revenue		Revenue		% of Total Revenue	Revenue		% of Total Revenue
		Revenue	Revenue	Revenue	Revenue	Revenue	Revenue	Revenue	Revenue	Revenue	Revenue
Equipment Revenue:	Equipment Revenue:	Equipment Revenue:									
Duplex		\$ 319	— %	\$ 1,011	1 %						
SPOT	SPOT	5,888	4 %	9,427	8 %	SPOT	7,724	3 %	5,888	4 %	4 %
Commercial IoT	Commercial IoT	10,132	7 %	7,169	6 %	Commercial IoT	11,866	5 %	10,132	7 %	7 %
Other	Other	97	— %	226	— %	Other	22	— %	416	— %	— %
Total Equipment Revenue	Total Equipment Revenue	\$16,436	11 %	\$17,833	15 %	Total Equipment Revenue	\$ 19,612	8 %	\$ 16,436	11	11 %

The following table sets forth our average number of subscribers and ARPU by type of revenue.

		December 31,		December 31,	
		2022	2021	2023	2022
Average number of subscribers for the year ended:	Average number of subscribers for the year ended:	Average number of subscribers for the year ended:			
Duplex	Duplex	40,913	45,789		
SPOT	SPOT	272,088	268,735		
Commercial IoT	Commercial IoT	442,060	414,689		
Other	Other	13,330	26,864		
Total	Total	768,391	756,077		
ARPU (monthly):	ARPU (monthly):	ARPU (monthly):			
ARPU (monthly):					
ARPU (monthly):					
Duplex	Duplex	\$ 59.52	\$ 56.78		
SPOT	SPOT	13.99	14.28		
Commercial IoT	Commercial IoT	3.68	3.61		

The numbers reported in the above table are subject to immaterial rounding inherent in calculating averages.

We count "subscribers" based on the number of devices that are subject to agreements that entitle them to use our voice or data communications services rather than the number of persons or entities who own or lease those devices.

Wholesale capacity service revenue includes revenue generated from satellite network access and related services under the Service Agreements, and engineering Agreements. Engineering and other service revenue includes revenue generated primarily from certain governmental and engineering service contracts; neither of these service revenue items is subscriber driven. Accordingly, we do not present ARPU for wholesale capacity service revenue or engineering and other service revenue in the table above.

As previously discussed, in response to Russia's invasion of Ukraine, during the first quarter of 2022, we disconnected satellite services to gateways in Russia that were operated by an independent gateway operator. Accordingly, approximately 25,000 subscribers that previously recorded in Other in the table above received satellite services through these gateways were removed from our subscriber count; these subscribers were included in "Other" in the table above.

Service Revenue

Duplex service revenue decreased 6% 11% in 2022 2023 due primarily to a decline in fewer average subscribers, of 11% offset partially by an increase in ARPU of 5%. higher ARPU. The decrease in average subscribers is due to churn exceeding gross activations over the last twelve months. In line with the shift in demand across the MSS industry from full Duplex voice and data services to IoT-enabled devices, we expect the decline in our Duplex subscriber base to continue months as we focus no longer manufacture and sell Duplex devices in favor of other use cases for our investments on IoT-enabled devices and network assets, including wholesale capacity services. The increase in ARPU is due to adjustments made to certain rate plans to align pricing with our competitors and to better align the value of services offered to our Duplex subscribers. Higher service prices were offset partially by strengthening of the U.S. dollar which lowered the revenue recognized from billings denominated in certain foreign currencies.

SPOT service revenue decreased 1% 3% in 2023 due primarily to fewer subscribers, offset slightly by higher ARPU. Average subscribers were impacted by lower equipment sales during 2022, and therefore lower subscriber activations, due to lower ARPU, offset partially by supply chain issues that reduced the number of devices available in the sales channel. Production resumed fully during the first half of 2023 and, notably, we experienced an increase in average subscribers. The decrease in ARPU is due activations during the fourth quarter of 2023 compared to the strengthening of the U.S. dollar as well as the mix of subscriber rate plans, including the continued popularity of our flex plans. Our flex plans generally carry lower rates than our traditional prepaid unlimited plans because users can suspend their service plan periodically during their contract term. Slightly offsetting the decrease in revenue due to lower ARPU were higher average subscribers. During 2022, our average subscriber base increased despite fewer than forecasted activations resulting from supply chain disruptions over the past few quarters (see further discussion below). prior year's quarter.

Commercial IoT service revenue increased 9% 17% in 2022 2023 due to higher average subscribers and to a lesser extent, higher ARPU. During 2022, The increase in average subscribers increased 7% and ARPU increased 2%. Gross was due to an 8% increase in gross subscriber activations have increased 26% over the last twelve months and subscriber churn is lower over when compared to the same preceding twelve-month period. Our average subscriber base has grown despite significant production delays in 2022 resulting from component part shortages (discussed further below). As we fulfill sales back orders for Commercial IoT products, we expect to see activations continue to increase. Importantly, during the fourth quarter of 2022, we were able to fulfill many of these back orders, resulting in a greater than 50% increase in gross subscriber activations quarter over quarter. During 2022, steady growth in our Latin American subscriber base has also contributed Higher ARPU was due to higher revenue; average subscribers for this region increased 29% and represent 4% of our average subscriber growth in total. The fluctuations in ARPU for both periods are driven by usage on the network as well as the mix of subscribers on various rate plans.

Wholesale capacity service revenue increased \$26.0 million \$74.2 million to \$109.1 million during 2023 from \$34.9 million during 2022 from \$8.9 million during 2021 due to the timing and amount of revenue recognized associated with the Service Agreements. This 2022. The increase in revenue was during 2023 is due primarily to consideration received for performance obligations associated with our work to expand and upgrade our gateways around earned under the globe in preparation for Service Agreements following the launch commencement of service as well as fees associated with the services that commenced in November 2022. During 2023, revenue under this arrangement included recurring service fees, which accounted for 94% of total wholesale capacity revenue.

Engineering and other service revenue increased \$0.4 million in 2022. Throughout 2022, we have made significant progress on constructing a teleport for a customer at one of our gateway locations in Brazil; the services performed for this customer contributed to more than the total increase in Engineering and other service revenue during the year. Other smaller items offset this increase in revenue year over year. Additionally, as previously discussed, we disconnected service to approximately 25,000 subscribers in Russia. During 2021, we billed less than \$0.3 million to these subscribers and the revenue associated with these subscribers was recorded in Engineering and other service revenue.

Subscriber Equipment Sales

Revenue from Duplex SPOT equipment sales decreased \$0.7 million increased \$1.8 million, or 68% 31%, in 2022 2023. This decrease improvement was due to a lower sales volume of phones and accessories since these devices are no longer being manufactured.

Revenue from SPOT equipment sales decreased \$3.5 million, or 38%, an almost 80.0% increase in 2022. This decrease resulted from a lower the volume of products sold over the last twelve months. during 2023. Two of our core SPOT products were on back order for the vast majority of 2022 which delayed and starting in the fulfillment of orders, thereby reducing equipment sales year over year. We continue to see demand exceeding supply resulting from supply chain disruptions caused by component part shortages. We are actively working to address this issue. Production has resumed, and we are optimistic the remaining back orders will be fulfilled by the end of the first second quarter of 2023. 2023, all SPOT products returned to ordinary production levels.

Revenue from Commercial IoT equipment sales increased \$3.0 million \$1.7 million, or 41% 17%, in 2023. During 2022, due primarily to growth in demand for our Commercial IoT products and services. This demand has outpaced available inventory we experienced intermittent production delays due to supply chain disruptions caused by component part shortages. While production shortages for certain of our products. These issues were substantially have been resolved during and all products are being manufactured in the second half ordinary course of 2022, we continue business. A nearly 40% increase in volume of both our SmartOne Solar and SmartOne C devices contributed to be the increase in a back order position. Once we are able to produce sufficient quantities to meet demand, we expect equipment sales to continue to increase and expect the remaining back orders will be fulfilled by the end of the first quarter of 2023. revenue year over year.

Operating Expenses:

Total operating expenses increased 95% decreased 39% to \$224.0 million in 2023 from \$369.5 million in 2022 from \$189.8 million in 2021 2022. This decrease was due primarily to non-recurring reductions in the value of inventory and long-lived assets. This item assets that occurred in 2022. These and other contributors to the variance in operating expenses are explained in detail below.

Cost of Services

Cost of services increased \$6.0 million \$10.1 million, or 16% 23%, to \$53.5 million in 2023 from \$43.4 million in 2022 from \$37.4 million in 2021. This increase in cost of services was is due to higher network expansion and upgrade work completed in connection with services provided under the Service Agreements; a substantial portion of network-related costs are reimbursed thereunder and this consideration is recognized as revenue in accordance with the terms of the contract. In line with our new and upgraded ground infrastructure, lease, maintenance and other occupancy costs increased \$2.9 million, IT costs increased \$1.1 million and personnel costs totaling \$3.0 increased \$3.4 million which included \$0.7 million related during 2023.

As discussed in Note 2: License Agreement to non-recurring bonuses and separation pay. Higher lease expense associated with new teleport leases (including associated occupancy costs, such as utilities and other building services), which commenced throughout the second half of 2021, contributed to \$2.2 million of the total increase. These leases were executed our Consolidated Financial Statements, in connection with the gateway expansion project to support the Service Agreements; 85% of these lease and related costs are being reimbursed to us, and this consideration is being recognized as revenue (as further discussed above License Agreement with XCOM, we entered into a Support Services Agreement (the "SSA") in "Wholesale capacity service revenue"). Higher professional fees and licensing costs related to our implementation of a new enterprise resource planning ("ERP") system, which went live in January 2022, as well as other costs for information technology security and maintenance contributed \$1.8 million 2023. Pursuant to the total increase. SSA, XCOM is required to provide services to assist us with certain operations of the business. We prepaid for the initial SSA service period (covering nine months from the License Agreement effective date) in shares of Globalstar common stock. During 2023, we recognized \$2.5 million in expense associated with these SSA and other ancillary costs.

These increases were offset partially by In December 2022, we received an employee retention credit received in December 2022. We received this refund check totaling \$1.8 million as a result of our eligibility for the employee retention credit under the provisions of the Coronavirus Aid, Relief and Economic Security Act (the "CARES Act") for the first quarter of 2021. The refund was recorded as a reduction to operating expenses during the fourth quarter of 2022 and was allocated between Cost of Services and MG&A (defined below) totaling \$1.3 million and \$0.5 million, respectively, based on the employee costs incurred during the eligible period. Similar activity did not recur in 2023.

Cost of Subscriber Equipment Sales

Cost of subscriber equipment sales decreased increased by \$0.5 million \$2.9 million, or 4% 22%, to \$16.0 million in 2023 from \$13.1 million in 2022 from \$13.6 million in 2021. 2022. This decrease increase is generally consistent with the decrease increase in total revenue from subscriber equipment sales, offset partially by the impact of the 2021 reversal of a prior year accrual for tariffs. Pursuant to regulatory developments, we reversed this accrual for potential tariffs owed on imports from China made prior to a ruling by the U.S Customs and Border Protection in September 2019 that we no longer believe will be due, resulting in an expense reduction of \$1.0 million in 2021. sales. Margin percentages for both SPOT and Commercial IoT on subscriber equipment narrowed during 2022 compared slightly due to 2021 resulting from the mix of products sold during in each respective period. year.

Cost of Subscriber Equipment Sales - Reduction in the Value of Inventory

During In September 2022, we recorded a reduction in connection with the value launch of inventory totaling \$8.6 million. As disclosed in Note 8: Fair Value Measurements to our Consolidated Financial Statements, upon Partner's announcement in September 2022, Phase 1 services under the Service Agreements, our strategy relative to second-generation Duplex assets shifted. Due to this shift in strategy, we concluded that there was no remaining net realizable value of our second-generation Duplex inventory, resulting in an \$8.5 million \$8.5 million reduction in value of inventory. During 2021, we recorded a reduction Similar activity did not recur in the value of inventory totaling \$1.0 million which included the write-off of certain materials that were not likely to be used in production as well as defective inventory units that were not saleable, 2023.

Marketing, General and Administrative

Marketing, general and administrative expenses ("MG&A") increased \$2.7 million \$10.2 million, or 7% 31%, to \$44.1 million \$43.5 million in 2022 2023 from \$41.4 million \$33.3 million in 2021. 2022. In connection with the License Agreement, during 2023, we incurred \$2.9 million in non-recurring transaction fees, including legal, accounting and other professional fees. We also incurred \$1.0 million in MG&A costs associated with the SSA discussed above in Cost of Services.

Other legal and professional fees totaling \$2.6 million for various efforts, including increased regulatory work, government relations and negotiations of new commercial arrangements, also contributed to the increase in MG&A during 2023. These costs were in part due to our preparation for, and participation in, the November 2023 World Radio Conference to protect our licensed spectrum rights globally from interference. Higher personnel costs due to merit and headcount increases also contributed to the increase in MG&A.

Stock-Based Compensation

Stock-based compensation expense increased \$11.7 million to \$22.5 million in 2023 from \$10.8 million in 2022. The increase was due primarily to higher personnel costs restricted stock units granted in connection with the License Agreement to certain executives. To a lesser extent, certain performance awards were modified during 2023, which also contributed to the increase in expense. Additionally, we have an annual bonus plan, which is generally paid in the form of \$5.0 million. Included Globalstar common stock, designed to reward key employees' efforts to meet and exceed Globalstar's financial performance target for the designated calendar year. Our projected financial performance compared to our target drove the remaining increase in personnel costs are higher stock-based compensation driven by performance grants to certain employees associated with their efforts under the Service Agreements (\$4.0 million of the increase), cash bonuses (\$0.5 million of the increase) and separation pay (\$0.5 million of the increase). Higher professional and legal fees totaling \$0.8 million also increased MG&A expense during the year. The provision for credit losses increased \$0.9 million during 2022; this increase was due in part to a successful recovery of a previously reserved customer balance during 2021, which reduced expense in 2021 and did not recur in 2022.

These increases were offset partially by certain non-recurring items, including lower subscriber acquisition costs of \$1.0 million due primarily to the deactivation of all Sat-Fi2@ subscribers during the first half of 2021. Additionally, during 2021, we terminated our dealer program and reduced advertising spend for Duplex products and services; these items contributed \$1.2 million to the decrease in MG&A expense. Also, during the first quarter of 2022, we reversed a \$1.0 million accrual related to professional services

associated with the 2018 shareholder litigation based on our assessment of the likelihood of payment. As discussed above in *Cost of Services*, we received a refund check as a result of our eligibility for the employee retention credit under the provisions of the CARES Act; we recorded a reduction to MG&A totaling \$0.5 million during 2022.

Reduction in Value of Long-Lived Assets

During 2023, we impaired approximately \$0.4 million of construction in progress primarily related to efforts associated with a terminated software development contract.

During 2022, we recorded a reduction in the value an impairment of our long-lived assets totaling \$166.5 million \$166.0 million. As disclosed in Note 8: Fair Value Measurements to our Consolidated Financial Statements, upon Partner's announcement in September 2022, in connection with the launch of Phase 1 services under the Service Agreements, our strategy relative to our second-generation Duplex assets shifted. Due to this shift in strategy, we re-assessed our asset grouping for long-lived assets and determined that the second-generation Duplex assets (including the gateways (and related technology) capable of providing commercial traffic to support Sat-Fi2®) are were no longer part of our overall satellite and ground network. These second-generation Duplex assets will no longer provide provided future cash flows to us - these assets totaled and had a net book value of approximately \$161.2 million prior to their write down impairment in September 2022. Our first-generation Duplex assets (i.e., handsets and related ground infrastructure) were not impacted. Also reflected in the reduction in the value of long-lived assets were certain prepaid licenses and royalties necessary for the manufacture and distribution of second-generation Duplex products and services. These prepaid items are were no longer considered recoverable as there are no longer separately identifiable cash flows for such assets - these assets totaled approximately \$4.7 million prior to their write down in September 2022.

Additionally, during Depreciation, Amortization and Accretion

Depreciation, amortization and accretion expense decreased \$5.7 million, or 6%, to \$88.2 million in 2023 from \$93.9 million in 2022, we recorded reductions following a net reduction in total property and equipment due to the factors discussed in the value "Reduction in Value of Intangible Long-Lived Assets" section above. Partially offsetting this decrease is depreciation expense from the on-ground spare satellite that was launched and other assets totaling \$0.6 million. We wrote off work placed into service in progress associated with spectrum licensing efforts in certain countries around the world. We determined that attainment of such licenses was no longer probable based on discussions with regulators and other circumstances. June 2022.

Other (Expense) Income:

Gain (Loss) gain on Extinguishment extinguishment of Debt debt

We recorded a loss on extinguishment of debt of \$10.4 million during 2023 following the full pay-off of the 2019 Facility Agreement in March 2023. The extinguishment loss was recognized due to the remaining deferred financing costs and debt discount associated with the instrument at the time of repayment.

We recorded a gain on extinguishment of debt totaling \$2.8 million during 2022 related to the November 2022 exchange of a portion of the 2019 Facility Agreement principal balance into Series A Preferred Stock. This gain was recorded for the portion exchanged for unaffiliated lenders only. The gain represents the difference between the net carrying amount prior to extinguishment (including unamortized deferred financing costs, debt discounts, and related derivative) and the reacquisition price of the debt.

We recorded a net gain on extinguishment of debt totaling \$3.1 million during 2021 related to the following items: (i) gain on extinguishment of debt of \$5.0 million resulting from the Small Business Administration's forgiveness of amounts outstanding under our Paycheck Protection Program ("PPP") loan and (ii) net losses on extinguishment of debt of \$1.9 million resulting from the write off of deferred financing costs following unscheduled principal repayments of the 2009 Facility Agreement during 2021.

Interest Income and Expense

Interest income and expense, net, decreased \$13.3 million \$15.6 million to \$14.6 million for 2023 compared to \$30.2 million for 2022 compared to \$43.5 million for 2021. 2022. This decrease was driven primarily by lower gross interest costs totaling \$5.7 million and higher capitalized interest (which decreases interest expense) of \$11.5 \$8.1 million and lower gross interest costs of \$1.8 million. The increase in capitalized interest is due to an increase in our a higher construction in progress balance during 2022, associated primarily with the satellite procurement agreement with MDA to construct new satellites to replenish our existing satellite constellation. balance.

Gross interest costs were lower due to lower \$34.6 million less interest of \$7.6 million associated with the 2009 Facility Agreement; this decrease was offset partially by higher interest of \$2.3 million associated with under the 2019 Facility Agreement imputed non-cash (as defined below) due to the partial paydown in November 2022 and the final paydown in March 2023. Offsetting this decrease were increases of \$21.5 million in interest associated with the significant financing component related to advance payments from Partner under 2023 13% Notes, which commenced in the Service Agreements second quarter of \$1.9 million, 2023, as well as interest and the accrual accretion of interest debt discount associated with our vendor financing totaling \$1.3 million, the 2023 and 2021 Funding Agreements (as defined below), which also commenced in the second quarter of 2023, and totaled \$10.5 million. Other smaller less significant items contributed to the remaining variance during 2022. difference.

Derivative Loss on equity issuance

We recorded derivative losses of \$0.8 million and \$1.0 million in 2022 and 2021, respectively. We recognize gains or losses due to the change in the value of certain embedded features within our debt instruments that require standalone derivative accounting. During 2022, an increase in the discount rate used in the valuation Loss on equity issuance was \$5.0 million for 2023. In connection with Thermo's guaranty of the derivative associated with 2023 Funding Agreement, we issued warrants to Thermo, which vested upon the 2019 Facility Agreement contributed to the derivatives loss. This impact was offset partially by changes in the probability and timing of prepayments contemplated in the valuation effectiveness of the derivative associated with our 2019 Facility Agreement. Additionally, we recorded a gain on the valuation adjustment of the embedded derivative associated with our 2013 8.00% Notes following their conversion during the first quarter of 2022, guaranty and occurred in December 2023. The losses recorded during 2021 were due primarily to an increase in our stock price and stock price volatility, which are significant inputs used in the valuation of the embedded derivative

associated with our 2013 8.00% Notes. See Note 8: Fair Value Measurements to our Consolidated Financial Statements for further discussion of the computation portion of the fair value of our derivatives.

Foreign Currency Loss associated with the credit enhancement, as recorded pursuant to applicable accounting guidance, was recorded as a loss on equity issuance. Similar activity did not occur in 2022.

Foreign currency loss fluctuated by \$0.3 million to a loss of \$6.6 million in 2022 from a loss of \$6.3 million in 2021. gain (loss)

Changes in foreign currency gains and losses are driven by the remeasurement of financial statement items, which are denominated in various currencies, at the end of each reporting period. For 2022 and 2021, the

We recorded foreign currency gains of \$4.9 million in 2023. We recorded foreign currency losses were due of \$6.6 million in 2022. Foreign currency gains result with other currencies strengthen relative to the strengthening of U.S. dollar; inversely, foreign currency losses result with the U.S. dollar strengthens relative to certain other currencies, such as the Euro; other currency fluctuations of the Canadian Dollar and the Brazilian Real also impacted the net losses in both periods.

Pension Settlement Loss

In August 2022, we settled the remaining pension liability; this settlement resulted in a loss of \$1.5 million. See Note 12: Pensions and Other Employee Benefits to our Consolidated Financial Statements for further discussion. Similar activity did not occur during 2021. currencies.

Income Tax Expense (Benefit)

Income tax expense (benefit) fluctuated by \$0.4 million \$1.0 million to an expense of \$1.1 million in 2023 from an expense of \$0.1 million in 2022 from a benefit of \$0.3 million in 2021. 2022. The primary income tax expense (benefit) is related recorded during 2023 was due to deferred state withholding tax liabilities expense associated with net operating loss limitations, our global transfer pricing allocations in certain foreign jurisdictions.

Comparison of the Results of Operations for the years ended December 31, 2021 December 31, 2022 and 2020 2021

Discussion of the results of operations for the years ended December 31, 2021 December 31, 2022 and 2020 2021 can be found in the Globalstar Annual Report on Form 10-K for the year ended December 31, 2021 December 31, 2022, as filed with the SEC on February 25, 2022 March 1, 2023.

Liquidity and Capital Resources

Our principal near-term liquidity requirements include funding our operating costs; capital expenditures, including repayment of amounts being financed through MDA, and future amounts expected to be incurred under the satellite procurement agreement; repayment of the remaining principal balance due under the 2019 Facility Agreement; and interest and dividends due on any debt or preferred equity instruments outstanding. Overview

Our principal sources of liquidity during 2022 included include cash on hand, cash flows from operations and vendor financing. Our principal proceeds from the Funding Agreements. These liquidity sources of liquidity over the next twelve months are expected to included cash meet our short-term and long-term liquidity needs for funding our operating costs, capital expenditures and financing obligations, including scheduled recoupments under the 2021 Funding Agreement (defined below), interest on hand, cash flows from operations, prepayments our 13% Notes (defined below), and dividends on our perpetual preferred stock. A longer-term source of liquidity may be the exercise of warrants issued under the Service Agreements (discussed in Recent Developments as well as the warrants issued to Thermo associated with its guaranty of the 2023 Funding Agreement (defined below) and funds from a debt or equity financing that have not yet been arranged. With this financing, we expect that our sources of liquidity will be sufficient for us to cover our obligations over the next twelve months and longer term. Another source of liquidity may include proceeds from the exercise of warrants under the Service Agreements.

Overview.

As of December 31, 2022 December 31, 2023 and December 31, 2021 December 31, 2022, we held cash and cash equivalents of \$32.1 million \$56.7 million and \$14.3 million, \$32.1 million, respectively.

The total carrying principal amount of our debt and vendor financing outstanding was \$191.9 million \$398.7 million at December 31, 2022 December 31, 2023, compared to \$237.9 \$202.8 million at December 31, 2021 December 31, 2022.

The \$46.0 million decrease in the carrying amount of our debt and vendor financing This increase was due to the November 2022 exchange following:

- Issuance of \$149.4 million 2023 13% Notes with an aggregate principal amount of our 2019 Facility \$206.0 million (including initial sale of \$200.0 million plus PIK interest payment of \$6.0 million);
- The 2023 Funding Agreement a \$6.3 million mandatory prepayment of principal amendments to the 2021 Funding Agreement resulted in August 2022 of our 2019 Facility Agreement, and a \$1.4 million reduction in the debt with an outstanding principal balance as of December 31, 2023 of \$75.5 million, and the derecognition of deferred revenue for a corresponding amount; and
- Entry into the 2023 Funding Agreement with an increase of debt \$117.3 million; offset by
- Payoff of the 2013 8.00% Notes following their conversion into shares of Globalstar common stock during 2022. These items were offset by amounts due to MDA under the satellite procurement agreement of \$59.8 million during 2022, a higher carrying value of the 2019 Facility Agreement of \$51.4 million due to the accrual of PIK

interest (\$35.2 million), the accretion of debt discount and amortization of deferred financing costs (\$5.3 million) and the write off of deferred financing costs associated with the exchange discussed below (\$10.9 million).

Recent Developments

On February 27, 2023, Globalstar and Partner agreed to amend the Service Agreements to provide for, among other things, Partner's prepayment of \$252 million to us (the "Prepayment"). We plan to use the proceeds of the Prepayment to pay amounts currently due and payable, and future amounts due, under our previously disclosed Satellite Procurement Agreement with MDA, as well as launch, insurance and ancillary costs incurred in connection with the construction and launch of these satellites. The Prepayment replaces our requirement to raise third-party financing for these costs as previously required under the Service Agreements and will be funded on a quarterly basis, subject to certain conditions in the agreement. The remaining amount of the satellite costs is expected to be funded from our operating cash flows.

The amount of the Prepayment and fees payable thereon will be recouped from amounts payable by our Partner for services provided by us under the Service Agreements. The Prepayment is expected to be recouped in installments for a period of 16 quarters beginning no later than the third quarter of 2025. The Prepayment may also be repaid over time through excess cash flow sweeps or voluntary prepayments, as provided under the terms of the prepayment agreement. For as long as any portion of the Prepayment is outstanding, we will be subject to certain covenants including (i) minimum cash balance of \$30 million, (ii) interest coverage and leverage ratios, and (iii) limitations on certain asset transfers, expenditures and investments.

Amounts payable by us in connection with the Prepayment will be guaranteed by Thermo, subject to applicable shareholder approval. Prior to such shareholder approval, Thermo has agreed to provide support of certain of our obligations under the Service Agreements, the Satellite Procurement Agreement, and certain related contracts directly to Partner.

As conditions precedent to Prepayment funding, we must (i) convert or refinance the remaining loans outstanding \$148.3 million due under the 2019 Facility Agreement, by March 13, 2023 inclusive of \$5.1 million of PIK interest accrued during 2023 prior to its payoff; and (ii) grant Partner a first-priority lien in our assets to secure its obligations

- Payment of \$59.6 million due under the Service Agreements, vendor financing arrangement.

Cash Flows for the years ended December 31, 2022 December 31, 2023, 2021 2022 and 2020

2021

The following table shows our cash flows from operating, investing and financing activities (in thousands):

Statements of Cash Flows	Statements of Cash Flows	Year Ended December 31,			Statements of Cash Flows	Year Ended December 31,		
		2022	2021	2020		2023	2022	2021
Net cash provided by operating activities	Net cash provided by operating activities	\$63,800	\$131,881	\$22,215				
Net cash used in investing activities	Net cash used in investing activities	(39,952)	(45,186)	(14,536)				
Net cash (used in) provided by financing activities	Net cash (used in) provided by financing activities	(6,048)	(140,282)	1,164				
Effect of exchange rate changes on cash, cash equivalents and restricted cash	Effect of exchange rate changes on cash, cash equivalents and restricted cash	(22)	(132)	52				
Net increase (decrease) in cash, cash equivalents and restricted cash	Net increase (decrease) in cash, cash equivalents and restricted cash	\$17,778	\$ (53,719)	\$ 8,895				

Net cash
provided
by (used
in)
financing
activities
Effect of
exchange
rate
changes
on cash
and cash
equivalents
Net
increase
(decrease)
in cash and
cash
equivalents

Cash Flows Provided by Operating Activities

Net cash provided by operations includes primarily cash receipts received from the performance of wholesale capacity services provided to our Partner under the Service Agreements as well as cash received from subscribers related to the purchase of equipment and satellite voice and data services provided, and equipment sold, to our subscribers, services. We use cash in operating activities primarily for network costs, personnel network maintenance costs, inventory purchases and other general corporate expenditures.

Net cash provided by operating activities was \$74.3 million during 2023 compared to \$63.8 million during 2022 compared 2022. The primary driver for the increase was higher net income after adjusting for noncash items due primarily to \$131.9 million during 2021, higher wholesale capacity service fees under the Service Agreements following service launch in November 2022. This decrease activity was offset partially by an unfavorable change in working capital due primarily to the timing of recognition of deferred revenue under the Service Agreements. The unfavorable change in deferred revenue was due primarily to the timing of receipt of the wholesale capacity service quarterly fees. To a smaller increase in lesser extent, the first recoupment under the 2021 Funding Agreement also decreased deferred revenue during 2022 compared to 2021 due to the timing and amount of prepayments made by Partner under the Service Agreements, which were recorded as deferred revenue (see Note 2: Revenue to our Consolidated Financial Statements for further discussion). The decrease in operating cash flows was also due to other working capital changes year over year, including the timing of vendor payments and customer receivables, offset partially by higher net income in 2022 after adjusting for noncash items. 2023.

Cash Flows Used in Investing Activities

Net cash used in investing activities was \$175.6 million during 2023 compared to \$40.0 million during 2022 compared 2022. An increase in payments made to \$45.2 million during 2021. The nature of MDA pursuant to our capital expenditures in both years related primarily to network upgrades associated with the Service Agreements, including the procurement and deployment of new antennas for our gateways, the preparation and launch of our on-ground spare satellite in June 2022, and milestone work under the satellite procurement agreement with MDA which of \$121.9 million was executed in February 2022. Cash used in investing decreased from 2021 to 2022 due to lower costs associated with gateway upgrades as that portion the primary driver of the project nears completion, offset partially by replacement satellite costs, increase in cash used during 2023. Additionally, payments of capitalized interest during 2023 totaled \$8.8 million and did not occur in 2022.

Cash Flows Provided by (Used in) Financing Activities

Net cash used in financing activities was \$6.0 million in 2022 compared to net cash provided by financing activities of \$140.3 million was \$125.8 million in 2021. Net 2023 compared to net cash used in financing activities was of \$6.0 million during 2022 in 2022. This fluctuation was due to proceeds from the 2023 13% Notes of \$190.0 million, before commissions and other related expenses, and the 2023 Funding Agreement of \$117.3 million (as discussed in more detail below). The proceeds from the 2023 13% Notes were used to pay the remaining principal amount due under the 2019 Facility Agreement of \$148.3 million and financing costs of \$8.6 million. The payment of cash dividends in respect to our Series A Preferred Stock totaling \$11.9 million was also a use of cash during 2023 that did not occur during the comparable period in 2022. Finally, pursuant to the terms of the 2021 Funding Agreement, a total of \$12.5 million was recouped during 2023. During 2022, we made an unscheduled principal repayment of the 2019 Facility Agreement in August 2022 totaling \$6.3 million. During 2021, we paid off the remaining principal balance due under the 2009 Facility Agreement of \$187.0 million (see further discussion below). In March 2021, we received \$43.7 million in proceeds from the exercise of the warrants issued with our 2019 Facility Agreement and, in December 2021, we received a partial refund of premiums previously paid for the 2009 Facility Agreement of \$2.6 million, \$6.3 million.

Discussion of our cash flows from operating, investing and financing activities for the years ended December 31, 2021, December 31, 2022 and 2020 2021 can be found in the Globalstar Annual Report on Form 10-K for the year ended December 31, 2021, December 31, 2022, as filed with the SEC on February 25, 2022 March 1, 2023.

Indebtedness

For further discussion on all of our debt and other financing arrangements, see Note 6: Long-Term Debt and Other Financing Arrangements in our Consolidated Financial Statements.

Funding Agreements

Our previously disclosed Service Agreements provide for, among other things, payment of up to \$252 million to us (the "2023 Funding Agreement") which we will use to fund 50% of amounts due under the satellite procurement agreement with MDA, as well as launch, insurance and ancillary costs incurred in connection with the construction and launch of these satellites. The 2023 Funding Agreement will be funded on a quarterly basis, as needed and subject to certain conditions therein. The remaining amount of the satellite costs is expected to be funded from our operating cash flows.

Through December 31, 2023, payments under the 2023 Funding Agreement totaled \$117.3 million. In February 2024, we received \$37.7 million under the 2023 Funding Agreement.

The amount of the Funding Agreement and fees payable thereon are expected to be recouped from amounts payable for services provided by us under the Service Agreements in installments for a period of 16 quarters beginning no later than the third quarter of 2025. For as long as any portion of the 2023 Funding Agreement is outstanding, we will be subject to certain covenants including (i) minimum cash balance of \$30 million, (ii) interest coverage and leverage ratios, and (iii) limitations on certain asset transfers, expenditures and investments.

During 2021, we received payments totaling \$94.2 million (the "2021 Funding Agreement"), which were recorded as deferred revenue. This funding is expected to be recouped as services are performed by us over the Phase 1 Service Period. Our previously disclosed amendment to this agreement resulted in re-characterizing the previously recorded deferred revenue balance to debt in 2023. During 2023, \$12.5 million has been recouped.

Our repayment obligations under the Funding Agreements are secured by a first-priority lien on substantially all of our assets. Thermo has agreed to provide support of certain of our obligations under the Funding Agreements and certain other amounts under the Service Agreements. Entry into this guarantee agreement received shareholder approval in June 2023 and became effective in December 2023. As consideration for Thermo's guarantee, we have issued to Thermo warrants to purchase 10.0 million shares of Globalstar common stock at an exercise price equal to \$2.00 per share (as calculated pursuant to the agreement). 5.0 million of these warrants vested upon effectiveness of Thermo's guarantee in December 2023, and the remaining 5.0 million warrants vest if and when Thermo advances aggregate funds of \$25.0 million or more to us or a permitted third party pursuant to the terms of Thermo's guarantee. These warrants expire five years after the date of issuance. In the event Thermo is required to advance amounts under the guarantee, we will be required to issue shares of our stock in respect of such payments equal the amount of the payment advanced by Thermo divided by the average volume-weighted average price for our common stock for the five trading days immediately preceding the date of such payment.

2023 13% Notes

In March 2023, we completed the sale of \$200.0 million in aggregate principal amount of non-convertible 13% Senior Notes due 2029 (the "2023 13% Notes"), which were issued pursuant to an indenture with Wilmington Trust, National Association, as trustee (the "Indenture"). The 2023 13% Notes are senior, unsecured obligations of Globalstar and have a stated maturity of September 15, 2029. The 2023 13% Notes were sold at an issue price of 95% of the principal amount and bear interest at a rate of 13.00% per annum payable semi-annually in arrears. We agreed under the Service Agreements to pay cash interest on the 2023 13% Notes at a rate of 6.5% per annum and paid-in-kind ("PIK") interest at a rate of 6.5% per annum.

The 2023 13% Notes may be redeemed at our option at any time, subject to the conditions of the Indenture. In the event of a Change of Control (as such term is defined in the Indenture) or certain other events, holders of the 2023 13% Notes have the right to require us to repurchase all or a portion of their 2023 13% Notes at a price (as calculated by us) in cash equal to 101% of the aggregate principal amount thereof plus accrued and unpaid interest and certain tax payments. The Indenture includes customary terms and covenants, including restrictions on our ability to incur indebtedness, make guarantees, sell equity interests, and customary events of default.

2019 Facility Agreement

In November 2019, we entered into a \$199.0 million facility agreement with Thermo, an affiliate of EchoStar Corporation and certain other unaffiliated lenders (the "2019 Facility Agreement"). The 2019 Facility Agreement was scheduled to mature in November 2025. The remaining

loans under the 2019 Facility Agreement bear interest at a rate of 14% 13.5% per annum paid-in-kind.

The Service Agreements required us to be paid-in-kind (or in cash, at our option). As of December 31, 2022, the principal amount of loans outstanding under the 2019 Facility Agreement was \$143.2 million. As previously disclosed, we provided notice to refinance in November 2022 and the agent and remaining lender portion was refinanced in March 2023. Using a portion of the proceeds from the sale of the 2023 13% Notes, we repaid all of our intent to voluntarily prepay all remaining amounts due under the 2019 Facility Agreement by March 13, 2023.

In connection with our Partner's launch of Services on November 15, 2022, to satisfy our obligation to complete the Thermo Debt Conversion (as described in our Current Report on Form 8-K filed September 7, 2022), we entered into an Exchange Agreement dated as of November 15, 2022 (the "Exchange Agreement") with affiliates of Thermo and certain other lenders (collectively, the "Exchanging Lenders") providing for the exchange of all the outstanding principal amount of, and accrued and unpaid interest on, the Exchanging Lenders' loans under the 2019 Facility Agreement for shares of our Series A Preferred Stock. Pursuant to the terms of the Exchange Agreement, on November 15, 2022, we exchanged a total of \$149.4 million of loans under the 2019 Facility Agreement, including all loans held by Thermo.

Our obligations under the 2019 Facility Agreement are guaranteed on a senior secured basis by all of our domestic subsidiaries' assets and are secured by a first priority lien on substantially all of our assets and our domestic subsidiaries (other than their FCC licenses), including patents and trademarks, 100% of the equity of our domestic subsidiaries and 65% of the equity of certain foreign subsidiaries.

The 2019 Facility Agreement contains customary events of default and requires us to satisfy various financial and non-financial covenants. The compliance calculations of the financial covenants of the 2019 Facility Agreement permit us to include certain cash funds we receive from the issuance of our common stock and/or subordinated indebtedness.

We refer to these funds as "Equity Cure Contributions". If we violate any covenants and are unable to obtain a sufficient Equity Cure Contribution or obtain a waiver, we would be in default under the 2019 Facility Agreement, and the lenders could accelerate payment of the indebtedness. As of December 31, 2022, we were in compliance with all the covenants of the 2019 Facility Agreement.

The 2019 Facility Agreement requires mandatory prepayments of principal with any Excess Cash Flow (as defined and calculated in the 2019 Facility Agreement) on a semi-annual basis. We generated Excess Cash Flow for the six-month measurement period ended June 30, 2022 and were required to pay \$6.3 million to our lenders in August 2022. This payment reduced future principal payment obligations. The Company generated Excess Cash Flow for the six-month measurement period ended December 31, 2022 and will be required to pay approximately \$2.0 million if the debt remains outstanding on March 16, 2023 \$148 million.

Vendor Financing

In February 2022, we entered into a satellite procurement agreement with MDA. This agreement (as amended in October 2022 and January 2023) provides amended provided for deferrals of milestone payments through March 15, 2023. We have made \$34 million in payments to MDA under this agreement, including \$14 million paid the remaining outstanding balance during the fourth first quarter 2022 and \$20 million in January of 2023. As of December 31, 2022, the amount outstanding under this agreement was \$59.8 million. Interest accrues on the amount outstanding at an annual rate of 7%, which increased to 10.5% on balances outstanding between December 2022 and March 2023. As discussed above, we expect to pay the deferred milestone payments on or before March 15, 2023 using Prepayment funding from our Partner under the Service Agreements.

8.00% Convertible Senior Notes Issued in 2013

In May 2013, we issued \$54.6 million aggregate principal amount of its 2013 8.00% Notes. In March 2022, the holders converted the remaining principal amount outstanding into 2.3 million shares of Globalstar common stock at a conversion price of \$0.69 (as adjusted) per share of common stock.

Series A Preferred Stock

In November 2022, we entered into an exchange agreement issued 149,425 shares of 7.0% Perpetual Preferred Stock, Series A, with the Exchange Lenders, who are affiliates a liquidation preference of Thermo and certain other lenders providing for \$1,000 per share (the "Series A Preferred Stock"). We recorded the exchange of all the outstanding principal amount of, and accrued and unpaid interest on, the Exchanging Lenders' loans under the 2019 Facility Agreement for shares of Series A Preferred Stock. Stock at fair value of the shares totaling \$105.3 million on our consolidated balance sheet.

Holders of Series A Preferred Stock will be are entitled to receive, when, as and if declared by our Board of Directors, or a committee thereof, cumulative cash dividends based on the liquidation preference of the Series A Preferred Stock, at a fixed rate equal to 7.00% per annum, payable quarterly in arrears on January 1, April 1, July 1 and October 1 of each year, beginning on January 1, 2023 year. During 2023, we paid dividends, which were approved by our Board of Directors, totaling \$11.9 million.

The shares of Series A Preferred Stock do not possess voting rights, other than certain matters specifically affecting their rights and obligations. Series A Preferred Stock may be redeemed by us, in whole or in part, at any time. The holders of the Series A Preferred Stock do not have any rights to convert or require us to redeem such stock.

Contractual Obligations and Commitments

Contractual obligations arising in the normal course of business consist primarily of debt and financing obligations (as discussed above), purchase commitments with vendors related to the procurement, deployment and maintenance of our network (discussed below), obligations for non-cancellable purchase orders for inventory (\$14.0 14.2 million of which we expect to be fulfilled in the next fifteen months based on line with current forecasted equipment sales) and operating lease obligations (see Note 3: 4: Leases to our Consolidated Financial Statements for further discussion).

Satellite Procurement Agreement

We have a satellite procurement agreement with MDA pursuant to which we expect to acquire at least 17 new and up to 26 satellites that will replenish our existing constellation of satellites HIBLEO-4 U.S.-licensed system and ensure long-term continuity of our mobile MSS. The satellite services. The procurement agreement requires MDA to deliver delivery of the 17 new satellites by 2025, with an expectation that all satellites will be launched by the end of 2025. We are acquiring the satellites to provide continuous satellite services to Partner under the Service Agreements, as well as services to our current and future customers. The current amended contract price for the these new satellites is \$327.0 \$329.5 million, and we have the option of purchasing to purchase up to nine additional satellites under the contract, at a lower per unit cost, subject to certain conditions. In addition, MDA will procure equipment to be incorporated into a satellite operations control center ("SOCC") totaling \$4.9 million as well as other equipment for \$4.9 million, \$3.7 million.

To date, the parties have accepted milestones totaling \$121.0 \$190.4 million associated with the new satellites and related infrastructure, and we have paid \$14.0 million during 2022 and \$135.9 million during 2023. Amounts accrued as of December 31, 2023 associated with this contract totaled \$55.6 million, of which \$34.0 million has been paid in cash (\$14.0 million was paid during 2022 and an additional \$20.0 \$44.7 million was paid in January 2023) and \$39.6 million remains as vendor financing due on March 15, 2023. The most recent milestone of \$47.4 million was completed in January 2023, as provided in the procurement agreement, and payment is due within the 45-day payment terms pursuant to the procurement agreement. As discussed above, we February 2024. We expect to pay continue to fund a portion of the outstanding future milestone payments using Prepayment funding from our Partner under the Service Agreements, 2023 Funding Agreement.

The satellite procurement agreement with MDA contains customary termination provisions including our right to terminate the contract for convenience at any time, subject to certain conditions. We plan to enter into additional agreements for launch services and launch insurance for these satellites. Under the Service Agreements, subject to certain terms and conditions, Partner has agreed to make service payments equal to 95% we will receive Approved Capital Expenditure Payments.

Launch Services Agreement

As more fully described in our Current Report on Form 8-K filed with the Commission on August 31, 2023, we have a Launch Services Agreement with Space Exploration Technologies Corp. ("SpaceX") and certain related ancillary agreements (the "Launch Services Agreements"), providing for the launch of the approved capital expenditures under first set of these satellites. The Launch Services Agreements provide a launch window from April to September 2025.

The launch services agreement with SpaceX contains customary termination provisions including our right to terminate the satellite procurement agreement (to be paid on a straight-line basis over the useful life contract for convenience at any time, subject to certain conditions including SpaceX retaining certain amounts of the satellites) contract value. Under the Service Agreements, subject to certain terms and certain other costs incurred for the new satellites, as adjusted based on certain provisions, beginning with the Phase 2 Service Period.

Other Network Purchase Commitments

Other purchase commitments with vendors for our network total \$4.1 million over the next year.

See Note 9: Commitments and Contingencies to our Consolidated Financial Statements for discussion on our contractual commitments. conditions, we will receive Approved Capital Expenditure Payments.

Recently Issued Accounting Pronouncements

For a discussion of recent accounting guidance and the expected impact that the guidance could have on our Consolidated Financial Statements, see Note 1: Summary of Significant Accounting Policies in our Consolidated Financial Statements.

Critical Accounting Policies and Estimates

Our discussion and analysis of our financial condition and results of operations are based on our Consolidated Financial Statements, which have been prepared in accordance with accounting principles generally accepted in the United States. The preparation of these financial statements requires us to make estimates and assumptions that affect the amounts reported in our Consolidated Financial Statements and accompanying notes. Note 1: Summary of Significant Accounting Policies in our Consolidated Financial Statements contains a description of the accounting policies used in the preparation of our financial statements as well as the consideration of recently issued accounting standards and the estimated impact these standards will have on our financial statements. We evaluate our estimates on an ongoing basis, including those related to revenue recognition; property and equipment; and income taxes. We base our estimates on historical experience and on various other assumptions that we believe are reasonable under the circumstances. Actual amounts could differ significantly from these estimates under different assumptions and conditions.

We define a critical accounting policy or estimate as one that is both important to our financial condition and results of operations and requires us to make difficult, subjective or complex judgments or estimates about matters that are uncertain. We

believe that the following are the critical accounting policies and estimates used in the preparation of our Consolidated Financial Statements. In addition, there are other items within our Consolidated Financial Statements that require estimates but are not deemed critical as defined in this paragraph.

Revenue Recognition

Our primary types of revenue include (i) service revenue from two-way voice communication, and one-way and two-way data transmissions between a mobile or fixed device, (ii) subscriber equipment revenue from the sale of fixed and mobile devices as well as other products and accessories, (iii) wholesale capacity service revenue from providing satellite network access and related services utilizing our satellite spectrum and network of satellites and gateways and (iv) service revenue from providing engineering and communication services to certain customers. using our MSS and terrestrial spectrum licenses. The complexities or judgements involved in revenue recognition are discussed below.

If a contract includes more than one performance obligation, such as under the Service Agreements or when subscriber equipment is bundled with services in a multiple-element arrangement, we allocate the transaction price to each performance obligation in proportion to their standalone selling prices at contract inception and recognize them when, or as, each performance obligation is satisfied. Determination of the relative stand-alone selling prices is complex and involves judgement, as prices may vary based on many factors, such as promotions, customer, volume and/or type of equipment sold.

Service revenue is generally recognized over a period of time (consistent with the customer's receipt and consumption of the benefits of our performance) and revenue from the sale of subscriber equipment is recognized at a point in time (consistent with the transfer of risks and rewards of ownership of the hardware).

We record customer payments received in advance of the corresponding service period as deferred revenue. We assess the timing of the transfer of products or services to a customer as compared to the timing of payments made to us to determine whether a significant financing component exists. In general, our subscriber-driven contracts are paid monthly or annually and the time between cash collection and performance is less than one year. For certain payments made under the Service Agreements, the length of time between receipt of payment by Partner and the transfer of services by us is was greater than twelve months. Accordingly, these payments made by Partner include included a significant financing component.

For Duplex service revenue, we recognize revenue for monthly access fees in the period services are rendered. For annual plans whereby a customer prepay for a predetermined amount of minutes and data, revenue is recognized consistent with the customer's expected pattern of usage, based on historical experience because we believe

that this method most accurately depicts the satisfaction of our obligation to the customer. For annual plans where the customer is charged an annual fee to access our system, we recognize revenue on a straight-line basis over the term of the plan.

For our subscriber-driven contracts, subscriber acquisition costs primarily include internal sales commissions and initial activation commissions as well as certain other costs, including but not limited to, promotional costs, cooperative marketing credits and shipping and fulfillment costs. We capitalize incremental costs to obtain a contract to the extent we expect to recover such costs. All other subscriber acquisitions costs are expensed at the time of the related sale.

For wholesale capacity services, we capitalize costs to fulfill a contract to the extent we expect to recover them and we also capitalize noncash consideration issued to Partner under the Service Agreements. Costs to fulfill a contract may include certain expenses incurred by us prior to the customer benefiting from the service, such as personnel and contractor costs and other operating expenses. Under the Service Agreements, we issued Partner the Warrants warrants to purchase shares of Globalstar common stock; we stock, which were recorded the Warrants at the estimated fair value of the consideration granted based on a Black-Scholes pricing model. The fair value of the Warrants warrants was capitalized as a contract asset and will be is being recognized as a reduction of the transaction price over the estimated term of the Service Agreements.

Property and Equipment

The vast majority of our property and equipment costs are incurred related to the construction of our second-generation constellation, satellites, including an agreement executed in 2022 for the purchase of new satellites to replenish our existing satellite constellation, and ground station upgrades. Accounting for these assets requires us to make complex judgments and estimates. We capitalize costs associated with the design, manufacture, test and launch of our low earth orbit satellites. We capitalize costs associated with the design, manufacture and test of our ground stations and other capital assets. We track capitalized costs associated with our ground stations and other capital assets by fixed asset category and allocate them to each asset as it comes into service. For assets that are sold or retired, including satellites that are de-orbited and no longer providing services, we remove the estimated cost and accumulated depreciation. We recognize a loss from an in-orbit failure of a satellite equal to its net book value, if any, in the period it is determined that the satellite is not recoverable.

Estimating the useful life of our assets is complex and involves judgement. We evaluate the appropriateness of estimated depreciable lives assigned to our property and equipment and revise such lives to the extent warranted by changing facts and circumstances. If the useful life of our significant assets changes, this change could impact our operating results. The estimated useful lives of our assets is based on many factors, including estimated design life, information from our engineering department and our overall strategy for the use of the assets. A one year reduction in the estimated useful life of our second-generation satellites would result in an annual increase to depreciation expense of \$5.2 million.

We review the carrying value of our assets for impairment whenever events or changes in circumstances indicate that the recorded value may not be recoverable. If indicators of impairment exist, we compare future undiscounted cash flows to the carrying value of the asset group. If an asset is not recoverable, its carrying value would be adjusted down to fair value and an impairment loss would be recorded. Key assumptions in our impairment tests include projected future cash flows, the timing of network upgrades and current discount rates. Additionally, from time to time, we perform profitability analyses to determine if investments in certain products and/or services remain viable. In the event we determine to no longer support a product or service, or that an asset is not expected to generate future benefit, the asset may be abandoned and an impairment loss may be recorded.

Income Taxes

We use the asset and liability method of accounting for income taxes. This method takes into account the differences between financial statement treatment and tax treatment of certain transactions. We recognize deferred tax assets and liabilities for the future tax consequences attributable to differences between the financial statement carrying amounts of existing assets and liabilities and their respective tax basis. We measure deferred tax assets and liabilities using enacted tax rates expected to apply to taxable income in the years in which those temporary differences are expected to be recovered or settled. Our deferred tax calculation requires us to make certain estimates about our future operations. Changes in state, federal and foreign tax laws, as well as changes in our financial condition or the carrying value of existing assets and liabilities, could affect these estimates. We recognize the effect of a change in tax rates as income or expense in the period that the rate is enacted; however, as we have a full valuation allowance on our deferred tax assets, there is no impact to the consolidated statements of operations and balance sheets. enacted.

GAAP requires us to assess whether it is more likely than not that we will be able to realize some or all of our deferred tax assets. If we cannot determine that deferred tax assets are more likely than not to be recoverable, GAAP requires us to provide a valuation allowance against those assets. This assessment takes into account factors including: (a) the nature, frequency, and severity of current and cumulative financial reporting losses; (b) sources of estimated future taxable income; and (c) tax planning strategies. We must weigh heavily a pattern of our recent financial reporting losses as a source of negative evidence when determining our ability to realize deferred tax assets. Projections of estimated future taxable income exclusive (exclusive of reversing temporary differences differences) are a source of positive evidence only when the projections are combined with a history of recent profitable operations and can be reasonably estimated. Otherwise, GAAP requires that we consider projections inherently subjective and generally insufficient to overcome negative evidence that includes cumulative losses in recent years. If necessary and available, we would implement tax planning strategies to accelerate taxable amounts to utilize expiring carryforwards. These strategies would be a source of additional positive evidence supporting the realization of deferred tax assets.

Item 7A. Quantitative and Qualitative Disclosures About Market Risk

Our services and products are sold, distributed or available in over 120 countries, numerous countries globally. Our international sales are denominated primarily in Canadian dollars, Brazilian reais and euros. In some cases, insufficient supplies of U.S. currency may require us to accept payment in other foreign currencies. We reduce our currency exchange risk from revenues in currencies other than the U.S. dollar by requiring payment in U.S. dollars whenever possible and purchasing foreign currencies on the spot market when rates are favorable. We currently do not purchase hedging instruments to hedge foreign currencies. We are obligated to enter into currency hedges with the lenders to the 2019 Facility Agreement no later than 90 days after any fiscal quarter during which more than 25% of revenues is denominated in a single currency other than U.S. or Canadian dollars. Otherwise, we cannot enter into hedging agreements other than interest rate cap agreements or other hedges described above without the consent of the agent for the 2019 Facility Agreement, and with that consent the counterparties may only be the lenders to the 2019 Facility Agreement.

We may be exposed to the risk of rising interest rates if our future borrowings bear interest at a floating rate.

We also have operations in Argentina, which is considered to have a highly inflationary economy. We continue to monitor the significant uncertainty surrounding current Argentinian exchange mechanisms. Operations in this country are not considered significant to our consolidated operations.

See Note 8; 9: Fair Value Measurements in our Consolidated Financial Statements for discussion of our financial assets and liabilities measured at fair market value and the market factors affecting changes in fair market value of each.

Item 8. Financial Statements and Supplementary Data

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Report of Independent Registered Public Accounting Firm

The Board of Directors and Stockholders of Globalstar, Inc.

Opinion on the Financial Statements

We have audited the accompanying consolidated balance sheets of Globalstar, Inc. (the Company) as of December 31, 2022 December 31, 2023 and 2021 2022, the related consolidated statements of operations, comprehensive income (loss) income, stockholders' equity and cash flows for each of the three years in the period ended December 31, 2022 December 31, 2023 and the related notes (collectively referred to as the "consolidated financial statements"). In our opinion, the consolidated financial statements present fairly, in all material respects, the financial position of the Company at December 31, 2022 December 31, 2023 and 2021, 2022, and the results of its operations and its cash flows for each of the three years in the period ended December 31, 2022 December 31, 2023, in conformity with U.S. generally accepted accounting principles.

We also have audited, in accordance with the standards of the Public Company Accounting Oversight Board (United States) (PCAOB), the Company's internal control over financial reporting as of December 31, 2022 December 31, 2023, based on criteria established in Internal Control-Integrated Framework issued by the Committee of Sponsoring Organizations of the Treadway Commission (2013 framework), and our report dated March 1, 2023 February 29, 2024, expressed an unqualified opinion thereon.

Basis for Opinion

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

We conducted our audits in accordance with the standards of the PCAOB. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement, whether due to error or fraud. Our audits included performing procedures to assess the risks of material misstatement of the financial statements, whether due to error or fraud, and performing procedures that respond to those risks. Such procedures included examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements. Our audits also included evaluating the accounting principles used and significant estimates made by management, as well as evaluating the overall presentation of the financial statements. We believe that our audits provide a reasonable basis for our opinion.

Critical Audit Matter Matters

The critical audit matter matters communicated below is a matter are matters arising from the current period audit of the financial statements that was were communicated or required to be communicated to the audit committee and that: (1) relates relate to accounts or disclosures that are material to the financial statements and (2) involved our especially challenging, subjective, or complex judgments. The communication of the critical audit matter matters does not alter in any way our opinion on the consolidated financial statements, taken as a whole, and we are not, by communicating the critical audit matter matters below, providing a separate opinion on the critical audit matter matters or on the account accounts or disclosures to which it relates. they relate.

Useful life of Space component assets

Description of the Matter

At **December 31, 2022** **December 31, 2023**, the Company had \$1.2 billion of Space component assets recorded as property and equipment. As discussed in Note 1 to the consolidated financial statements, the Company's Space component assets are depreciated on a straight-line basis over their estimated useful life, which is currently estimated to be 15 years. Management's estimate of the useful life of its Space component assets was based on estimated design life, information from the Company's engineering department and overall Company strategy for the use of the assets.

Auditing the Company's estimate of the useful life of its Space component assets involved a high degree of subjectivity due to the application of management's judgment when evaluating the available information to determine the estimated useful life. The resulting estimated useful life has a significant effect on the timing of recognition of depreciation expense given the magnitude of the carrying amount of the Space component assets.

How We Addressed the Matter in Our Audit

We obtained an understanding, evaluated the design and tested the operating effectiveness of controls over the Company's process to determine the estimated useful life of its Space component assets, including controls over management's evaluation of the available information to determine the estimated useful life.

Our testing of the Company's estimated useful life of the Space component assets included, among other procedures, evaluating the application of available information to determine the estimated useful life. We compared management's useful life to the manufacturer's estimated design life, publicly available information on the estimated useful life of similar assets, operation and performance of the assets per the Company's engineering group, and the life of its first-generation satellite constellation. Additionally, we evaluated the effect of changes, if any, in the Company's long-term strategy for use of the assets on the useful life estimate.

Classification and valuation of the 2021 and 2023 Funding Agreements

Description of the Matter

As described in Note 7, in February 2023, the Company entered into the 2023 Funding Agreement and amended the terms of the 2021 Funding Agreement (collectively "the Funding Agreements"). We identified the assessment of the Funding Agreements as a critical audit matter, primarily due to significant judgments by management related to the determination that advances under the Funding Agreements were debt, as determined for financial reporting purposes, and the estimation of the fair value to be assigned to the debt and other components. The fair value of the debt, which was determined using a discounted cash flow method, is dependent on significant assumptions such as the discount rate. Auditing of these classification and valuation considerations involved challenging and complex auditor judgment, including the need to involve valuation specialists.

How We Addressed the Matter in Our Audit

We tested the effectiveness of controls over the Company's assessment of the Funding Agreements, including controls related to classification and valuation. We evaluated the Company's accounting analysis for the Funding Agreements, including the determination that advances were debt. We evaluated the Company's estimate of the fair value of the debt and other components by involving valuation specialists to assess the reasonableness of the (1) valuation methodology and (2) valuation assumptions applied including the discount rate by developing a range of independent estimates and comparing our estimates to those used by management. We tested the source information underlying the significant assumptions and estimates and the mathematical accuracy of the calculation.

/s/ Ernst & Young LLP

We have served as the Company's auditor since 2020.

New Orleans, Louisiana

March 1, 2023 February 29, 2024

Report of Independent Registered Public Accounting Firm

The Board of Directors and Stockholders of Globalstar, Inc.

Opinion on Internal Control over Financial Reporting

We have audited Globalstar, Inc.'s internal control over financial reporting as of **December 31, 2022** **December 31, 2023**, based on criteria established in Internal Control—Integrated Framework issued by the Committee of Sponsoring Organizations of the Treadway Commission (2013 framework) (the COSO criteria). In our opinion, Globalstar, Inc. (the Company) maintained, in all material respects, effective internal control over financial reporting as of **December 31, 2022** **December 31, 2023**, based on the COSO criteria.

We also have audited, in accordance with the standards of the Public Company Accounting Oversight Board (United States) (PCAOB), the consolidated balance sheets of the Company as of **December 31, 2022** **December 31, 2023** and **2021, 2022**, the related consolidated statements of operations, **statements of comprehensive income (loss) income**, stockholders' equity and cash flows for each of the three years in the period ended **December 31, 2022** **December 31, 2023**, and the related notes and our report dated **March 1, 2023** February 29, 2024, expressed an unqualified opinion thereon.

Basis for Opinion

The Company's management is responsible for maintaining effective internal control over financial reporting and for its assessment of the effectiveness of internal control over financial reporting included in the accompanying Management's Report on Internal Control Over Financial Reporting. Our responsibility is to express an opinion on the Company's internal control over financial reporting based on our audit. We are a public accounting firm registered with the PCAOB and are required to be independent with respect to the Company in accordance with the U.S. federal securities laws and the applicable rules and regulations of the Securities and Exchange Commission and the PCAOB.

We conducted our audit in accordance with the standards of the PCAOB. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether effective internal control over financial reporting was maintained in all material respects.

Our audit included obtaining an understanding of internal control over financial reporting, assessing the risk that a material weakness exists, testing and evaluating the design and operating effectiveness of internal control based on the assessed risk, and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion.

Definition and Limitations of Internal Control Over Financial Reporting

A company's internal control over financial reporting is a process designed 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. A company's internal control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use or disposition of the company's assets that could have a material effect on the financial statements.

Because of its inherent limitations, internal control over financial reporting may not prevent or detect misstatements. Also, projections of any evaluation of effectiveness to future periods are subject to the risk that controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

/s/ Ernst & Young LLP

New Orleans, Louisiana

March 1, 2023 February 29, 2024

GLOBALSTAR, INC. CONSOLIDATED BALANCE SHEETS (In thousands, except par value and share data)

		December 31,				December 31,	
		2022	2021			2023	2022
ASSETS	ASSETS			ASSETS			
Current assets:	Current assets:			Current assets:			
Cash and cash equivalents	Cash and cash equivalents	\$ 32,082	\$ 14,304				
Accounts receivable, net of allowance for credit losses of \$2,892 and \$2,962, respectively		26,329	21,182				
Accounts receivable, net of allowance for credit losses of \$2,312 and \$2,892, respectively							
Inventory	Inventory	9,264	13,829				
Prepaid expenses and other current assets	Prepaid expenses and other current assets	13,569	19,558				
Total current assets	Total current assets	81,244	68,873				
Property and equipment, net	Property and equipment, net	560,371	672,156				

Operating lease right of use assets, net	Operating lease right of use assets, net	30,859	32,041		
Prepaid satellite construction costs and related customer receivable		122,496	—		
Intangible and other assets, net of accumulated amortization of \$10,908 and \$11,189, respectively		38,425	41,036		
Prepaid satellite costs and customer receivable					
Intangible and other assets, net of accumulated amortization of \$12,385 and \$10,908, respectively					
Total assets	Total assets	\$ 833,395	\$ 814,106		
LIABILITIES AND STOCKHOLDERS' EQUITY	LIABILITIES AND STOCKHOLDERS' EQUITY			LIABILITIES AND STOCKHOLDERS' EQUITY	
Current liabilities:	Current liabilities:			Current liabilities:	
Current portion of long-term debt					
Accounts payable	Accounts payable	\$ 3,843	\$ 6,247		
Vendor financing	Vendor financing	59,822	—		
Accrued expenses	Accrued expenses	58,446	28,947		
Accrued satellite construction costs					
Payables to affiliates	Payables to affiliates	326	444		
Deferred revenue		74,639	25,927		
Deferred revenue, net					
Total current liabilities	Total current liabilities	197,076	61,565		
Long-term debt	Long-term debt	132,115	237,932		
Operating lease liabilities	Operating lease liabilities	27,635	29,237		
Deferred revenue, net	Deferred revenue, net	157,803	112,054		
Other non-current liabilities	Other non-current liabilities	3,995	7,887		
Total non-current liabilities	Total non-current liabilities	321,548	387,110		
Commitments and contingent liabilities (Note 9)					
Commitments and contingencies (Note 10)					
Commitments and contingencies (Note 10)					
Commitments and contingencies (Note 10)					
Stockholders' equity:	Stockholders' equity:				
Preferred Stock of \$0.0001 par value; 99,700,000 and 100,000,000 shares authorized and none issued and outstanding at December 31, 2022 and 2021, respectively		—	—		

Series A Preferred Stock of \$0.0001 par value; 300,000 shares authorized and 149,425 issued and outstanding at December 31, 2022; no shares authorized and none issued and outstanding as of December 31, 2021	—	—
Voting Common Stock of \$0.0001 par value; 2,150,000,000 shares authorized; 1,811,074,696 and 1,796,528,871 shares issued and outstanding at December 31, 2022 and 2021, respectively	181	180

Stockholders' equity:

Stockholders' equity:

Preferred Stock of \$0.0001 par value; 99,700,000 shares authorized and none issued and outstanding at December 31, 2023 and 2022, respectively			
Series A Perpetual Preferred Stock of \$0.0001 par value; 300,000 shares authorized and 149,425 issued and outstanding at December 31, 2023 and December 31, 2022, respectively			
Voting Common Stock of \$0.0001 par value; 2,150,000,000 shares authorized; 1,881,194,682 and 1,811,074,696 shares issued and outstanding at December 31, 2023 and 2022, respectively			
Additional paid-in capital	Additional paid-in capital	2,345,612	2,146,710
Accumulated other comprehensive income	Accumulated other comprehensive income	9,242	1,890
Retained deficit	Retained deficit	(2,040,264)	(1,783,349)
Total stockholders' equity	Total stockholders' equity	314,771	365,431
Total liabilities and stockholders' equity	Total liabilities and stockholders' equity	\$ 833,395	\$ 814,106

See accompanying notes to Consolidated Financial Statements.

GLOBALSTAR, INC.
CONSOLIDATED STATEMENTS OF OPERATIONS
(In thousands, except per share data)

Year Ended December 31,			Year Ended December 31,		
2022	2021	2020	2023	2022	2021

Revenue:	Revenue:				Revenue:
Service revenue	Service revenue	\$ 132,068	\$ 106,464	\$ 113,191	
Subscriber equipment sales	Subscriber equipment sales	16,436	17,833	15,296	
Total revenue	Total revenue	148,504	124,297	128,487	
Operating expenses:	Operating expenses:				Operating expenses:
Cost of services (exclusive of depreciation, amortization and accretion shown separately below)	Cost of services (exclusive of depreciation, amortization and accretion shown separately below)	43,370	37,372	34,751	
Cost of subscriber equipment sales	Cost of subscriber equipment sales	13,097	13,587	13,268	
Cost of subscriber equipment sales - reduction in the value of inventory	Cost of subscriber equipment sales - reduction in the value of inventory	8,553	1,004	662	
Marketing, general and administrative	Marketing, general and administrative	44,103	41,358	41,738	
Stock-based compensation					
Reduction in the value of long-lived assets	Reduction in the value of long-lived assets	166,526	242	416	
Depreciation, amortization and accretion	Depreciation, amortization and accretion	93,884	96,237	96,815	
Total operating expenses	Total operating expenses	369,533	189,800	187,650	
Loss from operations	Loss from operations	(221,029)	(65,503)	(59,163)	
Other (expense) income:	Other (expense) income:				Other (expense) income:
Gain on extinguishment of debt		2,790	3,098	—	
(Loss) gain on extinguishment of debt					
Loss on equity issuance					

Interest income and expense, net of amounts capitalized	Interest income and expense, net of amounts capitalized	(30,168)	(43,536)	(48,429)
Derivative (loss) gain		(805)	(1,043)	2,897
Foreign currency loss		(6,592)	(6,308)	(727)
Pension settlement loss		(1,501)	—	(2,075)
Other		463	368	(1,480)
Foreign currency gain (loss)				
Derivative gain (loss) and other				
Total other expense	Total other expense	(35,813)	(47,421)	(49,814)
Loss before income taxes	Loss before income taxes	(256,842)	(112,924)	(108,977)
Income tax expense (benefit)	Income tax expense (benefit)	73	(299)	662
Net loss	Net loss	\$ (256,915)	\$ (112,625)	\$ (109,639)
Net loss attributable to common shareholders (Note 14)				
Net loss attributable to common shareholders (Note 14)				
Net loss attributable to common shareholders (Note 14)	Net loss attributable to common shareholders (Note 14)	\$ (258,252)	\$ (112,625)	\$ (109,639)
Net loss per common share:	Net loss per common share:			
Basic	Basic	\$ (0.14)	\$ (0.06)	\$ (0.07)
Diluted	Diluted	(0.14)	(0.06)	(0.07)
Weighted-average shares outstanding:	Weighted-average shares outstanding:			
Basic	Basic	1,800,825	1,765,139	1,642,359
Diluted	Diluted	1,800,825	1,765,139	1,642,359

See accompanying notes to Consolidated Financial Statements.

GLOBALSTAR, INC.
CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME (LOSS)
(In thousands)

		Year Ended December 31,			Year Ended December 31,		
		2022	2021	2020	2023	2022	2021
Net loss	Net loss	\$ (256,915)	\$ (112,625)	\$ (109,639)			
Other comprehensive income:							
Other comprehensive (loss) income:							
Defined benefit pension plan liability adjustment	Defined benefit pension plan liability adjustment	2,073	410	2,042			

Net foreign currency translation adjustment	Net foreign currency translation adjustment	5,279	4,424	(1,537)
Total other comprehensive income		7,352	4,834	505
Total other comprehensive (loss) income				
Total comprehensive loss	Total comprehensive loss	<u>\$ (249,563)</u>	<u>\$ (107,791)</u>	<u>\$ (109,134)</u>

See accompanying notes to Consolidated Financial Statements.

GLOBALSTAR, INC.
CONSOLIDATED STATEMENTS OF STOCKHOLDERS' EQUITY
(In thousands)

Preferred Stock		Preferred Stock		Common Stock		Accumulated		Additional		Other		Retained		Total	
		Shares		Amount		Paid-In		Comprehensive		Income (Loss)		Deficit		Total	
		Shares	Amount	Shares	Amount	Capital		Income (Loss)		Deficit		Deficit		Total	
Balances – December 31, 2019		—	\$ —	1,464,544	\$ 146	\$ 1,970,047	\$	(3,449)		\$ (1,559,401)				\$ 407,343	
Net issuance of restricted stock awards and recognition of stock-based compensation		—	—	7,637	1	4,766		—		—		—		4,767	
Contribution of services		—	—	—	—	232		—		—		—		232	
Issuance and recognition of stock-based compensation of employee stock purchase plan		—	—	2,253	—	1,048		—		—		—		1,048	
Common stock issued in connection with conversion of Loan Agreement with Thermo		—	—	200,140	20	120,441		—		—		—		120,461	
Common stock issued in connection with conversion of 2013 8.00% Notes		—	—	95	—	32		—		—		—		32	
Impact of adoption of Credit Loss Standard		—	—	—	—	—		—		(1,684)		(1,684)		(1,684)	
Other comprehensive income		—	—	—	—	—		505		—		—		505	
Net loss		—	—	—	—	—		—		(109,639)		(109,639)		(109,639)	
Balances – December 31, 2020	Balances – December 31, 2020	—	\$ —	1,674,669	\$ 167	\$ 2,096,566	\$	(2,944)		\$ (1,670,724)				\$ 423,065	
Net issuance of restricted stock awards and employee stock options and recognition of stock-based compensation	Net issuance of restricted stock awards and employee stock options and recognition of stock-based compensation	—	—	4,937	1	5,543		—		—		—		5,544	
Contribution of services	Contribution of services	—	—	—	—	188		—		—		—		188	

Issuance and recognition of stock-based compensation of employee stock purchase plan	Issuance and recognition of stock-based compensation of employee stock purchase plan	—	—	1,887	—	747	—	—	747
Issuance of stock for warrant exercises	Issuance of stock for warrant exercises	—	—	115,036	12	43,666	—	—	43,678
Other comprehensive income	Other comprehensive income	—	—	—	—	—	4,834	—	4,834
Net loss	Net loss	—	—	—	—	—	—	(112,625)	(112,625)
Balances – December 31, 2021									
Balances – December 31, 2021									
Balances – December 31, 2021	Balances – December 31, 2021								
		— \$	—	1,796,529	\$ 180	\$2,146,710	\$ 1,890	\$(1,783,349)	\$365,431
Net issuance of restricted stock awards and employee stock options and recognition of stock-based compensation	Net issuance of restricted stock awards and employee stock options and recognition of stock-based compensation	—	—	11,577	1	10,588	—	—	10,589
Contribution of services	Contribution of services	—	—	—	—	188	—	—	188
Issuance and recognition of stock-based compensation of employee stock purchase plan	Issuance and recognition of stock-based compensation of employee stock purchase plan	—	—	716	—	1,135	—	—	1,135
Common stock issued in connection with conversion of 2013 8.00% Notes	Common stock issued in connection with conversion of 2013 8.00% Notes	—	—	2,253	—	2,548	—	—	2,548
Fair value of Warrants granted to Partner		—	—	—	—	48,337	—	—	48,337
Fair value of Warrants issued in connection with the Service Agreements									
Issuance of Series A Preferred Stock	Issuance of Series A Preferred Stock	149	—	—	—	105,342	—	—	105,342

Gain on extinguishment of 2019 Facility Agreement with Thermo	Gain on extinguishment of 2019 Facility Agreement with Thermo	—	—	—	—	30,764	—	—	30,764
Other comprehensive income	Other comprehensive income	—	—	—	—	—	7,352	—	7,352
Net loss	Net loss	—	—	—	—	—	—	(256,915)	(256,915)
Balances – December 31, 2022	Balances – December 31, 2022	149	\$ —	1,811,075	\$ 181	\$2,345,612	\$ 9,242	\$(2,040,264)	\$314,771
Net issuance of restricted stock awards and employee stock options and recognition of stock-based compensation									
Contribution of services									
Issuance and recognition of stock-based compensation of employee stock purchase plan									
Series A Preferred Dividends									
Fair value of Thermo guarantees associated with 2023 Funding Agreement									
Issuance of warrants to Thermo for its guarantee associated with the 2023 Funding Agreement									
Issuance of stock in connection with License Agreement with XCOM									
Other comprehensive loss									

Net loss
Balances –
December 31,
2023

See accompanying notes to Consolidated Financial Statements.

GLOBALSTAR, INC.
CONSOLIDATED STATEMENTS OF CASH FLOWS
(In thousands)

		Year Ended December 31,			Year Ended December 31,		
		2022	2021	2020	2023	2022	2021
Cash flows provided by operating activities:	Cash flows provided by operating activities:				Cash flows provided by operating activities:		
Net loss	Net loss	\$(256,915)	\$(112,625)	\$(109,639)			
Adjustments to reconcile net loss to net cash provided by operating activities:	Adjustments to reconcile net loss to net cash provided by operating activities:				Adjustments to reconcile net loss to net cash provided by operating activities:		
Depreciation, amortization and accretion	Depreciation, amortization and accretion	93,884	96,237	96,815			
Change in fair value of derivatives		805	1,043	(2,897)			
Stock-based compensation expense	Stock-based compensation expense	10,754	6,729	5,902			
Noncash consideration, net, associated with wholesale capacity contract	Noncash consideration, net, associated with wholesale capacity contract	(292)	—	—			
Amortization of deferred financing costs		520	2,562	4,243			
Reduction in the value of long-lived assets and inventory	Reduction in the value of long-lived assets and inventory	175,079	1,246	1,078			
Provision for credit losses		1,087	936	1,656			
Noncash interest and accretion expense	Noncash interest and accretion expense	29,711	35,897	33,847			
Gain on extinguishment of debt		(2,790)	(3,098)	—			
Loss on pension settlement		1,501	—	2,075			
Noncash revenue recognized from terminated contract		—	—	(2,916)			
Noncash reversal of tariff accrual		—	(1,023)	—			
Unrealized foreign currency loss		6,615	6,394	1,362			

Noncash portion of loss (gain) on extinguishment of debt					
Loss on equity issuance					
Noncash expenses associated with SSA, net of amortization					
Unrealized foreign currency (gain) loss					
Other, net	Other, net	(2,631)	(1,420)	106	
Changes in operating assets and liabilities:	Changes in operating assets and liabilities:				Changes in operating assets and liabilities:
Accounts receivable	Accounts receivable	(1,009)	1,361	(8,494)	
Inventory	Inventory	(2,380)	(80)	2,176	
Prepaid expenses and other current assets	Prepaid expenses and other current assets	952	(5,266)	981	
Other assets	Other assets	(183)	82	(890)	
Accounts payable and accrued expenses	Accounts payable and accrued expenses	(11,371)	(3,647)	(197)	
Payables to affiliates	Payables to affiliates	(118)	(136)	319	
Other non-current liabilities	Other non-current liabilities	(2,561)	(609)	(60)	
Deferred revenue	Deferred revenue	23,142	107,298	(3,252)	
Net cash provided by operating activities	Net cash provided by operating activities	63,800	131,881	22,215	
Cash flows used in investing activities:	Cash flows used in investing activities:				Cash flows used in investing activities:
Network upgrades (including capitalized interest)		(18,233)	(37,432)	(7,317)	
Satellite construction costs		(14,000)	—	—	
Property and equipment additions		(7,076)	(6,307)	(5,157)	

Payments under the satellite procurement agreement				
Payments for other network upgrades to support the Service Agreements				
Payments of capitalized interest				
Payments for network upgrades to support product development				
Sale of property and equipment	Sale of property and equipment	—	350	—
Purchase of intangible assets	Purchase of intangible assets	(643)	(1,797)	(2,062)
Net cash used in investing activities	Net cash used in investing activities	(39,952)	(45,186)	(14,536)
Cash flows (used in) provided by financing activities:				
Principal payments of the 2019 Facility Agreement		(6,341)	—	—
Cash flows provided by (used in) financing activities:				
Principal and interest payments of the 2019 Facility Agreement				
Proceeds from 2023 13% Notes				
Proceeds from 2023 Funding Agreement				
Principal payments of 2021 Funding Agreement				
Dividends paid on Series A Preferred Stock				
Payments for debt and equity issuance costs				

Cash flows provided by (used in) financing activities:

Net proceeds from equity plan transactions				
Principal payments of the 2009 Facility Agreement	Principal payments of the 2009 Facility Agreement	—	(186,990)	(3,373)
Payments for debt and equity issuance costs		(626)	(286)	(1,074)
Proceeds from issuance of common stock and exercise of options		919	747	638
Net proceeds from common stock offering and exercise of warrants	Net proceeds from common stock offering and exercise of warrants	—	43,678	—
Premium refund from the 2009 Facility Agreement	Premium refund from the 2009 Facility Agreement	—	2,569	—
Proceeds from PPP Loan		—	—	4,973
Net cash (used in) provided by financing activities		(6,048)	(140,282)	1,164
Effect of exchange rate changes on cash, cash equivalents and restricted cash		(22)	(132)	52
Net increase (decrease) in cash, cash equivalents and restricted cash		17,778	(53,719)	8,895
Cash, cash equivalents and restricted cash, beginning of period		14,304	68,023	59,128
Cash, cash equivalents and restricted cash, end of period		\$ 32,082	\$ 14,304	\$ 68,023
Net cash provided (used in) by financing activities				
Effect of exchange rate changes on cash and cash equivalents				
Net increase (decrease) in cash and cash equivalents				
Cash and cash equivalents, beginning of period				
Cash and cash equivalents, end of period ⁽¹⁾				
Year Ended December 31,				
As of December 31,				
Year Ended December 31,				

	2022	2021	2020
Reconciliation of cash, cash equivalents and restricted cash			
Cash and cash equivalents	\$ 32,082	\$ 14,304	\$ 13,330
Restricted cash (See Note 6 for further discussion on restrictions)	—	—	54,693
Total cash, cash equivalents and restricted cash shown in the statement of cash flows	\$ 32,082	\$ 14,304	\$ 68,023

Year Ended December 31,			2023	2022	2021
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Supplemental disclosure of cash flow information:	Supplemental disclosure of cash flow information:	Supplemental disclosure of cash flow information:
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Cash paid for:	Cash paid for:	Cash paid for:
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Interest	Interest	\$ —	\$ 5,534	\$ 10,918
Income taxes	Income taxes	197	188	68

Year Ended December 31,			2022	2021	2020
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Supplemental disclosure of non-cash financing and investing activities:	
Supplemental disclosure of non-cash financing and investing activities:	

Supplemental disclosure of non-cash financing and investing activities:	Supplemental disclosure of non-cash financing and investing activities:			
Increase in capitalized accrued interest for network upgrades	Increase in capitalized accrued interest for network upgrades	\$ 12,164	\$ 2,973	\$ 1,638

Increase in capitalized accrued interest for network upgrades	
Increase in capitalized accrued interest for network upgrades	

	Capitalized accretion of debt discount and amortization of prepaid financing costs	1,830	612	447
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Satellite construction costs (including prepaid amounts) acquired through vendor financing arrangement	59,822	—	—
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Satellite construction assets acquired through vendor financing arrangement	
---	--

Satellite construction assets in accrued expenses	Satellite construction assets in accrued expenses	36,139	—	—
Principal amount of 2019 Facility Agreement converted into preferred equity	Principal amount of 2019 Facility Agreement converted into preferred equity	149,425	—	—
Forgiveness of principal and interest of PPP Loan	Forgiveness of principal and interest of PPP Loan	—	5,030	—
Principal amount of Loan Agreement with Thermo converted into common stock	Principal amount of Loan Agreement with Thermo converted into common stock	—	—	137,366
Reduction of debt discount and issuance costs due to conversion of Loan Agreement with Thermo	Reduction of debt discount and issuance costs due to conversion of Loan Agreement with Thermo	—	—	17,963
Fair value of common stock issued upon conversion of Loan Agreement with Thermo	Fair value of common stock issued upon conversion of Loan Agreement with Thermo	—	—	84,059
Reduction in derivative liability due to conversion of Loan Agreement with Thermo	Reduction in derivative liability due to conversion of Loan Agreement with Thermo	—	—	1,058
Re-characterization of 2021 Funding Agreement to debt due to 2023 amendment	Re-characterization of 2021 Funding Agreement to debt due to 2023 amendment			
Fair value of common stock issued for XCOM License Agreement	Fair value of common stock issued for XCOM License Agreement			
Fair value of common stock issued for XCOM SSA	Fair value of common stock issued for XCOM SSA			
Construction in progress assets acquired through XCOM SSA	Construction in progress assets acquired through XCOM SSA			

Fair value of warrants issued to Thermo for the guarantee associated with the 2023 Funding Agreement

(1) Cash and cash equivalents on the consolidated balance sheet is equal to cash and cash equivalents on the statement of cash flows

See accompanying notes to Consolidated Financial Statements.

GLOBALSTAR, INC.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Business

Globalstar, Inc. ("Globalstar" or the "Company") provides Mobile Satellite Services ("MSS") including voice and data communications and wholesale capacity services through its global satellite network. The Company's only reportable segment is its MSS business. Thermo Companies, through commonly controlled affiliates, (collectively, "Thermo") is the principal owner and largest stockholder of Globalstar. **The Company's Executive Chairman of the Board controls Thermo.**

Globalstar currently provides the following communications services:

- two-way voice communication and data transmissions via the GSP-1600 and GSP-1700 phone ("Duplex");
- one-way or two-way communications and data transmissions using mobile devices, including the SPOT family of products, such as SPOT X®, SPOT Gen4™ and SPOT Trace®, that transmit messages and the location of the device ("SPOT");
- one-way data transmissions using a mobile or fixed device that transmits its location and other information to a central monitoring station, including commercial IoT products, such as the battery- and solar-powered SmartOne, STX-3, **Integrity 150, ST100**, ST-150 and **ST100 Integrity 150** ("Commercial IoT");
- satellite network access and related services utilizing our satellite spectrum and network of satellites and gateways ("Wholesale Capacity Services"); and
- engineering and other communication services using the **Company's MSS and terrestrial spectrum licenses Globalstar System** ("Engineering and Other").

Recent Developments

Service Agreements

On September 7, 2022, Apple Inc. ("Partner") announced new satellite-enabled services for certain of its products (the "Services"). The Company will be the satellite operator for these Services pursuant to the agreement (the "Service Agreement") first disclosed in the Company's Form 10-K for the year ended December 31, 2019, and certain related ancillary agreements (such agreements, together with the Service Agreement, as each is amended from time to time, the "Service Agreements").

Since execution of the Service Agreements in 2020, the parties have completed several milestones including (i) a feasibility phase, (ii) material upgrades to Globalstar's ground network, (iii) construction of 11 new gateways around the world, (iv) the successful launch of the ground spare satellite, and (v) rigorous in-field system testing.

The Service Agreements generally require Globalstar to allocate network capacity (as described below) to support the Services, and Partner to enable Band 53/n53 for use in cellular-enabled devices designated by Partner for use with the Services.

Partner made Services available to its customers in November 2022 (the "Service Launch").

On February 27, 2023, Globalstar and its Partner agreed to amend the Service Agreements to provide for, among other things, Partner's prepayment of \$252 million to the Company (the "Prepayment"). The Company plans to use the proceeds of the Prepayment to pay amounts currently due and payable, as well as other amounts as they become due and payable, under the satellite procurement agreement with Macdonald, Dettwiler and Associates Corporation ("MDA"), as well as launch, insurance and ancillary costs incurred for the construction and launch of these satellites. The Prepayment replaces the Company's obligation to seek third-party financing for these costs as previously required under the Service Agreements and will be funded as needed on a quarterly basis subject to the terms in the agreement. The remaining amount of the satellite costs is expected to be funded through the Company's operating cash flows.

The amount of the Prepayment and fees payable thereon will be recouped from amounts payable by Partner for services provided by the Company under the Service Agreements. The Prepayment is expected to be recouped in installments for a period of 16 quarters beginning no later than the third quarter of 2025. The Prepayment may also

be repaid over time through excess cash flow sweeps or voluntary prepayments, as provided under the terms of the prepayment agreement. For as long as any portion of the Prepayment is outstanding, the Company will be subject to certain covenants including (i) maintenance of a minimum cash balance of \$30 million, (ii) interest coverage and leverage ratios, and (iii) other customary negative covenants, including limitations on certain asset transfers, expenditures and investments.

Amounts payable by the Company in connection with the Prepayment will be guaranteed by Thermo, subject to applicable shareholder approval. Prior to such shareholder approval, Thermo has agreed to provide support of certain of the Company's obligations under the Service Agreements, the Satellite Procurement Agreement, and certain related contracts directly to the Partner.

As conditions precedent to Prepayment funding, the Company must (i) convert or refinance the remaining loans outstanding under the 2019 Facility Agreement by March 13, 2023 and (ii) grant Partner a first-priority lien in the Company's assets to secure its obligations under the Service Agreements.

Discontinuation of Second-Generation Duplex Products and Services

The Company has been evaluating the continuation of second-generation Duplex services in light of other potential uses for the Company's capacity, such as those within the Service Agreements. In early 2021, the Company terminated its second-generation Duplex services, which supported approximately 1,800 subscribers, to allow extended testing of the Services to Partner; however, such termination was considered temporary unless or until Partner announced its intent to proceed with launch of the Services. Due to this shift in strategy triggered by Partner's September 2022 announcement, the Company evaluated the recoverability of its second-generation Duplex assets, including gateway property, prepaid licenses and royalties, and inventory during the third quarter of 2022. As a result of this shift in strategy, the Company recorded reductions in the value of equipment and long-lived assets totaling \$174.3 million during the third quarter of 2022 (refer to Note 8: Fair Value Measurements for further discussion). The Company will continue to support first-generation Duplex services, including voice communications and data transmissions.

Refer to Note 2: Revenue, Note 3: Leases, Note 4: Property and Equipment and Note 9: Commitments and Contingencies for further discussion of the financial statement impact of the Service Agreements.

Use of Estimates in Preparation of Financial Statements

The preparation of Consolidated Financial Statements in conformity with accounting principles generally accepted in the United States of America ("U.S. GAAP") requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from estimates. Certain reclassifications have been made to prior year Consolidated Financial Statements to conform to current year presentation. The Company evaluates estimates on an ongoing basis.

Principles of Consolidation

The Consolidated Financial Statements include the accounts of Globalstar and all its subsidiaries. All significant intercompany transactions and balances have been eliminated in the consolidation.

Business Combinations

The Company accounts for business combinations in accordance with Accounting Standards Codification ("ASC") Topic 805, Business Combinations ("ASC 805"), which requires most identifiable assets, liabilities, and goodwill acquired in a business combination to be recorded at fair value at the acquisition date. Additionally, ASC 805 requires transaction-related costs to be expensed in the period incurred. The determination of fair value of assets acquired and liabilities assumed requires estimates and assumptions that can change as a result of new information obtained about facts and circumstances that existed as of the acquisition date. As such, the Company will make any necessary adjustments to goodwill in the period identified within one year of the acquisition date. Adjustments outside of that range are recognized currently in earnings. Refer to Note 2: License Agreement of the consolidated financial statements for further details.

Cash and Cash Equivalents

Cash and cash equivalents consist of cash on hand and highly liquid investments with original maturities of three months or less. Cash deposited in institutional money market funds, regular interest-bearing depository accounts and non-interest-bearing depository accounts are classified as cash and cash equivalents on the accompanying consolidated balance sheets.

Concentration of Credit Risk

Financial instruments that potentially subject the Company to significant concentrations of credit risk consist principally of cash and cash equivalents and restricted cash. Cash and cash equivalents and restricted cash consist primarily of highly liquid short-term investments deposited with financial institutions that are of high credit quality.

The Company performs credit evaluations of its customers' financial condition and records reserves to provide for estimated credit losses. For the year ended December 31, 2022, December 31, 2023, our Partner the Company's wholesale capacity customer under the Service Agreements was responsible for 24% 49% of our the Company's revenue and 86% 69% of our the Company's receivable balance with no balance. Additionally, one of the Company's value added resellers was responsible for 15% of the Company's receivable balance; however, this customer was responsible for less than 10% of the Company's revenue. No other customer customers were responsible for more than 10% of our the Company's revenue or accounts receivable balance.

Accounts and Notes Receivable

The Company records trade accounts receivable from its customers, including MSS subscribers and its wholesale capacity customer, when it has a contractual right to receive payment either on demand or on fixed or determinable dates in the future. Receivables are recorded when the right to consideration from the customer becomes unconditional, which is generally upon billing or upon satisfaction of a performance obligation, whichever is earlier. Accounts receivable are uncollateralized, without interest, and consist of receivables from wholesale capacity services and the sale of Globalstar services and equipment. The Company also has agreements whereby it acts may act as an agent to procure goods and perform services on behalf of Partner under the Service Agreements. Payment is generally due within 45 days of the invoice date for this customer. For service, payment is generally due from subscribers within thirty days of the invoice date and for equipment customers, payment is generally due within thirty to sixty days of the invoice date, or, for some customers, may be made in advance of shipment.

The Company performs ongoing credit evaluations of its customers and impairs receivable balances by recording specific allowances for credit losses based on factors such as customer credit ratings, supportable and reasonable current trends, the length of time the receivables are past due and historical collection experience. The Company believes that historical collection experience is the most reasonable basis for predicting future performance. One type of the Company's contract assets is customer receivables and, as such, historical delinquency percentages are generally consistent over time. The estimate of the allowance for subscriber credit losses is computed using aging schedules by type of revenue (service and subscriber equipment), by product (Duplex, SPOT and Commercial IoT) and by country. As discussed above, accounts receivable are considered past due in accordance with the contractual terms of the applicable arrangements. The Company applies a loss rate to its portfolio of subscriber trade receivables based on past-due status and records an allowance for credit losses, which represents the expected losses of those trade receivables over their estimated contractual life. The estimated life may vary by service and product type, but is generally less than one year. Allowances are generally recorded for all aging categories of outstanding receivables, including those in the current category. Accounts receivable balances that are determined likely to be uncollectible are included in the allowance for credit losses. After attempts to collect a receivable have failed, the receivable is written off against the allowance. The estimate of the allowance for credit losses on wholesale capacity receivables is based primarily on customer payment history and credit rating. The Company believes that the risk of loss is extremely remote for this category of outstanding receivables.

The following is a summary of the activity in the allowance for credit losses (in thousands):

	Year Ended December 31,			Year Ended December 31,		
	2022	2021	2020	2023	2022	2021
Balance at beginning of period	\$2,962	\$4,352	\$2,952			
Impact of adoption of ASU 2016-13	—	—	1,684			
Provision, net of recoveries	1,087	409	1,656			
Write-offs and other adjustments	(1,157)	(1,799)	(1,940)			
Balance at end of period	\$2,892	\$2,962	\$4,352			

Inventory

Inventory consists primarily of purchased products, including subscriber equipment devices, which work on the Company's network, as well as component parts and other chips used in the manufacture of subscriber equipment devices, of approximately \$9.0 million and \$9.6 million as of December 31, 2022 and 2021, respectively, as well as ground infrastructure assets expected to be used as spare parts of approximately \$0.3 million and \$4.2 million as of December 31, 2022 and 2021, respectively. Inventory is stated at the lower of cost or net realizable value. Cost is computed using the first-in, first-out (FIFO) method. Inventory write downs are evaluated at the product level and measured as the difference between the cost of inventory and the net realizable value and realizable. Write downs are recorded as a cost of subscriber equipment sales - reduction in the value of inventory in the Company's Consolidated Financial Statements. Product sales and returns from the previous 12 months and future demand forecasts are reviewed and excess and obsolete inventory is written off, as applicable.

For each of the years ended December 31, 2022, and 2021, and 2020, the Company wrote down the value of inventory by \$8.6 million, \$1.0 million\$8.6 million and \$0.7\$1.0 million, respectively, after adjusting for changes in net realizable value. The Company did not write down the value of inventory for the year ended December 31, 2023.

In 2022, the Company wrote down the value of equipment consisting of second-generation Duplex assets, including finished goods, chips and component parts to be used in manufacturing such devices as well as second-generation Duplex gateway spare parts, totaling \$6.9 million. Additionally, the Company recorded amounts prepaid to its product manufacturer related to second-generation Duplex products, previously included in Prepaid and other current assets on its consolidated balance sheets totaling

\$1.6 \$1.6 million. The Company concluded that there was no remaining net realizable value of its second-generation Duplex inventory including prepayments to its product manufacturer.

In 2021, the Company wrote off certain Sat-Fi2® materials that were not likely to be used in production as well as defective inventory units that were no longer saleable.

In 2020, the Company discontinued production of a second-generation Duplex device, which was the majority of the write down recorded. The remaining reduction in value of inventory recorded during 2020 was driven by an evaluation of excess or obsolete inventory related to end of life products and technology.

Property and Equipment

The Globalstar System includes costs for the design, manufacture, test and launch of a constellation of low earth orbit satellites (the "Space Component"), and primary and backup control centers, and gateways (the "Ground Component"); and spectrum licenses. Property and equipment is stated at cost, net of accumulated depreciation.

Costs associated with the design, manufacture, test and launch of the Company's Space and Ground Components are capitalized. Capitalized costs include direct costs of third party suppliers and contractors, internal personnel as well as equipment and materials. Capitalized costs associated with the Company's Space Component, Ground Component, and other assets are tracked by fixed asset category and are allocated to each asset as it comes into service. Generally, when a satellite is incorporated into the constellation, the Company begins depreciation on the date the satellite is placed into service, which was the point that the satellite reaches its orbital altitude, over its estimated depreciable life. In June 2022, the Company launched an on-ground spare satellite. The costs associated with the construction and launch of this spare satellite were placed into service after its successful launch since this satellite is expected to remain as an in-orbit spare and will only be raised to its operational orbit at a future date if needed.

The Company capitalizes interest costs associated with the costs of assets in progress. Capitalized interest is added to the cost of the underlying asset and is amortized over the depreciable life of the asset after it is placed into service. As the Company's construction in progress increases, the Company capitalizes more interest, resulting in a lower amount of net interest expense recognized under U.S. GAAP.

Depreciation is provided using the straight-line method over the estimated useful lives of the respective assets as follows:

- Space Component - 15 years from the commencement of service
- Ground Component - 7 or 15 years from commencement of service
- Software, Facilities & Equipment - 3 to 10 years
- Buildings - 18 years
- Leasehold Improvements - Shorter of lease term or the estimated useful lives of the improvements

The estimated useful lives of the Company's Space and Ground components were based on estimated design life, information from the Company's engineering department and overall Company strategy for the use of these assets. The Company evaluates and revises the estimated depreciable lives assigned to property and equipment based on changes in facts and circumstances. When changes are made to estimated useful lives, the remaining carrying amounts are depreciated prospectively over the remaining useful lives.

For assets that are sold or retired, including satellites that are de-orbited and no longer providing services, the estimated cost and accumulated depreciation is removed from property and equipment.

The Company assesses the impairment of property and equipment whenever events or changes in circumstances indicate that the recorded value may not be recoverable. Recoverability of assets is measured by comparing the carrying amounts of the assets to the estimated future undiscounted cash flows, excluding financing costs. If the asset is not recoverable, its carrying value would be adjusted down to fair value and an impairment loss would be recorded. Additionally, the Company routinely performs profitability analyses to determine if investments in certain products and/or services remain viable. In the event the Company decides not to support a product or service, or determines that an asset is not expected to generate future benefit, the asset may be abandoned and an impairment loss may be recorded on the associated assets.

Assets held for sale are carried at the lower of cost or fair value less estimated cost to sell; these assets are generally classified as current on the Company's consolidated balance sheets as the disposal of these assets is expected within one year.

Leases

The Company has operating and finance leases for facilities and equipment around the world, including corporate offices, satellite control centers, ground control centers, gateways and certain equipment.

Upon inception of a contract, the Company evaluates if the contract, or part of the contract, contains a lease. A lease conveys the right to control the use of an identified asset for a period of time in exchange for consideration. Leases include both a right-of-use asset and a lease liability. The right-of-use asset represents the Company's right to use the underlying asset in the lease. Certain initial direct costs associated with consummating a lease are included in the initial measurement of the right-of-use asset. The right-of-use asset also includes prepaid lease payments and lease incentives. The lease liability represents the present value of the remaining lease payments discounted using the implicit rate in the lease on the lease commencement date. For leases in which the implicit rate is not readily determinable, an estimated incremental borrowing rate is used, which represents a rate of interest that the Company would pay to borrow on a collateralized basis over a similar term. The Company has elected to combine lease and non-lease components, if applicable.

For operating leases, the Company records lease expense on a straight-line basis over the lease term in either marketing, general and administrative expense or cost of services, depending on the nature of the underlying asset. For finance leases, the Company records the amortization of the right-of-use asset through depreciation, amortization and accretion expense and records the interest expense on the lease liability through interest expense, net, using the effective interest method.

Variable lease payments are payments made to a lessor due to changes in circumstances occurring after the commencement date. Variable lease payments dependent upon an index or rate are included in the measurement of the lease liability; all other variable lease payments are not included in the measurement of the lease liability and recognized

when incurred. Variable lease payments excluded from the measurement of the lease liability are uncommon and, when incurred, are immaterial for the Company.

The Company's existing leases have remaining lease terms of less than 1 year to 19.18 years. Lease terms include renewal or termination options that the Company is reasonably certain to exercise. For leases with a term of twelve months or less, the Company does not record a right-of-use asset and associated lease liability on its consolidated balance sheet.

The Company reviews the carrying value of its right-of-use assets for impairment whenever events or changes in circumstances indicate that the recorded value may not be recoverable. Recoverability of assets is measured by comparing the carrying amounts of the assets to the estimated future undiscounted cash flows, excluding financing costs. If a right-of-use asset is not recoverable, its carrying value would be adjusted down to fair value and an impairment loss would be recorded.

Derivative Instruments

Upon inception of a contract, the Company evaluates if the contract contains a derivative instrument. The Company has financing arrangements that are hybrid instruments that contain embedded derivative features. Derivative instruments are recognized as either assets or liabilities in the consolidated balance sheets and are measured at fair value with gains or losses recognized in earnings. The Company determines the fair value of derivative instruments based on available market data and assumptions developed by management using appropriate valuation models.

Deferred Financing Costs

Deferred financing costs are those costs directly incurred in issuing long-term debt or equity financing. Costs associated with obtaining long-term debt are amortized as additional interest expense over the expected term of the corresponding instrument and are recorded on the Company's consolidated balance sheets as a reduction in the carrying amount of the related debt liability. The Company classifies deferred financing costs consistent with the classification of the related debt outstanding at the end of the reporting period. As of December 31, 2022 and 2021, the Company had net deferred financing costs of \$11.1 million and \$27.3 million, respectively.

Fair Value of Financial Instruments

The Company believes it is not practicable to determine the fair value of the 2019 Facility Agreement. Interest rates and other its debt agreements on a recurring basis without incurring significant additional costs. Unlike typical long-term debt, certain terms for long-term its debt agreements are not readily available and generally involve a variety of factors, including due diligence by the debt holders. The Company's vendor financing arrangement is was recorded at net carrying value, which approximates approximated fair value. Prior to conversion in the first quarter of 2022, the fair value of the Company's 8.00% Convertible Senior Notes Issued in 2013 ("2013 8.00% Notes") was calculated using inputs consistent with those used to calculate the fair value of the derivatives embedded in these instruments.

Litigation, Commitments and Contingencies

The Company is subject to various claims and lawsuits that arise in the ordinary course of business. Estimating liabilities and costs associated with these matters requires judgment and assessment based on professional knowledge and experience of our management and legal counsel. When a loss is considered probable and reasonably estimable, a liability is recorded for the Company's best estimate. If there is a range of loss, the Company will record a reserve based on the low end of the range, unless facts and circumstances can support a different point in the range. When a loss is probable, but not reasonably estimable, disclosure is provided, as considered necessary. Reserves for potential claims or lawsuits may be relieved if the loss is no longer considered probable. The ultimate resolution of any such exposure may vary from earlier estimates as further facts and circumstances become known.

Gain/Loss on Extinguishment of Debt

Gain or loss on extinguishment of debt generally is recorded upon an extinguishment of a debt instrument or the conversion early payment of certain of the Company's convertible notes, debt. Gain or loss on extinguishment of debt is calculated as the difference between the reacquisition price and net carrying amount of the debt, which includes unamortized debt issuance costs and any derivative instruments, and is recorded as an extinguishment gain or loss in the Company's consolidated statement of operations.

Revenue Recognition and Deferred Revenue

Revenue consists primarily of satellite voice and data service revenue, revenue generated from the sale of fixed and mobile devices, revenue generated from providing satellite network access and related services utilizing the Company's satellite spectrum and network of satellite and gateways, and revenue from providing engineering and other communication services. A performance obligation is a promise in a contract to transfer a distinct good or service to the customer. Each type of revenue is a separate performance obligation with distinct deliverables and is therefore accounted for discretely. Revenue is measured based on the consideration specified in a contract with a customer, adjusted for credits and discounts, as applicable, and is recognized when the Company satisfies a performance obligation by transferring control over a product or service to a customer.

Generally, service revenue is recognized over a period of time and revenue from the sale of subscriber equipment is recognized at a point in time. The recognition of revenue for service is over time as the customer simultaneously receives and consumes the benefits of the Company's performance over the contract term. The recognition of revenue for subscriber equipment is at a point in time as the risks and rewards of ownership of the hardware transfer to the customer generally upon shipment, which is when legal title of the product transfers to the customer, among other things (as discussed further below).

The Company does not record sales taxes, telecommunication taxes or other governmental fees collected from customers in revenue. The Company excludes these taxes from the measurement of contract transaction prices.

The Company receives payment from customers in accordance with billing statements or invoices for customer contracts; these payments may be in advance or arrears of services provided to the customer by the Company. Customer payments received in advance of the corresponding service period are recorded as deferred revenue.

Upon activation of a Globalstar device, certain customers subscribers are generally charged an activation fee, which is recognized over the term of the expected customer life. Credits granted to customers are expensed or charged against revenue or accounts receivable over the remaining term of the contract.

Under the Service Agreements, the Company issued warrants to Partner the Warrants (as defined in Note 3) (the "Warrants") to purchase shares of Globalstar common stock; the Warrants were recorded at the estimated fair value of the consideration granted based on a Black-Scholes pricing model. The fair value of the Warrants was capitalized as a contract asset and will be is being recognized as a reduction of the transaction price over the estimated term of the Service Agreements.

As of December 31, 2023 and 2022, this contract asset was \$46.7 million and \$52.7 million, respectively, and is netted against the associated contract liability, which is recorded in short-term and long-term deferred revenue on the Company's consolidated balance sheet. The value of the contract asset is amortized as a reduction to revenue over the period in which the Company commences its performance obligations through the estimated completion of the contract term, consistent with the period in which the customer benefits from the services provided. For the year ended December 31, 2023 and 2022, the Company reduced revenue by \$2.6 million and \$0.2 million, respectively, associated with the amortization of the fair value of the noncash consideration. The Company did not amortize any of the contract asset during 2021.

Estimates related to earned but unbilled service revenue are calculated primarily using current subscriber data, including plan subscriptions and usage between the end of the billing cycle and the end of the period, or in accordance with the terms of the customer contract for satellite network access services. The recognition of service revenue related to amounts allocated to performance obligations that were satisfied (or partially satisfied) in a previous period is not material to the Company's financial statements. Amounts related to earned but unbilled revenue from the sale of subscriber equipment are recognized if hardware is shipped prior to the invoice being generated. This situation may result from multi-deliverable contracts, whereby equipment and service revenue are bundled and billed over time to a single customer.

Provisions for estimated future warranty costs, returns and rebates are recorded as a cost of sale, or a reduction to revenue, as applicable. These costs are based on historical trends and the provision is reviewed regularly and periodically adjusted to reflect changes in estimates.

Certain contracts with customers may contain a financing component. Under ASC 606, an entity should adjust the promised amount of the consideration for the effects of time value of money if the timing of the payments agreed upon by the parties to the contract provides the customer or the entity with a significant benefit of financing for the transfer of goods or services to the customer. For certain payments associated with services provided under the Service Agreements, the length of time between receipt of payment by the customer and transfer of services by the Company is was greater than one year. Accordingly, payments made by Partner include this customer included a significant financing component. The Company accretes accreted interest expense using the effective interest rate method over the period in which these advance payments are were outstanding. The rate in which interest is computed is based on rates implicit in the Service Agreements. For the Company's subscriber contracts, transactions with a significant financing component are infrequent and not considered material to the Company as the time between cash collection and performance is generally less than one year.

The following describes the principal activities from which the Company generates its revenue.

Duplex Service Revenue. The Company recognizes revenue for monthly access fees in the period services are rendered. The Company offers certain annual plans whereby a customer prepaids for a predetermined amount of minutes and data. In these cases, revenue is recognized consistent with a customer's expected pattern of usage based on historical experience because the Company believes that this method most accurately depicts the satisfaction of the Company's obligation to the customer. This usage pattern is typically seasonal and highest in the second and third calendar quarters of the year. The Company offers other annual plans whereby the customer is charged an annual fee to access the Company's system with an unlimited amount of usage. Annual fees for unlimited plans are recognized on a straight-line basis over the term of the plans. contract term.

SPOT Service Revenue. The Company sells SPOT services as monthly or annual plans and recognizes revenue on a straight-line basis over the service term, beginning when the service is activated by the customer.

Commercial IoT Service Revenue. The Company sells Commercial IoT services as monthly or annual plans and recognizes revenue ratably over the service term or as service is used, beginning when the service is activated by the customer.

Wholesale Capacity Service Revenue Revenue. The Company provides wholesale capacity services to Partner under the Service Agreements. services. The Company allocates the transaction price under the Service Agreements to each performance obligation generally in proportion to their relative stand-alone selling prices. Revenue is recognized when the performance obligations are performed, the timing of which may involve complex judgements by management. Although the Service Agreements have no expiration date, the Company estimated its contract term based on the useful life of its existing satellite network and the expected useful life of the new satellite network under construction.

Equipment Revenue. Subscriber equipment Equipment revenue represents the sale of subscriber device sales, including fixed and mobile user terminals, SPOT and Commercial IoT products, and accessories. The Company recognizes revenue upon shipment provided control has transferred to the customer. Indicators of transfer of control include, but are not limited to; 1) the Company's right to payment, 2) the customer has legal title of the equipment, 3) the Company has transferred physical possession of the equipment to the customer or carrier, and 4) the customer has significant risks and rewards of ownership of the equipment. The Company sells equipment designed to work on its network through various channels, including through partners as well as direct to consumers or other businesses by its global sales team and through its e-commerce

website. The sales channel depends primarily on the type of equipment and geographic region. Promotional rebates are offered from time to time. A reduction to revenue is recorded to reflect the lower transaction price based on an estimate of the customer take rate at the time of the sale using primarily historical data. This estimate is adjusted periodically to reflect actual rebates given to the Company's customers. Shipping and handling costs associated with outbound freight after control over a product has transferred to a customer are accounted for as a fulfillment cost and are included in cost of subscriber equipment sales.

Engineering and Other Service Revenue. Other service revenue includes primarily revenue associated with engineering and other communication services using the Company's MSS and terrestrial spectrum licenses. The revenue associated with these engineering services is generally recorded over time as the services are rendered, and the Company's obligation to the customer is satisfied.

Multiple-Element Arrangement Contracts. At times, the Company will sell subscriber equipment through multiple-element arrangement contracts with services. When the Company sells subscriber equipment and services in bundled arrangements and determines that it has separate performance obligations, the Company allocates the bundled contract price among the various performance obligations based on relative stand-alone selling prices at contract inception of the distinct goods or services underlying each performance obligation and recognizes revenue when, or as, each performance obligation is satisfied.

Stock-Based Compensation

The Company recognizes compensation expense in the financial statements for both employee and non-employee share-based awards based on the grant date fair value of those awards, awards and accounts for forfeitures as they occur. The Company uses the Black-Scholes option pricing model to estimate the fair value of stock option awards on the date of grant. For restricted stock awards and units, the fair value is determined from the stock price on the grant date. The Company's estimate of For existing market-based awards, the forfeiture rate of its share-based awards also impacts fair value was determined using a Monte-Carlo simulation model on the timing of expense recorded over the vesting period of the award. The Company's estimate for pre-vesting forfeitures is recognized over the requisite service periods of the awards on a straight-line basis, which is generally commensurate with the vesting term. grant date.

For share-based awards with a performance condition that affects vesting, the Company recognizes compensation cost for awards if and when the performance condition is probable of achievement. Expense associated with awards with market-based vesting conditions is recognized on a straight-line basis over the requisite service period, which is the lesser of the derived service period or the explicit service period if one is present. If the market condition is satisfied prior to the end of the requisite service period, the Company will accelerate all remaining expense to be recognized.

Foreign Currency

The functional currency of the Company's foreign consolidated subsidiaries is generally their local currency, except in certain scenarios, including when the subsidiary operates in a hyperinflationary economy, such as Venezuela and Argentina. Assets and liabilities of its foreign subsidiaries are translated into United States dollars based on exchange rates at the end of the reporting period. Income and expense items are translated at the average exchange rates prevailing during the reporting period. Translation adjustments are accumulated in a separate component of stockholders' equity. For 2023, 2022, 2021 and 2020, 2021, the foreign currency translation adjustments were net gains/losses of \$5.3 million \$4.2 million, net gains of \$4.4 \$5.3 million and net losses/gains of \$1.5 million \$4.4 million, respectively. Foreign currency transaction gains/losses were approximately net losses/gains of \$6.6 million \$4.9 million, net losses of \$6.3 million \$6.6 million and net losses of \$0.7 million \$6.3 million for each of 2023, 2022, and 2021, and 2020, respectively.

Asset Retirement Obligation

Liabilities arising from legal obligations associated with the retirement of the Company's gateway long-lived assets are measured at fair value and recorded as a liability. Upon initial recognition of a liability for retirement obligations, the Company also capitalizes, as part of the asset carrying amount, the estimated costs associated with its expected retirement. This asset is depreciated over the life of the gateway to be retired. Accretion of the asset retirement obligation liability and depreciation of the related assets are included in depreciation, amortization and accretion in the accompanying consolidated statements of operations. As of December 31, 2022, December 31, 2023 and 2021, 2022, the Company had accrued approximately \$3.0 million and \$2.5 million, respectively, for asset retirement obligations. During 2022, the Company continued the expansion of its gateway footprint in connection with the Service Agreements, which resulted in the commencement of new leases and the installation of new equipment; as a result of this expansion, the Company established There were no new asset retirement obligations resulting in a total increase to the liability of \$0.5 million during 2022. There were established and no settlements during 2022, 2023. The Company believes this estimate will be sufficient to satisfy the Company's obligation under site leases to remove its gateway equipment and restore the lease sites to their original condition.

Warranty Expense

Warranty terms extend from 90 days on equipment accessories to one year for fixed and mobile user terminals. A provision for estimated future warranty costs is recorded as cost of sales when products are shipped. Warranty costs are based on historical trends in warranty charges as a percentage of gross product shipments. The resulting accrual is reviewed regularly and periodically adjusted to reflect changes in warranty cost estimates.

Research and Development Expenses

Research and development costs were \$0.5 million \$1.4 million, \$0.5 million and \$1.0 million for 2023, 2022 and 2021, 2022, respectively. The majority of increase in research and 2020, respectively. These development costs are associated with costs incurred pursuant to the SSA under the License Agreement (as defined and discussed further in Note 2: License Agreement). Research and development costs are expensed as incurred as cost of services and include primarily the cost of new product development, chip set design and other engineering work.

Income Taxes

The Company is taxed as a C corporation for U.S. tax purposes. The Company recognizes deferred tax assets and liabilities for future tax consequences attributable to differences between the financial statement carrying amounts of existing assets and liabilities and their respective tax basis, operating losses and tax credit carryforwards. The Company measures deferred tax assets and liabilities using tax rates expected to apply to taxable income in the years in which those temporary differences are expected to be recovered or settled. The Company recognizes the effect on deferred tax assets and liabilities of a change in tax rates in income in the period that includes the enactment date; however, as the Company has a full valuation allowance on its deferred tax assets, there is no impact to the consolidated statements of operations and balance sheets.

The Company recognizes valuation allowances to reduce deferred tax assets to the amount that is more likely than not to be realized. In assessing the likelihood of realization, management considers: (i) future reversals of existing taxable temporary differences; (ii) future taxable income exclusive of reversing temporary differences and carryforwards; (iii) taxable income in prior carry-back year(s) if carry-back is permitted under applicable tax law; and (iv) tax planning strategies.

Comprehensive Income (Loss) Income

All components of comprehensive income (loss) income, including the minimum pension liability adjustment and foreign currency translation adjustment, are reported in the financial statements in the period in which they are recognized. Comprehensive income (loss) income is defined as the change in equity during a period from transactions and other events and circumstances from non-owner sources. For each of the years ended December 31, 2023 and 2022, the change in Accumulated other comprehensive income resulted from foreign currency translation adjustments; no amounts were reclassified out of Accumulated other comprehensive income during these periods.

Earnings (Loss) Per Share

Basic earnings (loss) per share is computed by dividing income (loss) available to common stockholders by the weighted average number of shares of common stock outstanding during the period. In periods of net income, the numerator used to calculate diluted EPS includes the effect of dilutive securities, including interest expense, net, and derivative gains or losses reflected in net income (loss) as well as the effect of dividends attributable to preferred shareholders. Common stock equivalents are included in the calculation of diluted earnings per share only when the effect of their inclusion would be dilutive. Prior to their conversion, the effect of potentially dilutive common shares for the Company's convertible notes were calculated using the if-converted method. Generally, for all other potentially dilutive common shares, the effect is calculated using the treasury stock method.

Goodwill

For acquisitions accounted for as business combinations, goodwill represents the excess of the purchase price over the estimated fair values of identifiable assets and liabilities acquired as of the acquisition date. Goodwill is not amortized in accordance with the requirements of ASC 350. Goodwill is required to be allocated amongst reporting units and evaluated for impairment at the reporting unit level, which is defined as an operating segment or one level below an operating segment. All of the Company's goodwill is assigned to Globalstar's MSS business, its only reportable segment.

Goodwill is tested for impairment on an annual basis on November 30 of each fiscal year and whenever events or circumstances indicate that the asset may be impaired. The Company completed its annual goodwill impairment test on November 30, 2023 and determined there was no impairment as of that date. Additionally, the Company is not aware of any additional triggering events. The Company's goodwill impairment test is prepared using a qualitative assessment, and if necessary, a quantitative goodwill impairment test. The Company considers significant unfavorable industry or economic trends as factors in deciding when to perform an impairment test. If the qualitative assessment indicates that it is more-likely-than-not that the estimated fair value of the reporting unit exceeds its carrying value, it is not necessary to measure and record an impairment loss. If a goodwill impairment test is necessary, the fair value of the reporting unit, which is determined using an income approach based on the present value of discounted cash flows, is compared to its carrying value, which includes goodwill. If the carrying value of the reporting unit exceeds its fair value, the difference is recognized as an impairment loss.

Intangible and Other Assets

Intangible Assets Not Subject to Amortization

A significant portion of the Company's intangible assets are licenses that provide the Company the exclusive right to provide MSS services over the Globalstar System or to utilize designated radio frequency spectrum to provide terrestrial wireless communication services in a particular region of the world. While licenses are issued for only a fixed time, such licenses are subject to renewal by the Federal Communications Commission ("FCC") or equivalent international regulatory authorities. These license renewals are expected to occur routinely and at nominal cost. Moreover, the Company has determined that there are currently no legal, regulatory, contractual, competitive, economic or other factors that limit the useful life of its wireless licenses. As a result, the Company treats the wireless licenses as an indefinite-lived intangible asset. The Company re-evaluates the useful life determination for wireless licenses annually, or more frequently if needed, to determine whether events and circumstances continue to support an indefinite useful life. The Company assesses these intangible assets for impairment annually or more frequently if events or changes in circumstances indicate that it is more likely than not that the asset is impaired. In assessing whether it is more likely than not that such an asset is impaired, the Company assesses relevant events and circumstances that could affect the significant inputs used to determine the fair value of the asset. If the Company determines that an impairment exists, any related loss is estimated based on fair values.

Intangible Assets Subject to Amortization

Our intangible assets that do not have indefinite lives are amortized over their estimated useful lives. For information related to each major class of intangible assets, including accumulated amortization and estimated average useful lives, see Note 5.6: Intangible and Other Assets. Intangible assets subject to amortization are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. If an indicator is present, the Company would measure

recoverability by comparing the carrying amount to the future undiscounted cash flows the asset is expected to generate. If the asset is not recoverable, the undiscounted cash flows do not exceed the carrying amount and the carrying amount would be adjusted down to its fair value. Refer to Note 8: Fair Value Measurements for further discussion on the impairment recorded for intangible assets for the year ended December 31, 2022.

Contract

Assets Recognized from the Costs to Obtain and Fulfill Contracts

The Company capitalizes incremental costs to obtain and/or fulfill a contract to the extent it expects to recover them. For subscriber-driven contracts, these capitalized contract acquisition costs primarily include deferred subscriber acquisition costs and are amortized consistently with the pattern of transfer of the good or delivery of the service to which the asset relates. For wholesale capacity services, provided to Partner, contract the Company capitalizes costs include certain expenses incurred by the Company prior to the customer benefiting from the service as well as noncash consideration issued to Partner under the Service Agreements. When service. If a contract terminates prior to the end of its expected life, the remaining capitalized contract acquisition cost costs associated with it becomes impaired and the amount is expensed.

For subscriber driven revenue, total contract acquisition costs were \$1.2 million and \$1.0 million and \$1.7 million as of December 31, 2022, December 31, 2023, and 2021, 2022, respectively, and are recorded in "Intangible and other assets" on the Company's consolidated balance sheet. These costs are typically amortized to marketing, general and administrative expenses over three years, which considers anticipated contract renewals. For the years ended December 31, 2022, December 31, 2023, 2021, 2022 and 2020, 2021, the amount of amortization related to contract acquisition costs was \$1.2 million, \$0.7 million, \$2.1 million, \$1.2 million and \$2.1 million, respectively.

For wholesale capacity services, total costs to fulfill a the customer contract associated with the Service Agreements were \$52.7 million, \$5.7 million and \$2.1, \$4.5 million as of December 31, 2022, December 31, 2023, and 2021, 2022, respectively, and are netted against the associated contract liability, which is recorded in deferred revenue "Intangible and other assets" on the Company's consolidated balance sheet. The majority of the increase in costs to fulfill a contract during 2022 was due to noncash consideration issued to Partner in the form of warrants to purchase shares of Globalstar common stock totaling \$48.3 million at the issuance date (see Note 15: Stock Compensation for further discussion). These costs are typically amortized to cost of services or and marketing, general and administrative expense or recorded as a reduction to revenue expenses over the period in which the Company commences its performance obligations through the estimated completion of the contract term, consistent with the period in which the customer benefits from the services provided. For the year years ended December 31, 2022, December 31, 2023 and 2022, the amount of amortization expense related to costs to fulfill a contract was \$0.4 million and \$0.1 million. For the year ended December 31, 2022, the Company reduced revenue by \$0.2 million, associated with the respectively. There was no amortization of the fair value of the noncash consideration issued related to Partner. The Company did not amortize any costs to fulfill a contract during 2021 or 2020, in 2021.

Advertising Expenses

Advertising costs were \$2.0 million, \$2.8 million, \$2.0 million and \$2.3 million for 2023, 2022, and \$2.5 million for 2022, 2021, and 2020, respectively. These costs are expensed as incurred as marketing, general and administrative expenses.

Recently Issued Accounting Pronouncements

In September 2022, November 2023, the Financial Accounting Standards Board ("FASB") issued Accounting Standards Update ("ASU") 2023-07, *Segment Reporting (Topic 280): Improvements to Reportable Segment Disclosures*, which provides updates to qualitative and quantitative reportable segment disclosure requirements, including enhanced disclosures about significant segment expenses and increased interim disclosure requirements, among others. This ASU also explicitly requires public entities with a single reportable segment to provide all segment disclosures under ASC 280, including the new disclosures in this ASU. The amendments in ASU 2023-07 are effective for fiscal years beginning after December 15, 2023, and interim periods within fiscal years beginning after December 15, 2024. Early adoption is permitted, and the amendments should be applied retrospectively. The Company adopted this standard when it became effective on January 1, 2024. The Company is evaluating the impact this ASU may have on its financial statement disclosures.

In December 2023, the FASB issued ASU 2023-09, *Income Taxes (Topic 740): Improvements to Income Tax Disclosures*, which updates qualitative and quantitative disclosures for the rate reconciliation and income taxes paid. The amendments in ASU 2023-09 are effective for fiscal years beginning after December 15, 2024, with early adoption permitted. The amendments should be applied prospectively; however, retrospective application is also permitted. The Company will adopt this standard when it becomes effective on January 1, 2025. The Company is evaluating the impact this ASU may have on its financial statement disclosures.

Recently Adopted Accounting Pronouncements

In January 2017, the FASB issued ASU No. 2017-04: *Intangibles - Goodwill and Other (Topic 350): Simplifying the Test for Goodwill Impairment*. ASU 2017-04 eliminates the requirement to calculate the implied fair value of goodwill, eliminating Step 2 from the goodwill impairment test. Under ASU 2017-04, goodwill impairment will be tested by comparing the fair value of a reporting unit with its carrying amount, and recognizing an impairment charge for the amount by which the carrying amount exceeds the reporting unit's fair value. ASU 2017-04 should be applied prospectively and is effective for annual and interim periods beginning after December 15, 2022, with early adoption permitted. Prior to August 2023, the Company did not have any recorded goodwill on its consolidated balance sheets. In connection with the License Agreement (discussed in Note 2: License Agreement) entered into in August 2023, the Company recorded goodwill and is now subject to the guidance pursuant to ASU 2017-04. The Company adopted ASU 2017-04 effective July 1, 2023. The adoption of the new standard did not have a material impact on the Company's consolidated financial statements.

In September 2022, the FASB issued ASU No. 2022-04: *Liabilities — Supplier Finance Programs (Subtopic 405-50): Disclosure of Supplier Finance Program Obligations*. ASU 2022-04 added certain disclosure requirements for buyers in supplier finance programs. The amendments in the update require that buyers disclose qualitative and quantitative information about their supplier finance programs. Interim and annual requirements include disclosure of outstanding amounts under the obligations as of the end of the reporting period, and annual requirements include a rollforward of those obligations for the annual reporting period, as well as a description of payment and other key terms

of the programs. This update is effective for annual periods beginning after December 15, 2022, and interim periods within those fiscal years, except for the requirement to disclose rollforward information, which is effective for fiscal years beginning after December 15, 2023. The Company adopted this standard when it became effective on January 1, 2023 and expects this will impact future disclosures.

Recently Adopted Accounting Pronouncements

In August 2020, the FASB issued revised its disclosures pursuant ASU No. 2020-06: *Debt—Debt with Conversion and Other Options (Subtopic 470-20) and Derivatives and Hedging—Contracts in Entity's Own Equity (Subtopic 815-40): Accounting for Convertible Instruments and Contracts in an Entity's Own Equity*. Among other things, ASU No. 2020-06 simplifies the guidance in ASC 470 by eliminating two of the three models that require separating embedded conversion features from convertible instruments. This ASU is effective for public entities for annual and interim periods beginning after December 15, 2021. The Company adopted this standard when it became effective on January 1, 2022. For existing debt instruments, this standard will not have a material impact to its consolidated financial statements or related disclosures. 2022-04.

2. LICENSE AGREEMENT

On August 29, 2023, the Company entered into an Intellectual Property License Agreement (the "License Agreement") with XCOM Labs, Inc. ("Licensor" or "XCOM"). Under the License Agreement, the Company purchased an exclusive (subject to the qualifications set forth in the license agreement) right and license (the "License") as well as Intellectual Property Assets (as defined in the License Agreement) relating to the development and commercialization of XCOM's technologies for wireless spectrum innovations.

As consideration for the License and other agreements of Licensor in the License Agreement, the Company issued 60.6 million shares of its common stock (the "Stock Consideration"), representing a transaction value of approximately \$68.7 million, subject to adjustment and a holdback to provide for certain liabilities related to the Intellectual Property Assets. The number of shares issued as Stock Consideration was calculated using the volume-weighted average market price of the Common Stock on the NYSE American for the 20 trading days immediately preceding August 29, 2023.

In connection with the License Agreement, the Company also entered into a Support Services Agreement (the "SSA") with XCOM. Pursuant to the SSA, XCOM is required to provide services to the Company assisting with certain operations of the business relating to the Intellectual Property Assets and to make available to the Company certain employees and facilities associated with the foregoing. Fees payable by Globalstar pursuant to the SSA will be based on costs incurred to provide the services and will be paid in shares of Globalstar common stock or cash at its option.

The Company accounted for the License Agreement under ASC 805, Business Combinations and allocated the preliminary purchase price based on the fair value of tangible and intangible assets acquired. If, prior to the end of the one-year measurement period for finalizing the purchase price allocation, information becomes available about facts and circumstances that existed as of the transaction date, which would indicate adjustments are required to the purchase price allocation, such adjustments will be included in the purchase price allocation retrospectively. For the period August 29, 2023 through December 31, 2023, no measurement period adjustments were made.

The fair value of the consideration (paid in Globalstar common stock) totaled \$70.4 million. Approximately 18.8 million shares transferred were subject to legal trading restrictions. These shares were valued using a Black-Scholes pricing model (refer to Note 9: Fair Value Measurements for further discussion) and the fair value on the transaction date was \$19.0 million. Approximately 41.8 million shares transferred were not subject to legal trading restrictions and, pursuant to applicable accounting guidance and the Company's accounting policy election, were valued using the low price on the transaction date with a fair value of \$51.4 million. The fair value of the consideration transferred included \$58.5 million associated with the purchase price and the reimbursement of the seller's transaction costs as well as \$11.9 million associated with the initial service period under the SSA. The Company recorded this amount as a prepaid asset on its consolidated balance sheets and will amortize the prepayment to cost of services and management, general and administrative expenses over the initial service period of nine months.

The allocation of the purchase price on August 29, 2023 is reflected in the tables below (amounts in thousands):

Identifiable assets acquired		
Developed intellectual property (included in intangible assets)	\$	25,980
Other		1,929
Total identifiable assets acquired	\$	27,909
Goodwill (included in intangible assets)		30,624
Net assets acquired	\$	58,533

There were no liabilities assumed by the Company at the time of the License Agreement. Other items in the table above include primarily equipment, inventory and the fair value of the trade name. Refer to Note 6: Intangible and Other Assets for further discussion on goodwill.

The table below reflects the intangible assets acquired and weighted-average useful lives (amounts in thousands):

Intangible Asset	Initial Fair Value	Weighted-Average Useful Life (years)
Trade name (included in Other in the table above)	\$ 560	5
Developed intellectual property	25,980	10

The trade name was valued using an income approach, specifically a relief from royalty method. The developed intellectual property was valued using the income approach, specifically a discounted cash flow method.

During the year ended December 31, 2023, the Company incurred \$2.9 million of acquisition-related costs, which primarily consisted of transaction fees as well as legal, accounting and other professional fees. These costs are recorded in management, general and administrative expenses on the Company's consolidated statements of operations.

3. REVENUE

Disaggregation of Revenue

The following table discloses revenue disaggregated by type of product and service (amounts in thousands):

		Year Ended December 31,					
		2022	2021	2020			
		Year Ended December 31,			Year Ended December 31,		
		2023	2022	2021	2023	2022	2021
Service revenue:	Service revenue:						
Subscriber services	Subscriber services						
Subscriber services	Subscriber services						
Duplex	Duplex						
Duplex	Duplex	\$ 29,222	\$ 31,197	\$ 33,878			
SPOT	SPOT	45,670	46,040	46,417			
Commercial IoT	Commercial IoT	19,516	17,951	17,174			
Wholesale capacity services	Wholesale capacity services	34,913	8,945	10,196			
Engineering and other services	Engineering and other services	2,747	2,331	5,526			
Total service revenue	Total service revenue	132,068	106,464	113,191			
Subscriber equipment sales:	Subscriber equipment sales:						
Duplex	Duplex	\$ 319	\$ 1,011	\$ 1,883			
Subscriber equipment sales:	Subscriber equipment sales:						
SPOT	SPOT						
SPOT	SPOT	5,888	9,427	8,176			
Commercial IoT	Commercial IoT	10,132	7,169	5,140			
Other	Other	97	226	97			
Total subscriber equipment sales	Total subscriber equipment sales	16,436	17,833	15,296			
Total revenue	Total revenue	\$148,504	\$124,297	\$128,487			

Total subscriber equipment sales	Total subscriber equipment sales	16,436	17,833	15,296
Total revenue	Total revenue	\$148,504	\$124,297	\$128,487
Total revenue				
Total revenue				

Accounts Receivable

Receivables are included in "Accounts receivable, net of allowance for credit losses" on the Company's consolidated balance sheets except for the long-term portion of the wholesale capacity accounts receivable as of December 31, 2022, which is was included in "Prepaid satellite construction costs and related customer receivable" receivable." The Company's receivable balances by type and classification are presented in the table below net of allowance for credit losses and may include amounts related to earned but unbilled receivables (amounts in thousands):

		As of December 31,		
		2022	2021	
		As of December 31,		
		2023	2023	As of December 31, 2022
Accounts receivable, net of allowance for credit losses	Accounts receivable, net of allowance for credit losses			
Subscriber accounts receivable	Subscriber accounts receivable			
Subscriber accounts receivable	Subscriber accounts receivable	\$ 14,850	\$ 12,825	
Wholesale capacity accounts receivable	Wholesale capacity accounts receivable	7,234	1,861	
Agency agreement accounts receivable	Agency agreement accounts receivable	4,245	6,496	
Total accounts receivable, net of allowance for credit losses	Total accounts receivable, net of allowance for credit losses	\$ 26,329	\$ 21,182	
Long-term wholesale capacity accounts receivable	Long-term wholesale capacity accounts receivable	111,026	—	

Total accounts receivable (short-term and long-term), net of allowance for credit losses	Total accounts receivable (short-term and long-term), net of allowance for credit losses	\$ 137,355	\$ 21,182
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During 2023, the Company reclassified \$16.1 million of accounts receivable associated with the Service Agreements from long-term accounts receivable to short-term accounts receivable. This balance is associated with amounts that are contractually owed to the Company for meeting performance obligations related to the next-generation satellite constellation prior to the Phase 2 Service Period. The Company expects that this amount will be paid during the next twelve months.

In February 2022, the Company entered into an agreement for the purchase of new satellites that will replenish the Company's existing satellite constellation. Under the Service Agreements, subject to certain terms and conditions, Partner has agreed to make service payments equal to 95% of the approved capital expenditures HIBLEO-4 U.S.-licensed system under the satellite procurement agreement, (to be paid on a straight-line basis over the useful life of the satellites) as amended, with Macdonald, Dettwiler and Associates Corporation ("MDA") and certain other costs incurred for the new satellites, as adjusted based satellites; these payments are expected to be paid to the Company on certain provisions, beginning a straight-line basis commencing with the launch of these satellites through their estimated useful life ("Phase 2 Service Period. As the Company incurs Period"). Based on construction in progress associated with incurred by Globalstar, amounts expected to be billed by the MDA contract, it earns the right to receive certain payments from Partner Company associated with this phase of the Service Agreements. Agreements were \$197.1 million as of December 31, 2023.

In accordance prior year filings, the Company recorded a long-term unbilled receivable and related long-term deferred revenue reflecting its Partner's obligation to fund certain construction costs to the Company associated with the satellites that are being constructed to provide service during the Phase 2 Service Period. During 2023, the Company revised this presentation and applied this change to its December 31, 2022 balance sheet. This change in accounting presentation has no impact on Partner's obligation to provide funding for the satellite construction costs nor the expected timing of payment from Partner, \$7.2 million is recorded in "Wholesale capacity accounts receivable" and \$111.0 million is recorded in "Long-term wholesale capacity accounts receivable" in revenue the table above. Company will recognize during the Phase 2 Service Period.

Contract Liabilities

Contract liabilities, which are included in deferred revenue on the Company's consolidated balance sheet, represent the Company's obligation to transfer service or equipment to a customer from whom it has previously received consideration. Contract liabilities reflect balances from its customers, including MSS subscribers and the Partner its wholesale capacity customer under the Service Agreements. The Company's contract liabilities by type and classification are presented in the table below (amounts in thousands).

		As of December 31,	
		2022	2021
		As of December 31,	As of December 31,
		2023	2022
Short-term contract liabilities	Short-term contract liabilities		
Subscriber contract liabilities	Subscriber contract liabilities		
Subscriber contract liabilities	Subscriber contract liabilities	\$ 21,987	\$ 24,940
Wholesale capacity contract liabilities	Wholesale capacity contract liabilities	52,652	987
Total short-term contract liabilities	Total short-term contract liabilities	\$ 74,639	\$ 25,927

Long-term contract liabilities	Long-term contract liabilities		
Subscriber contract liabilities	Subscriber contract liabilities	\$ 1,704	\$ 1,783
Subscriber contract liabilities			
Subscriber contract liabilities			
Wholesale capacity contract liabilities, net of contract asset	Wholesale capacity contract liabilities, net of contract asset	156,099	110,271
Total long-term contract liabilities	Total long-term contract liabilities	\$ 157,803	\$ 112,054
Total contract liabilities	Total contract liabilities	\$ 232,442	\$ 137,981

For subscriber contract liabilities, the amount of revenue recognized during the years ended **December 31, 2022** **December 31, 2023** and **2021** **2022** from performance obligations included in the contract liability balance at the beginning of these periods was **\$23.4 million** **\$19.6 million** and **\$24.1 million** **\$23.4 million**, respectively. For wholesale capacity contract liabilities, the amount of revenue recognized during the years ended **December 31, 2022** **December 31, 2023** and **2021** **2022** from performance obligations included in the contract liability balance at the beginning of these periods was **\$0.8** **\$44.1 million** and **zero**, **\$0.8 million**, respectively.

The duration of the Company's contracts with subscribers is generally one year or less. As of **December 31, 2022** **December 31, 2023**, the Company expects to recognize **\$22.0 million, or approximately 93%**, **\$22.8 million** of its remaining performance obligations **to its subscribers** during the next twelve months. The Service Agreements **do not** have **no expiration a termination** date; therefore, the related contract liabilities may be recognized into revenue over various periods driven by the expected related service or recoupment periods. As of **December 31, 2022** **December 31, 2023**, the Company expects to recognize **\$52.7 million, or approximately 25%**, **\$30.9 million** of its remaining performance obligations during the next twelve months.

The components of wholesale capacity contract liabilities are presented in the table below (amounts in thousands).

		As of December 31,	
		2022	2021
		As of December 31,	
		2023	As of December 31, 2022
Wholesale capacity contract liabilities, net:	Wholesale capacity contract liabilities, net:		
Advanced payments for services expected to be performed with the second-generation satellite constellation during Phase 1 ⁽¹⁾		\$ 99,671	\$ 96,362
Advanced payments for services expected to be performed with the recently launched ground spare satellite during Phases 1 and 2		25,438	16,981

Advanced payments (both received and contractually owed) for services expected to be performed with the next-generation satellite constellation during Phase 2	117,466	—
Advanced payments for services expected to be performed with the second-generation satellite constellation during Phase 1 ⁽²⁾		
Advanced payments for services expected to be performed with the second-generation satellite constellation during Phase 1 ⁽²⁾		
Advanced payments for services expected to be performed with the second-generation satellite constellation during Phase 1 ⁽²⁾		
Additional consideration associated with the 2021 and 2023 Funding Agreements ⁽³⁾		
Advanced payments for services expected to be performed with the ground spare satellite launched in June 2022 during Phases 1 and 2		
Advanced payments contractually owed for services expected to be performed with the next-generation satellite constellation prior to the Phase 2 Service Period		

Advanced payments for the Phase 1 service fee and service-related operating expenses and capital expenditures	Advanced payments for the Phase 1 service fee and service-related operating expenses and capital expenditures	18,872	—
Contract asset (2) (1)	Contract asset (2) (1)	(52,696)	(2,085)
Wholesale capacity contract liabilities, net	Wholesale capacity contract liabilities, net	\$ 208,751	\$111,258

(1) In accordance with applicable accounting guidance, the Company records imputed interest associated with the significant financing component, totaling \$5.3 million and \$1.9 million as of December 31, 2022 and 2021, respectively, which is included in deferred revenue and represents the remaining amount to be recognized over the Company's performance obligations.

(2) In November 2022, the Company issued Warrants (as defined) to Partner (see Note 15: Stock Compensation for further discussion). The with an initial fair value of the Warrants at the time of issuance was of \$48.3 million and recorded in equity with an offset to a contract asset on the Company's consolidated balance sheets. The fair value of the Warrants is recorded as a reduction to revenue over the period in which the Company commences performs its performance obligations

through the estimated completion of the contract term, consistent with the period in which the customer benefits from the services provided.

(2) During 2021, the Company received payments from Partner totaling \$94.2 million (the "2021 Funding Agreement"). In February 2023, the Service Agreements were amended. This amendment, which was effective in April 2023, changed certain terms in the 2021 Funding Agreement, resulting in \$88.0 million previously recorded as deferred revenue being re-characterized as debt. See further discussion in Note 6: Long-Term Debt and Other Financing Arrangements.

(3) In connection with the Company recording the fair value of its financial obligations in the amended 2021 and 2023 Funding Agreements, it recorded a debt discount of \$11.6 million and \$4.5 million, respectively, representing the difference between the present value of the future principal payments discounted using the prevailing market rate at the date of issuance of the debt and the effective rate. The offset was recorded to deferred revenue and is being recognized into revenue over the Phase 1 and 2 Service Periods, respectively.

3.4. LEASES

The following tables disclose the components of the Company's finance and operating leases (amounts in thousands):

		As of December 31,	
		2022	2021
		As of December 31,	
		2023	2022
Operating leases:	Operating leases:		
Right-of-use asset, net			
Right-of-use asset, net			
Right-of-use asset, net	Right-of-use asset, net	\$ 30,859	\$32,041
Short-term lease liability (recorded in accrued expenses)	Short-term lease liability (recorded in accrued expenses)	2,747	2,501
Short-term lease liability (recorded in accrued expenses)			

Short-term lease liability (recorded in accrued expenses)			
Long-term lease liability	Long-term lease liability	27,635	29,237
Total operating lease liabilities	Total operating lease liabilities	\$ 30,382	\$31,738
Finance leases:			
Right-of-use asset, net (recorded in intangible assets, net)		\$ 104	\$ 8
Short-term lease liability (recorded in accrued expenses)		16	6
Long-term lease liability (recorded in non-current liabilities)		71	3
Total finance lease liabilities		\$ 87	\$ 9

In connection with Finance leases are not significant to the Company's gateway expansion project related to the Service Agreements, the Company commenced one operating lease during 2022 for a new gateway site totaling \$2.1 million. financial statements as of December 31, 2023 and 2022.

Lease Cost

The components of lease cost are reflected in the table below (amounts in thousands):

		Year Ended December 31,					
		2022	2021	2020			
		Year Ended December 31,			Year Ended December 31,		
		2023	2022	2021			
Operating lease cost:	Operating lease cost:						
Amortization of right-of-use assets		\$ 2,605	\$2,601	\$1,880			
Interest on lease liabilities		2,524	1,948	1,320			
Capitalized lease cost		(823)	(615)	—			
Finance lease cost:							
Amortization of right-of-use assets		12	11	76			
Operating lease cost:							
Operating lease cost:							
Amortization of right-of-use assets, net							
Amortization of right-of-use assets, net							
Amortization of right-of-use assets, net							

Interest on lease liabilities	Interest on lease liabilities	3	1	4
Short-term lease cost	Short-term lease cost	498	213	100
Total lease cost	Total lease cost	\$ 4,819	\$4,159	\$3,380

In accordance with amortization and interest associated with finance leases were less than \$0.1 million in total for the Service Agreements, the Company has capitalized certain costs to fulfill this contract, including lease expense, as years ended December 31, 2023, 2022 and 2021; accordingly, these amounts are not shown in the table above. These capitalized lease costs will be amortized over the expected term of the related performance obligation.

Weighted-Average Remaining Lease Term and Discount Rate

The following table discloses the weighted-average remaining lease term and discount rate for finance and operating leases:

		As of December 31,					
		2022	2021			2023	As of December 31, 2022

Cash paid for amounts included in the measurement of lease liabilities:				
Operating cash flows from operating leases	\$	5,299	\$	5,445
Operating cash flows from finance leases		3		1
Financing cash flows from finance leases		30		10
				68

	Year Ended December 31,		
	2023	2022	2021
Cash paid for amounts included in the measurement of lease liabilities:			
Operating cash flows for operating leases	\$ 5,853	\$ 5,299	\$ 5,445

Operating and financing cash flows from finance leases were each less than \$0.1 million for each of the years ended December 31, 2023, 2022 and 2021; accordingly, these cash flows are not shown in the table above.

Maturity Analysis

The following table reflects undiscounted cash flows on an annual basis for the Company's lease liabilities as of **December 31, 2022** **December 31, 2023** (amounts in thousands):

		Operating Leases	Finance Leases
		Operating Leases	Finance Leases
		Operating Leases	Finance Leases
		Operating Leases	Finance Leases
2023		\$ 4,913	\$ 25
2024			
2024			
2024	2024	4,786	23
2025	2025	4,814	23
2026	2026	4,862	23
2027	2027	4,740	15
2028			
Thereafter	Thereafter	17,823	—
Total lease payments	Total lease payments	\$ 41,938	\$ 109
Imputed interest	Imputed interest	(11,556)	(22)
Discounted lease liability	Discounted lease liability	\$ 30,382	\$ 87

As of December 31, 2022, In connection with the License Agreement previously disclosed, the office lease agreement between XCOM Labs, Inc. and its lessor is expected to be assigned to the Company had executed an additional operating lease for a new gateway location, which has not yet commenced since the lessor is continuing to ready the site for use. Accordingly, this lease is not reflected on the balance sheet as of December 31, 2022 or in the maturity table above. The Company is in the process of evaluating this lease obligation and expects it to be approximately \$2.3 million during 2024.

4.5. PROPERTY AND EQUIPMENT

Property and equipment consists of the following (in thousands):

		As of December 31,	
		2022	2021
		As of December 31,	
		2023	
		2023	2022
Globalstar System:	Globalstar System:	Globalstar System:	

Space component	Space component		
First and second-generation satellites in service		\$1,246,343	\$1,195,509
Second-generation satellite, on-ground spare		—	32,442
Ground component	Ground component	92,125	282,268
Construction in progress:	Construction in progress:		
Space component	Space component	110,068	16,394
Ground component	Ground component	5,316	33,998
Other	Other	9,167	4,123
Total Globalstar System	Total Globalstar System	1,463,019	1,564,734
Internally developed and purchased software	Internally developed and purchased software	22,509	20,823
Equipment	Equipment	8,042	8,590
Land and buildings	Land and buildings	1,681	1,149
Leasehold improvements	Leasehold improvements	2,083	2,088
Total property and equipment	Total property and equipment	1,497,334	1,597,384
Accumulated depreciation	Accumulated depreciation	(936,963)	(925,228)
Total property and equipment, net	Total property and equipment, net	\$ 560,371	\$ 672,156

Amounts included in "second-generation satellite, on-ground spare" in the table above consist of costs related to one of the Company's second-generation satellites that was stored as an on-ground spare satellite until its launch in June 2022. The costs to prepare this satellite for launch were included in "construction in progress - space component" in the table above prior to its launch. During 2022, \$66.7 million in costs associated with the construction and launch of this spare satellite (including capitalized interest) were placed into service. Since this satellite is expected to remain as an in-orbit spare and will only be raised to its operational orbit at a future date if needed, it was placed into service following its successful launch.

In February 2022, the Company entered into an agreement with an initial contract price of \$327 million MDA for the purchase of new satellites that will replenish the Company's existing satellite constellation. As of December 31, 2022, HIBLEO-4 U.S.-licensed system. In 2023, the Company entered into an agreement with SpaceX providing for the launch of the first set of satellites under the agreement with MDA. Refer to Note 10: Commitments and Contingencies for further discussion of these agreements.

The table below reflects the amounts recorded \$11.5 million as prepaid satellite construction on the Company's consolidated balance sheet (amounts in thousands).

	As of December 31,	
	2023	2022
Satellite Procurement Agreement		
Construction in progress	\$ 198,884	\$ 98,491
Vendor financing liability	—	59,575
Accrued construction costs	55,627	36,386
Prepaid construction costs	6,683	11,470
Launch Services Agreement		
Construction in progress	\$ 6,400	\$ —
Accrued construction costs	2,560	—

Prepaid construction costs	5,760	—
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Construction in progress costs associated with are recorded in the upfront milestone payment due upon signing and \$98.5 million in "space component" of construction in progress in the table above. These costs include milestones completed under the Satellite Procurement Agreement and Launch Services Agreement as well as associated personnel costs and capitalized interest. Accrued construction costs reflect work completed, but not yet invoiced under the agreements. Prepaid construction costs reflect costs for milestone payments not yet completed and are recorded in Prepaid satellite costs and customer receivable on its the Company's consolidated balance sheet, sheets.

The ground component of construction in progress includes costs incurred for assets to upgrade the Company's ground infrastructure, including costs associated with the procurement of new gateway antennas. During 2022, the Company placed \$28.9 million of costs into service associated with these antennas (including capitalized interest), which are included in ground component in the table above. These capital expenditures relate primarily to and gateway upgrade work in connection with the Service Agreements.

As discussed in Note 1: Summary of Significant Accounting Policies and Note 8: Fair Value Measurements, the Company evaluated the recoverability of its second-generation Duplex assets in September 2022. This evaluation resulted in the removal of the second-generation Duplex assets from the Company's long-lived asset grouping. The reduction in value of long-lived assets recorded during the third quarter of 2022 totaled \$161.2 million. The table below reflects the reduction in value of long-lived assets by each component of Property and equipment, net, and Intangible and other assets, net, previously recorded on the Company's consolidated balance sheets (amounts in thousands, reflected net of accumulated depreciation and amortization, as applicable, prior to their write downs).

	Three months ended September 30, 2022	
Property and equipment, net		
Ground component	\$	154,144
Construction in progress: ground component		5,545
Equipment		202
Total property and equipment, net	\$	159,891
Intangible and other assets, net	\$	1,271
Total reduction in value of long-lived assets	\$	161,162

Capitalized Interest and Depreciation Expense

The following table summarizes capitalized interest for the periods indicated below (in thousands):

		Year Ended December 31,			Year Ended December 31,		
		2022	2021	2020	2023	2022	2021
Interest cost eligible to be capitalized	Interest cost eligible to be capitalized	\$45,609	\$47,580	\$50,721			
Interest cost recorded in interest income (expense), net	Interest cost recorded in interest income (expense), net	(29,836)	(43,325)	(48,064)			
Net interest capitalized	Net interest capitalized	\$15,773	\$ 4,255	\$ 2,657			

The following table summarizes depreciation expense for the periods indicated below (in thousands):

		Year Ended December 31,		
		2022	2021	2020
Depreciation Expense		\$ 85,475	\$ 84,225	\$ 84,853

		Year Ended December 31,		
		2023	2022	2021

Depreciation Expense	\$ 87,213	\$ 85,475	\$ 84,225
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The following table summarizes amortization expense for the periods indicated below (in thousands):

	Year Ended December 31,		
	2022	2021	2020
Amortization Expense	\$ 8,409	\$ 12,012	\$ 11,962

	Year Ended December 31,		
	2023	2022	2021
Amortization Expense	\$ 978	\$ 8,409	\$ 12,012

During 2022, the Company wrote down the value of certain second-generation ground assets, including intangible assets. Accordingly the amortization expense decreased during 2023 associated with these assets.

Geographic Location of Property and Equipment

Long-lived assets consist primarily of property and equipment and are attributed to various countries based on the physical location of the asset, except for the Company's satellites which are included in the long-lived assets of the United States. The Company's information by geographic area is as follows (in thousands):

		Year Ended December 31,			Year Ended December 31,	
		2022	2021		2023	2022
Property and equipment:	Property and equipment:			Property and equipment:		
United States		\$519,752	\$621,474			
North America						
Central and South America	Central and South America	15,224	22,981			
Canada		2,582	13,921			
Africa	Africa	11,507	5,471			
Asia Pacific						
Europe	Europe	2,393	5,136			
Asia		4,410	2,752			
Australia		4,503	421			
Total property and equipment	Total property and equipment	\$560,371	\$672,156			

5.6. INTANGIBLE AND OTHER ASSETS

Intangible Assets

The Company has intangible assets not subject to amortization, which include certain costs to obtain or defend regulatory authorizations and a portion of capitalized interest associated with these assets. These costs primarily include efforts related to the enhancement of the Company's licensed MSS spectrum to provide terrestrial wireless services as well as costs with international regulatory agencies to obtain similar terrestrial authorizations outside of the United States. This category includes work in progress assets as well as indefinite lived assets already placed into service. The Company also has intangible assets subject to amortization, which primarily include developed technology and definite lived MSS licenses.

The gross carrying amount and accumulated amortization of the Company's intangible assets consist of the following (in thousands):

		December 31, 2022			December 31, 2021		
		Gross Carrying Amount	Accumulated Amortization	Net Carrying Amount	Gross Carrying Amount	Accumulated Amortization	Net Carrying Amount
		December 31, 2023			December 31, 2023		
		Gross Carrying Amount			Gross Carrying Amount	Accumulated Amortization	Net Carrying Amount
Intangible Assets Not Subject to Amortization	Intangible Assets Not Subject to Amortization	\$26,180	\$ —	\$26,180	\$24,906	\$ —	\$24,906
Intangible Assets Subject to Amortization:	Intangible Assets Subject to Amortization:						
Intangible Assets Subject to Amortization:	Intangible Assets Subject to Amortization:						
Developed technology	Developed technology						
Developed technology	Developed technology	\$ 9,113	\$ (7,292)	\$ 1,821	\$11,865	\$ (7,949)	\$ 3,916
Regulatory authorizations	Regulatory authorizations	3,722	(1,316)	2,406	3,104	(940)	2,164
		\$12,835	\$ (8,608)	\$ 4,227	\$14,969	\$ (8,889)	\$ 6,080
Intellectual property assets in progress	Intellectual property assets in progress						
Other intangible assets in progress	Other intangible assets in progress						
	\$						
Total	Total	\$39,015	\$ (8,608)	\$30,407	\$39,875	\$ (8,889)	\$30,986
Total							
Total							

During 2023, intellectual property assets in progress were assumed in the License Agreement (discussed further in Note 2: License Agreement). As of December 31, 2023, these assets were still in the development phase and will be amortized over their useful lives once placed into service.

For the twelve months year ended December 31, 2022 December 31, 2023, the Company recorded amortization expense on these intangible assets of \$1.2 million \$1.4 million. Amortization expense is recorded in operating expenses in the Company's consolidated statements of operations. For the year ended December 31, 2022, the Company recorded a reduction in value of assets associated with intangible assets totaling \$0.7 million on its consolidated statements of operations (refer to Note 8: Fair Value Measurements for further discussion).

Excluding the effects of any acquisitions, dispositions or write-downs subsequent to December 31, 2022 December 31, 2023, total estimated annual amortization of intangible assets is as follows (in thousands):

2023		\$	841
2024	2024		640
2025	2025		493
2026	2026		444
2027	2027		379

2028			
Thereafter	Thereafter		1,430
Total	Total	\$	4,227

Goodwill

As of December 31, 2023, the carrying amount of goodwill was \$30.6 million and is associated with the Company's only operating segment, its MSS business. Goodwill is deductible for tax purposes. This goodwill was recorded during 2023 in connection with the License Agreement (refer to Note 2: License Agreement for further discussion) and represented the excess of the purchase price of the net identifiable assets acquired. At the transaction date, the goodwill was attributable to the workforce of the acquired entity and significant synergies. There were no material changes to the value of goodwill between the initial purchase date, August 29, 2023, and December 31, 2023. The Company's annual goodwill impairment test was completed on November 30, 2023 and the qualitative assessment indicated that it was more likely-than-not that the estimated fair value of the reporting unit exceeded the carrying value of goodwill.

Other Assets

Other assets consist of the following (in thousands):

		December 31,	
		2022	2021
		December 31,	
		2023	2022
Costs to obtain and fulfill a contract (Note 1)	Costs to obtain and fulfill a contract (Note 1)	\$1,770	\$ 1,725
Long-term prepaid licenses and royalties (Note 8)		—	4,380
Long-term accounts receivable			
International tax receivables (Note 13)	International tax receivables (Note 13)	3,552	577
Compound embedded derivative with the 2019 Facility Agreement (Note 7 and Note 8)		—	484
ERP software costs		1,131	919
Embedded derivative assets within the 2023 Funding Agreement (Note 8)			
Other long-term assets	Other long-term assets	1,565	1,965
Total other assets	Total other assets	\$8,018	\$10,050

Long-term accounts receivable represents an unconditional right to consideration for equipment delivered to one customer that will be billed over the next five years; the long-term portion represents the amount that will be billed beyond the next twelve months. Other long-term assets include primarily ERP implementation costs, recoverable tariffs and other long-term deposits.

6. 7. LONG-TERM DEBT AND OTHER FINANCING ARRANGEMENTS

Long-term debt consists of the following (in thousands):

December 31, 2022							December 31, 2021			December 31, 2023			December 31, 2022		
Unamortized Discount and Deferred							Unamortized Discount and Deferred								
Principal Amount	Financing Costs	Carrying Value	Principal Amount	Financing Costs	Carrying Value		Principal Amount	Financing Costs	Carrying Value	Principal Amount	Unamortized Discount and Deferred Financing Costs	Carrying Value	Principal Amount	Unamortized Discount and Deferred Financing Costs	Carrying Value
2023 Funding Agreement															
2021 Funding Agreement															
2023 13% Notes															
2019 Facility Agreement	\$143,213	\$ 11,098	\$132,115	\$263,812	\$ 27,287	\$236,525									
Vendor financing	59,822		59,822	—	—	—									
8.00% Convertible Senior Notes Issued in 2013	—		—	1,407	—	1,407									
Total debt and vendor financing	203,035	11,098	191,937	265,219	27,287	237,932									
Less: current portion	59,822	—	59,822	—	—	—									
Long-term debt and vendor financing	\$143,213	\$ 11,098	\$132,115	\$265,219	\$ 27,287	\$237,932									

The principal amounts shown above include payment of in-kind interest, as applicable. The carrying value is net of deferred financing costs and any discounts to the loan amounts at issuance, including accretion. All amounts outstanding associated with the Company's vendor financing arrangement **are** **were** due **within the next twelve months in March 2023** and, therefore, **are** **were** reflected as a current liability on the Company's consolidated balance **sheets**. **sheet** as of December 31, 2022. As of December 31, 2023, the current portion of long-term debt is associated with the 2021 Funding Agreement and represents the amounts to be paid under the Service Agreements during the next twelve months.

2023 Funding Agreement

In February 2023, the Service Agreements were amended to provide for, among other things, payment of up to \$252 million to the Company (the "2023 Funding Agreement"), which the Company will use to fund 50% of the amounts due under its agreement with MDA, as well as launch, insurance and ancillary costs incurred in connection with the construction and launch of these satellites. The 2023 Funding Agreement replaces the Company's requirement to raise third-party financing for such costs as previously required under the Service Agreements and will be funded on a quarterly basis, as needed and subject to certain conditions in the agreement. The remaining amount of the satellite costs is expected to be funded from Globalstar's operating cash flows.

Through December 31, 2023, payments under the 2023 Funding Agreement totaled \$117.3 million. In February 2024, the Company received proceeds of \$37.7 million.

The total amount paid to the Company under the 2023 Funding Agreement, including fees, is expected to be recouped from amounts payable under the Service Agreements. The total balance is expected to be recouped in installments for a period of 16 quarters beginning no later than the third quarter of 2025. The balance may also be repaid over time through excess cash flow sweeps or voluntary prepayments, as provided under the terms of the 2023 Funding Agreement. For as long as any amount funded under the 2023 Funding Agreement is outstanding, the Company will be subject to certain covenants, including (i) maintenance of a minimum cash balance of \$30 million, (ii) interest coverage and leverage ratios, and (iii) other customary negative covenants, including limitations on certain asset transfers, expenditures and investments. The Company's obligations under the 2023 Funding Agreement is also secured by a first priority lien over substantially all of the assets of the Company and its domestic subsidiaries.

Thermo has agreed to provide support of certain of the Company's obligations under the 2023 Funding Agreement and certain other obligations under the Service Agreements. Entry into this guarantee agreement received shareholder approval in June 2023 and became effective in December 2023. See further discussion regarding Thermo's guarantee and the associated accounting conclusions in Note 12: Related Party Transactions.

The Company recorded the fair value of the 2023 Funding Agreement using a discounted cash flow model. The Company recorded debt discounts for the difference between the fair value of the debt and the proceeds received. This difference is attributed to the fair value of the Thermo guarantee (recorded as additional paid in capital) and the fair value of the economic benefit received due to the existing customer relationship (recorded as deferred revenue); both of these debt discounts are netted against the face value of the 2023 Funding Agreement. The Company is accreting the debt discounts to interest expense through the maturity date using an effective interest rate method.

Additionally, the prepayment features included in the 2023 Funding Agreement required bifurcation from the debt and were valued separately. The Company records the embedded derivative liability or asset as a non-current liability or asset on its consolidated balance sheet with a corresponding debt discount or premium, which is netted against the face value of the 2023 Funding Agreement. The debt discount or premium is accreted or amortized to interest expense or income through the maturity date using an effective interest rate method. Refer to Note 8: Derivatives and Note 9: Fair Value Measurements for further discussion on the compound embedded derivative bifurcated from the 2023 Funding Agreement.

As the Company makes additional draws under the 2023 Funding Agreement, the amount of each draw will be recorded at fair value and the Company will assess the fair value of embedded features within the debt.

The table below outlines the components of the draws made under the 2023 Funding Agreement at funding (amounts in thousands):

	April 2023	November 2023
Principal	\$ 87,730	\$ 29,523
Debt Discount - Thermo Guarantee	(6,897)	(1,967)
Debt Discount - Customer Relationship	(4,509)	(3,290)
Debt (Discount) Premium - Embedded Derivative	(341)	49
Fair Value at Issuance	<u>\$ 75,983</u>	<u>\$ 24,315</u>

2021 Funding Agreement

During 2021, the Company received payments under the 2021 Funding Agreement totaling \$94.2 million. In connection with the February 2023 amendment of the Service Agreements (discussed above), certain terms of the 2021 Funding Agreement

were amended to align with the terms of the 2023 Funding Agreement, including granting Partner a first-priority lien in substantially all of the assets of the Company and its domestic subsidiaries to secure the Company's repayment of amounts funded. This amendment resulted in the previously recorded deferred revenue being re-characterized as debt. On the amendment date, the Company recorded the funding under the 2021 Funding Agreement at fair value, net of a debt discount. The Company is accreting the debt discount to interest expense through the maturity date using an effective interest rate method.

During 2023, \$12.5 million was recouped pursuant to the terms of the 2021 Funding Agreement, which reduced the principal amount outstanding under the agreement.

The table below outlines the components of the 2021 Funding Agreement upon amendment (amounts in thousands):

Principal	\$ 94,200
Less: Amount Repaid Prior to Amendment	(6,250)
Debt Discount - Customer Relationship	(11,626)
Fair Value at Issuance	<u>\$ 76,324</u>

2023 13% Notes

In March 2023, the Company completed the sale of \$200.0 million in aggregate principal amount of non-convertible 13% Senior Notes due 2029 (the "2023 13% Notes"). The 2023 13% Notes were sold pursuant to a Purchase Agreement (the "Purchase Agreement") among the Company, as issuer, the subsidiary guarantors party thereto (each, a "Subsidiary Guarantor" and collectively, the "Subsidiary Guarantors"), an affiliate of Vårde Partners and the other purchasers party thereto (collectively, the "Purchasers"). The 2023 13% Notes were issued pursuant to an indenture, dated as of March 31, 2023 (the "Indenture"), among the Company, the Subsidiary Guarantors, as guarantors, and Wilmington Trust, National Association, as trustee.

The 2023 13% Notes are senior, unsecured obligations of the Company and have a stated maturity of September 15, 2029. The 2023 13% Notes were sold at an issue price of 95% of the principal amount of the 2023 13% Notes. The Company used a portion of the net proceeds to pay financing costs of \$7.8 million, which were recorded on the Company's consolidated balance sheet as a reduction in the carrying amount of the debt. The 2023 13% Notes bear interest initially at a rate of 13.00% per annum payable semi-annually in arrears. The Company is required to pay interest (i) at a rate per annum of 4.00% which must be paid in cash and (ii) at a rate per annum of 9.00% which may be paid either (a) in-kind ("PIK") by increasing the principal amount of the 2023 13% Notes outstanding or (b) in cash, in such proportion as the Company may choose, with a

step up in the PIK component of the interest if any 2023 13% Notes remain outstanding after March 15, 2028. Pursuant to the Service Agreements, the Company has agreed to pay cash interest on the 2023 13% Notes at a rate of 6.5% per annum and PIK interest at a rate of 6.5% per annum.

The 2023 13% Notes may be redeemed at the option of the Company at any time, subject to the conditions of the Indenture. Among other things, prior to March 15, 2025 (the "First Call Date"), the Company will be permitted to redeem the 2023 13% Notes in whole or in part at the redemption price equal to 100% of the principal amount of the 2023 13% Notes redeemed plus a premium based on the net present value of the remaining interest payments through the First Call Date. Beginning on the First Call Date, the 2023 13% Notes may be redeemed at a redemption price equal to 103% of the principal amount, declining to 100% of the principal amount after March 15, 2027, in each case, together with accrued and unpaid interest.

Additionally, in the event of a Change of Control (as such term is defined in the Indenture) or certain other events, holders of the 2023 13% Notes have the right to require the Company to repurchase all or a portion of their 2023 13% Notes at a price (as calculated by the Company) in cash equal to 101% of the aggregate principal amount thereof plus accrued and unpaid interest and certain tax payments. The Indenture includes customary terms and covenants, including restrictions on the Company's and the Subsidiary Guarantors' ability to incur indebtedness, make guarantees, sell equity interests, and customary events of default after which the holders may accelerate the maturity of the 2023 13% Notes and become due and payable immediately.

2019 Facility Agreement

In November 2019, the Company entered into a \$199.0 million facility agreement with Thermo, an affiliate of EchoStar Corporation and certain other unaffiliated lenders (the "2019 Facility Agreement"). The 2019 Facility Agreement **is was** scheduled to mature in November 2025. The **remaining** loans under the 2019 Facility Agreement **bear bore** interest at a rate of 14.0% per annum to be paid in kind (or in cash, at the option of the Company).

The Service Agreements **require required** the Company to refinance all loans outstanding under the 2019 Facility Agreement. A portion was refinanced in November 2022 and the remaining portion **is to be was** refinanced by March 13, 2023 (as amended). On February 13, 2023, in March 2023. Using a portion of the proceeds from the sale of the 2023 13% Notes, the Company **provided notice, as required repaid all of its outstanding obligations** under the 2019 Facility Agreement **to the remaining lender of its intent to voluntarily prepay all remaining amounts due under the 2019 Facility Agreement.**

In connection with our Partner's launch of Services on November 15, 2022, the Company was obligated to complete the Thermo Debt Conversion (as described in our Current Report on Form 8-K filed September 7, 2022). To satisfy this obligation, the Company entered into an Exchange Agreement dated as of November 15, 2022 (the "Exchange Agreement") with affiliates of Thermo and certain other lenders (collectively, the "Exchanging Lenders") providing for the exchange of \$149.4 million outstanding principal amount of, and accrued and unpaid interest on, the Exchanging Lenders' loans under the 2019 Facility Agreement for 149,425 shares of 7.0% Perpetual Preferred Stock, Series A, liquidation preference \$1,000 per share (the "Series A Preferred Stock"), **approximately \$148 million.**

The Company recorded **the a loss on extinguishment of debt extinguishment of \$10.4 million** in the **fourth first** quarter of **2022 2023** representing the difference between the net carrying amount prior to extinguishment (including unamortized deferred financing costs, debt discounts and derivatives) and the reacquisition price of the debt. **In accordance with accounting guidance for debt extinguishment with related parties, the Company recorded the portion exchanged by Thermo of \$30.8 million as a contribution to capital through equity on its consolidated balance sheets. For the portion exchanged by other lenders, the Company recorded a gain on extinguishment of debt totaling \$2.8 million on its consolidated statements of operations.**

The Company's obligations under the 2019 Facility Agreement are guaranteed on a senior secured basis by all of its domestic subsidiaries' assets and are secured by a first priority lien on substantially all of the assets of the Company and its domestic subsidiaries (other than their FCC licenses), including patents and trademarks, 100% of the equity of the Company's domestic subsidiaries and 65% of the equity of certain foreign subsidiaries.

The cash proceeds from this loan were net of a 3%, or \$6.0 million, original issue discount (the "OID"). A portion of this OID was recorded as a debt discount of \$4.0 million. This debt discount was netted against the principal amount of the loan and is being accreted using an effective interest method to interest expense over the term of the loan.

As additional consideration for the loan, the Company issued the lenders warrants to purchase 124.5 million shares of voting common stock at an exercise price of \$0.38 per share. The Company determined that the warrants were equity instruments and recorded them as a part of stockholders' equity. A portion of the fair value of the warrants was recorded as a debt discount of \$15.8 million. This debt discount was netted against the principal amount of the loan and is being accreted using an effective interest method to interest expense over the term of the loan. All of the warrants issued to the lenders were exercised before their expiration date on March 31, 2021.

The 2019 Facility Agreement contains customary events of default and requires that the Company satisfy various financial and non-financial covenants, including the following items that were in place as of December 31, 2022:

- The Company's capital expenditures do not exceed \$25.0 million for 2021 or 2022, excluding capital expenditures for the replacement satellites and network upgrades associated with the Service Agreements;
- The Company's expenditures in connection with its spectrum rights do not exceed \$20.0 million;
- The Company maintains at all times a minimum liquidity balance of \$3.6 million;
- The Company achieves minimum adjusted consolidated EBITDA (as defined in the 2019 Facility Agreement) of \$21.1 million and \$27.1 million for the six-month periods ended June 30, 2022 and December 31, 2022, respectively;
- The Company maintains a minimum debt service coverage ratio of 0.90:1;
- The Company maintains a maximum net debt to adjusted consolidated EBITDA ratio of 2.75:1; and

- The Company maintains a minimum interest coverage ratio of 4.73:1 for the two semi-annual measurement periods leading up to December 31, 2022.

The Company received waivers from its senior lenders to permit certain transactions during 2022, including capital expenditures associated with our obligations under the Service Agreements, vendor financing associated with the MDA agreement, termination of the Globalstar pension plan, and redemption of the 2013 8.00% Notes.

As of December 31, 2022, the Company was in compliance with the covenants of the 2019 Facility Agreement.

The 2019 Facility Agreement requires mandatory prepayments of principal with any Excess Cash Flow (as defined and calculated in the 2019 Facility Agreement) on a semi-annual basis. The Company generated excess cash flow for the six-month measurement period ended June 30, 2022 and was required to pay \$6.3 million to its lenders in August 2022. This payment reduced future principal payment obligations. The Company generated excess cash flow for the six-month measurement period ended December 31, 2022 and will be required to pay approximately \$2.0 million if the debt remains outstanding on March 16, 2023.

The Company evaluated the various embedded derivatives within the 2019 Facility Agreement related to certain contingently exercisable put options. Due to the substantial discount upon issuance, as calculated under applicable accounting guidance, these prepayment features were required to be bifurcated and separately valued. The Company initially recorded the compound embedded derivative liability as a non-current liability on its consolidated balance sheets with a corresponding debt discount, which ~~is~~ **was** netted against the face value of the 2019 Facility Agreement. The Company ~~is accreting~~ **accreted** the debt discount associated with the compound embedded derivative liability to interest expense through the maturity date, ~~prior to its extinguishment~~, using an effective interest rate method. Refer to Note ~~7:8~~ **7:8** Derivatives and Note ~~8:9~~ **8:9** Fair Value Measurements for further discussion on the compound embedded derivative bifurcated from the 2019 Facility Agreement.

Thermo's participation in the 2019 Facility Agreement was reviewed and approved by the Company's Strategic Review Committee, which is a committee of disinterested and independent directors who are represented by independent legal counsel. See Note 11: Related Party Transactions for further information on the role and responsibility of the Strategic Review Committee.

Vendor Financing

In February 2022, the Company entered into a satellite procurement agreement with MDA (see Note ~~9:10~~ **9:10** Commitments and Contingencies for further discussion). This agreement (as ~~amended in October 2022 and January 2023~~ **provides amended**), which had original payment terms within 45 days, provided for deferrals of milestone payments through March 15, 2023. ~~Deferred amounts represented approximately 23% of the initial contract price. Invoices to MDA were generally paid within six months of the due date.~~ The Company ~~received~~ **paid** the remaining balance during the first quarter of 2023.

Reflected in the table below is a ~~waiver from rollforward of the Company's obligations under its senior lenders to permit this~~ vendor financing ~~as subordinated indebtedness~~. The Company has made \$34 million arrangement with MDA (amounts in payments to MDA under this agreement, including \$14 million during the fourth quarter 2022 and \$20 million in January 2023. Interest accrues on the amount outstanding at an annual rate of 7%, which increased to 10.5% on balances between December 2022 and March 2023. As of December 31, 2022, the Company had recorded \$59.8 million in short-term vendor financing and total accrued interest of \$1.3 million on its consolidated balance sheet associated with this agreement. The Company has also accrued \$36.1 million on its consolidated balance sheet associated with work performed but not yet billed. As discussed in the Recent Developments section of Note 1: Summary of Significant Accounting Policies, in February 2023, Globalstar and its Partner under the Service Agreements agreed to amend the Service Agreements to provide for, among other things, Partner's prepayment of \$252 million to pay amounts currently due and payable, as well as other amounts as they become due and payable, under the satellite procurement agreement. ~~thousands~~);

	2023	2022
Confirmed obligations outstanding, January 1, 2023 and 2022, respectively	\$ 59,575	\$ —
Invoices confirmed during the periods	—	73,575
Confirmed invoices paid during the periods	(59,575)	(14,000)
Confirmed obligations outstanding, December 31, 2023 and 2022, respectively	\$ —	\$ 59,575

Series A Preferred Stock

~~As discussed above, on November 15, 2022, In November 2022,~~ the Company issued 149,425 shares of ~~its 7.0% Perpetual Preferred Stock, Series A, liquidation preference \$1,000 per share (the "Series A Preferred Stock Stock")~~ in exchange for \$149.4 million outstanding principal amount of its 2019 Facility Agreement ~~held by affiliates of Thermo and certain other lenders. The Company recorded the Series A Preferred Stock at the fair value of the shares totaling \$105.3 million on the Company's consolidated balance sheet. The shares of Series A Preferred Stock do not possess voting rights, other than certain matters specifically affecting the rights and obligations of the Series A Preferred.~~

Holders of Series A Preferred Stock will be entitled to receive, when, as and if declared by our Board of Directors or a committee thereof, cumulative cash dividends based on the liquidation preference of the Series A Preferred Stock, at a fixed rate equal to 7.00% per annum, payable quarterly in arrears ~~on January 1, April 1, July 1 and October 1 of each year, beginning on January 1, 2023. In January During 2023, the Company paid dividends approved by the Company's Board of Directors approved the payment of totaling \$11.9 million. No dividends totaling \$1.3 million for the period November 15, 2022 through December 31, 2022, and these dividends have been paid. were paid in 2022.~~

Series A Preferred Stock may be redeemed by the Company, in whole or in part, at any time. The holders of the Series A Preferred Stock do not have any rights to convert or require the Company to redeem such stock. The holders of the Series A Preferred stock have customary liquidation preferences.

Refer to Note 8: Fair Value Measurements for further discussion on the valuation of the preferred stock.

8.00% Convertible Senior Notes Issued in 2013

In May 2013, the Company issued \$54.6 million aggregate principal amount of its 2013 8.00% Notes. During 2022, the holders converted the remaining principal amount outstanding of \$1.4 million into 2.3 million shares of Globalstar common stock at a conversion price of \$0.69 per share.

As a result of the conversions during 2022, the Company recorded gains and losses on extinguishment of debt resulting from the difference between the fair value of shares of Globalstar common stock issued to the holders and the principal amount of the notes that converted as well as the write-offs of the embedded derivative associated with the 2013 8.00% Notes. The net impact to the Company's consolidated statements of operations in 2022 was a gain of less than \$0.1 million.

Refer to Note 7: Derivatives and Note 8: Fair Value Measurements for further discussion on the compound embedded derivative bifurcated from the 2013 8.00% Notes.

2009 Facility Agreement

In 2009, the Company entered into a facility agreement with a syndicate of bank lenders (the "2009 Facility Agreement"). In 2021, the Company fully repaid the 2009 Facility Agreement prior to its scheduled maturity in December 2022. In connection with the debt prepayments and final payoff made during 2021, the Company recorded net losses on extinguishment of debt totaling \$1.9 million on its consolidated statements of operations representing the difference between the net carrying amount prior to extinguishment (including unamortized deferred financing costs) and the reacquisition price of the debt (primarily including of the partial refund of premiums).

Paycheck Protection Program Loan

In April 2020, the Company sought relief under the CARES Act and received a \$5.0 million loan under the Paycheck Protection Program ("PPP"), (the "PPP Loan"). In June 2021, the Small Business Administration approved the Company's request for forgiveness of all amounts outstanding under the PPP Loan, including accrued interest. The Company evaluated the applicable accounting guidance relative to the PPP Loan and accounted for the proceeds of the PPP Loan as debt under ASC 470. As the entire principal balance, including accrued interest, was forgiven in June 2021, the Company recorded a gain on extinguishment of debt totaling \$5.0 million on its consolidated statements of operations.

Debt maturities

Annual debt maturities for each of the five years following **December 31, 2022** **December 31, 2023** and thereafter are as follows (in thousands):

2023		\$	—
2024	2024		—
2025	2025		143,213
2026	2026		—
2027	2027		—
2028			
Thereafter	Thereafter		—
Total	Total	\$	143,213

Amounts in the above table are calculated based on amounts outstanding at **December 31, 2022** **December 31, 2023**, and therefore exclude future paid-in-kind interest payments that will be made in future periods. Additionally, amounts in the table above exclude the Company's vendor financing arrangement, of which \$59.8 million was outstanding as of December 31, 2022 and future recoupment amounts due draws pursuant to the 2023 Funding Agreement and assume recoupments as scheduled under the Service 2021 and 2023 Funding Agreements.

7.8. DERIVATIVES

The Company has identified various embedded derivatives resulting from certain features in the Company's existing borrowing arrangements, requiring recognition on its consolidated balance sheets. None of these derivative instruments are designated as a hedge. The following table discloses the fair values of the derivative instruments on the Company's consolidated balance sheets (in thousands):

	December 31,	
	2022	2021
Derivative (liabilities) assets:		
Compound embedded derivative with the 2019 Facility Agreement	\$ (122)	\$ 484
Compound embedded derivative with the 2013 8.00% Notes	\$ —	\$ (1,364)

As of December 31, 2022 and December 31, 2021, the derivative (liability) asset **Derivative liabilities are** recorded for the compound embedded derivative with the 2019 Facility Agreement was reflected in Other **"Other non-current liabilities and Intangible liabilities"** or **"Intangible and other assets, net, respectively, assets"** on the Company's consolidated balance sheets. During the first quarter of 2022, the remaining principal amount of the 2013 8.00% Notes was converted into shares of Globalstar common stock; accordingly, the associated derivative is no longer outstanding. Prior to this conversion, the derivative liability associated with the 2013 8.00% Notes was included in Other non-current liabilities on the Company's consolidated balance sheets.

The following table discloses the changes in value recorded as derivative (loss) gain in the Company's consolidated statement of operations (in thousands):

Year Ended December 31,

	2022	2021	2020
Compound embedded derivative with the 2013 8.00% Notes	\$ 216	\$ (1,241)	\$ 399
Compound embedded derivative with the Loan Agreement with Thermo	—	—	212
Compound embedded derivative with the 2019 Facility Agreement	(1,021)	198	2,286
Total derivative (loss) gain	\$ (805)	\$ (1,043)	\$ 2,897

sheet. The fair value of each embedded derivative is marked-to-market at the end of each reporting period, or more frequently as deemed necessary, with any changes in value reported in the consolidated statements of operations and consolidated statements of cash flows as a non-cash operating activity.

The Company classifies its instruments and related features embedded in the debt instruments that are required to be accounted for as derivatives consistent with the classification of the underlying debt on the Company's consolidated balance sheet. are described below. See Note 8: 9: Fair Value Measurements for further discussion. Each liability or asset and the features embedded in the debt instrument, which required the Company to account for the instrument as a derivative, are described below.

Compound Embedded Derivative with Derivatives within the 2019 Facility 2023 Funding Agreement

As a result of The 2023 Funding Agreement contains certain contingently exercisable put prepayment features within the 2019 Facility Agreement, the Company initially that are required to be bifurcated and recorded a compound as an embedded derivative liability on its the Company's consolidated balance sheet with a corresponding debt discount or premium that is netted against the face principal amount of the draws under the 2023 Funding Agreement. As the Company makes a draw on the 2023 Funding Agreement, an associated embedded derivative is bifurcated and recorded. The Company determines the fair value of the embedded derivatives using a discounted cash flow model. As the discount yield and the effective interest rate of the loan fluctuates based on projected cash flows, the derivative may result in either a liability or an asset to the Company.

During the year ended December 31, 2023, the Company recorded a derivative gain of \$1.6 million, which is reflected in "Derivative gain (loss) and other" in the Company's consolidated statement of operations. As of December 31, 2023, the fair value of the embedded derivatives within the 2023 Funding Agreement were assets totaling \$1.3 million.

Compound Embedded Derivative within the 2019 Facility Agreement, Agreement

The 2019 Facility Agreement contained certain contingently exercisable put features that were required to be bifurcated and recorded as a compound embedded derivative. The Company determined the fair value of this derivative using a probability weighted discounted cash flow model.

During the years ended December 31, 2022 and 2021, the Company recorded derivative losses of \$1.0 million and gains of \$0.2 million, respectively, which is reflected in Derivative gain (loss) and other in the Company's consolidated statement of operations. As of December 31, 2022, the fair value of the compound embedded derivative liability using a probability weighted discounted cash flow model, within the 2019 Facility Agreement was \$0.1 million.

In November 2022, the Company exchanged a portion of the 2019 Facility Agreement into Series A Preferred Stock. In March 2023, the Company refinanced the remaining principal outstanding under the 2019 Facility Agreement with proceeds from the issuance of its 2023 13% Notes. As a result of this exchange, activity, the Company wrote off a portion of the embedded derivative associated with the 2019 Facility Agreement, during which is included in "(Loss) gain on extinguishment of debt" on the fourth quarter consolidated statement of 2022, operations; therefore, no balance remained as of December 31, 2023. See Note 6: Long-Term Debt and Other Financing Arrangements for further discussion.

Compound Embedded Derivative with within the 2013 8.00% Notes

As The 2013 8.00% Notes contained a result of the conversion option and the contingent put feature within the 2013 8.00% Notes, the Company that were required to be bifurcated and recorded as a compound embedded derivative liability on its consolidated balance sheets with a corresponding debt discount that was netted against the face value of the 2013 8.00% Notes. derivative. The Company determined the fair value of the compound embedded derivative liability using a Monte Carlo simulation model. The Company classified this derivative liability consistent with the classification of the 2013 8.00% Notes on the Company's consolidated balance sheet.

During the first quarter years ended December 31, 2022 and 2021, the Company recorded derivative gains of \$0.2 million and losses of \$1.2 million, respectively, which is reflected in "Derivative gain (loss) and other" in the Company's consolidated statement of operations. During 2022, the compound embedded derivative with the 2013 8.00% Notes was extinguished.

Compound Embedded Derivative with the Loan Agreement with Thermo

As a result extinguished; therefore no balance remained as of the conversion option and the contingent put feature within the Loan Agreement with Thermo as amended and restated in 2013, the Company recorded a compound embedded derivative liability on its consolidated balance sheets with a corresponding debt discount that was netted against the face value of the Loan Agreement. The Company determined the fair value of the compound embedded derivative liability using a Monte Carlo simulation model. During the first quarter of 2020, the compound embedded derivative with the Loan Agreement with Thermo was extinguished. December 31, 2022.

8. 9. FAIR VALUE MEASUREMENTS

The Company follows the authoritative guidance for fair value measurements relating to financial and non-financial assets and liabilities, including presentation of required disclosures herein. This guidance establishes a fair value framework requiring the categorization of assets and liabilities into three levels based upon the assumptions (inputs) used to price the assets and liabilities. Level 1 provides the most reliable measure of fair value, whereas Level 3 generally requires significant management judgment. The three levels are defined as follows:

Level 1: Unadjusted quoted prices in active markets that are accessible at the measurement date for identical assets or liabilities.

Level 2: Quoted prices in markets that are not active or inputs which are observable, either directly or indirectly, for substantially the full term of the asset or liability.

Level 3: Prices or valuation techniques that require inputs that are both significant to the fair value measurement and unobservable (i.e., supported by little or no market activity).

Recurring Fair Value Measurements

The following tables provide a summary of the assets and liabilities measured at fair value on a recurring basis (in thousands):

	Fair Value Measurements at December 31, 2022:			
	(Level 1)	(Level 2)	(Level 3)	Total Balance
Liabilities:				
Compound embedded derivative with the 2019 Facility Agreement	\$ —	\$ —	\$ (122)	\$ (122)
Total liabilities measured at fair value	\$ —	\$ —	\$ (122)	\$ (122)

	Fair Value Measurements at December 31, 2021:			
	(Level 1)	(Level 2)	(Level 3)	Total Balance
Assets:				
Compound embedded derivative with the 2019 Facility Agreement	\$ —	\$ —	\$ 484	\$ 484
Total assets measured at fair value	\$ —	\$ —	\$ 484	\$ 484
Liabilities:				
Compound embedded derivative with the 2013 8.00% Notes	\$ —	\$ —	\$ (1,364)	\$ (1,364)
Total liabilities measured at fair value	\$ —	\$ —	\$ (1,364)	\$ (1,364)

All of the Company's derivative assets and liabilities are classified as Level 3. The Company marks-to-market these assets and liabilities its derivatives at each reporting date, or more frequently as deemed necessary, with the changes in fair value recognized in the Company's consolidated statements of operations. See Note 7: 8: Derivatives for further discussion.

2013 8.00% Notes

Embedded Derivatives within the 2023 Funding Agreement

The significant quantitative Level 3 inputs utilized in embedded derivatives within the valuation models 2023 Funding Agreement are shown in the tables below:

	December 31, 2021:				
	Stock Price Volatility	Risk-Free Interest Rate	Note Conversion Price	Discount Rate	Market Price of Common Stock
Compound embedded derivative with the 2013 8.00% Notes	120 - 139%	0.5%	\$0.69	18%	\$1.16

Fluctuation in the Company's stock price and stock price volatility were significant drivers of the change in the compound embedded derivative with the 2013 8.00% Notes. Increases in these inputs resulted in a higher fair value measurement.

2019 Facility Agreement

The compound embedded derivative with the 2019 Facility Agreement is valued using a probability weighted discounted cash flow model. The most significant observable input used in the fair value measurement is the discount yield, which was 21% 6.51% at December 31, 2023. The discount yield at issuance for the first and 13% at December 31, 2022 second draws was 8.52% and 2021, 9.14%, respectively. When The decrease in the discount yield utilized as of December 31, 2023 compared to discount yield upon issuance was due primarily to the effectiveness of Thermo's guaranty of the 2023 Funding Agreement, which occurred in December 2023. As the discount yield used in the valuation is higher than decreases, the blended interest rate fair value of the underlying debt, the features embedded in the underlying debt result in a liability for the Company. Conversely, when the discount yield is lower than the blended interest rate of the underlying debt, the features embedded in the underlying debt result in an asset for the Company. derivative decreases.

The significant unobservable inputs input used in the fair value measurement include includes estimated timing and amounts of cash flows associated with the prepayment features within the debt agreement. As projected cash flows increase, the fair value of the embedded derivative increases.

As of December 31, 2023, the embedded derivatives within the 2023 Funding Agreement were categorized as a Level 3 fair value and was recorded as an asset of \$1.3 million.

Compound Embedded Derivative within the 2019 Facility Agreement

The compound embedded derivative within the 2019 Facility Agreement was valued using a probability weighted discounted cash flow model. The most significant observable input was the discount yield. The unobservable inputs included the probability of change of control and the estimated timing and amounts of cash flows associated with certain mandatory prepayments within the debt agreement, flows. As the expected timing and amount of prepayments decrease, the December 31, 2022, this compound embedded derivative liability was categorized as a Level 3 fair value of and was \$0.1 million. In 2023, the Company refinanced the remaining principal balance outstanding and wrote off the associated embedded derivative also decrease. During 2022, the Company's expected probability balance; therefore, no balance remained as of refinancing the 2019 Facility Agreement increased and therefore the fair value of the embedded derivative reduced. See Note 6: Long-Term Debt and Other Financing Arrangements for further discussion, December 31, 2023.

Rollforward of Recurring Level 3 Assets and Liabilities

The following table presents a rollforward for all assets and liabilities measured at fair value on a recurring basis using significant unobservable inputs (Level 3) (in thousands):

		Year Ended December 31,	
		2022	2021
		Year Ended December 31,	
		2023	2022
Balances at beginning of period	Balances at beginning of period	\$ (880)	\$ 163
Derivative adjustment related to debt conversions and extinguishments		1,563	—
Unrealized loss, included in derivative (loss) gain		(805)	(1,043)
Issuance of embedded derivatives within the 2023 Funding Agreement			
Derivative adjustment related to debt conversions			
Derivative adjustment related to extinguishment of debt			
Unrealized gain (loss), included in derivative gain (loss) and other			
Balances at end of period	Balances at end of period	<u>\$ (122)</u>	<u>\$ (880)</u>

Fair Value of Debt Instruments and Vendor Other Financing Arrangements

The Company believes it is not practicable to determine the fair value of the 2019 Facility Agreement its debt agreements on a recurring basis without incurring significant additional costs. Unlike typical long-term debt, certain terms for this instrument these instruments are not readily available and generally involve a variety of factors, including due diligence by the debt holders. The Company's vendor financing arrangement is was recorded at net carrying value, which approximates approximated fair value. As previously disclosed, the remaining principal amount of the 2013 8.00% Notes was converted into shares of Globalstar common stock during 2022; accordingly, there is no value in the table below as of December 31, 2022. The following table sets forth the carrying value and estimated fair value of the Company's Level 3 financial instruments (in thousands):

	December 31, 2022		December 31, 2021	
	Carrying Value	Estimated Fair Value	Carrying Value	Estimated Fair Value
2013 8.00% Notes	\$ —	\$ —	\$ 1,407	\$ 1,265

Nonrecurring Fair Value Measurements

The Company follows the authoritative guidance regarding non-financial assets and liabilities that are remeasured at fair value on a nonrecurring basis.

Derivative Liabilities 2023 Funding Agreement

During 2022, As previously discussed, the remaining principal balance Company entered into the 2023 Funding Agreement in February 2023. Significant quantitative Level 3 inputs were utilized in the valuation model as of the 2013 8.00% Notes was converted into shares of Globalstar common stock, eliminating draw dates. Amounts payable under the principal balance outstanding. As 2023 Funding Agreement are guaranteed by Thermo.

The Company's first draw under the 2023 Funding Agreement occurred in April 2023 with a result of the conversions, the Company wrote off the proportionate total fair value of \$76.0 million calculated as the compound projected future cash flows discounted using the prevailing market rate of interest for a similar transaction. The discount yield used for this calculation was 8.52%. For the fair value associated with the guarantee by Thermo, the Company recorded \$6.9 million for this embedded derivative liability within feature, which was calculated as the 2013 8.00% Notes based on difference in projected cash flows with and without the guarantee agreement discounted using calculated rates of 6.22% and 8.52%, respectively.

The Company's second draw under the 2023 Funding Agreement occurred in November 2023 with a total fair value of \$24.3 million calculated as the derivative on each conversion date. As projected future cash flows discounted using the prevailing market rate of each conversion date, interest for a similar transaction. The discount yield used for this calculation was 9.14%. For the fair value associated with the guarantee by Thermo, the Company recorded \$2.0 million for this embedded feature, which was calculated as the difference in projected cash flows with and without the guarantee agreement discounted using calculated rates of 6.72% and 9.14%, respectively.

2021 Funding Agreement

In connection with the re-characterization of the 2021 Funding Agreement from deferred revenue to debt, the Company recorded the fair value of the compound embedded derivative liability within debt calculated as the 2013 8.00% Notes projected cash flows discounted using the prevailing market rate of interest for a similar transaction. The discount yield used for this calculation was \$0.8 million. 8.52%. The significant quantitative Level 3 inputs utilized in the valuation models as total fair value of the conversion date are shown in the table below; 2021 Funding

	February 17, 2022			
	Risk-Free Interest Rate	Note Conversion Price	Discount Rate	Market Price of Common Stock
Compound embedded derivative with the 2013 8.00% Notes	0.06 %	\$0.69	18 %	\$1.00

	March 9, 2022			
	Risk-Free Interest Rate	Note Conversion Price	Discount Rate	Market Price of Common Stock
Compound embedded derivative with the 2013 8.00% Notes	0.18 %	\$0.69	19 %	\$1.21

Prepaid and Other Current Assets, Intangible and Other Assets and Long-Lived Assets

Prepaid and other current assets, intangible and other assets and long-lived assets are reviewed for impairment whenever events or circumstances indicate that the carrying amount of such assets may not be recoverable. During 2022, the Company wrote down the value of certain assets as reflected in the table below (in thousands).

Prepaid and other current assets	
Prepaid licenses and royalties ⁽¹⁾	\$ 183
Intangible and other assets, net	
Prepaid licenses and royalties ⁽¹⁾	4,514
Internally developed technology and software ⁽²⁾	1,271
Spectrum intangible assets ⁽³⁾	667
Property and equipment, net ⁽²⁾	159,891
Grand Total	\$ 166,526

- (1) While developing its second-generation Duplex technology that supported the Sat-Fi2® device, the Company signed various licensing and royalty agreements necessary for the manufacture and distribution of such products and services. Prepayments associated with these agreements were classified as either current or non-current based on the estimated portion of expense to be recognized over the next twelve months. As of September 7, 2022, approximately \$0.2 Agreement was \$76.3 million and \$4.5 million, respectively, was recorded in Prepaid and other current assets and Intangible and other assets, net, on the Company's consolidated balance sheets. On September 7, 2022, these prepaid assets were no longer considered recoverable. The Company recorded a reduction sheet during the second quarter of 2023 when the amendment was effective.

License Agreement

In connection with the License Agreement discussed in value of long-lived assets on its consolidated statements of operations for Note 2: License Agreement, the amount shown consideration paid was in the table above during the third quarter form of 2022. Globalstar common stock.

- (2) During 2018 and 2019, the Company placed into service second-generation ground Duplex assets (including associated developed technology and software upgrades) capable of providing commercial traffic to support Sat-Fi2®.

Additionally, the Company recorded certain costs in construction in progress for spare software associated with the second-generation Duplex assets. On September 7, 2022, the Company re-assessed its asset grouping for long-lived assets and determined that the second-generation Duplex assets are no longer part of the Company's overall satellite and ground network. These second-generation Duplex assets will no longer provide future cash flows to the Company. Note that our first-generation Duplex assets (i.e. handsets and related ground infrastructure) Approximately 41.8 million shares were not impacted. As of September 7, 2022, approximately \$1.3 million subject to legal trading restrictions and were valued using the low stock price on the transaction date, which was recorded in Intangible and other assets, net, and \$159.9 million was recorded in Property and equipment, net. \$1.23 per share. The Company recorded a reduction in value of long-lived assets on its consolidated statements of operations for this amount during 2022.

- (3) During 2022, the Company wrote off approximately \$0.7 million of work in progress associated with its spectrum intangible assets, previously recorded in Intangible and other assets, net, on its consolidated balance sheets. The work in progress was related to efforts to obtain spectrum licensing authority in certain countries around the world; during 2022, the Company determined that it would not continue pursuing such authorities in these countries.

During 2021, the Company wrote off approximately \$0.2 million of construction in progress related to unsatisfactory work that did not meet internal testing requirements and could not be used for its intended purpose. The total fair value of these shares was \$51.4 million on the assets included internal transaction date.

The remaining shares, totaling 18.8 million, were subject to legal trading restrictions and external direct costs associated were valued using a Black-Scholes pricing model on the transaction date. The total fair value of these shares was \$19.0 million and computed using the following assumptions on the transaction date:

	Underlying Stock Price and Exercise Price		Term (Years)	Volatility	Risk-Free Interest Rate
Fair Value of Consideration	\$	1.13	0.5	74.5 %	5.52 %

Warrants Issued in Connection with the construction in progress balance.

Series A Preferred Stock Thermo Guaranty

As discussed further in Note 6: Long-Term Debt and Other Financing Arrangements on November 15, 2022, and Note 12: Related Party Transactions, the Company issued 149,425 to Thermo a warrant to purchase 10.0 million shares of Series A Preferred Stock. the Company's common stock.

The total fair value of 5.0 million of the warrants, which is the portion that vested immediately on the effective date of the agreement, was estimated using the Black-Scholes option pricing model with the following assumptions on the valuation date of December 7, 2023.

Number of warrants (in millions)	5.0
Grant date	December 7, 2023
Exercise price	\$ 2.00
Expected term (years)	5
Risk-free interest rate	4.11 %
Volatility	92.14 %
Black-Scholes fair value per share	\$ 1.00
Total fair value (in millions)	\$ 5.0

The fair value of the Series A Preferred Stock warrants that vest if and when Thermo advances aggregate funds of \$25.0 million or more to the Company was assigned a fair value of zero based on the issuance date was \$105.3 million, which was determined using a discounted cash flow model and a perpetuity formula for various scenarios. The most significant observable input used in the fair value measurement is the discount yield, which was 32% on the valuation date. The most significant unobservable inputs used in the fair value measurement include the low probability of redemption the need for the funding over the term of the preferred stock by the Company as well as the assumed method of payment (cash or accrual) of dividends. 2023 Funding Agreement.

9.10. COMMITMENTS AND CONTINGENCIES

Service Agreements

The Service Agreements set forth the primary terms for the Company to provide services to Partner and incur costs related primarily to new gateways and upgrades at existing gateways as well as satellite construction and launch costs, services. The Service Agreements have an indefinite term but provide that either party may terminate subject to certain notice requirements and, in some cases, other conditions. The Service Agreements also provide for various commitments with which the Company must comply, including to:

- Allocate 85% of its current and future network capacity to support the Services;
- Provide and maintain all resources, including personnel, software, satellite, gateways, satellite spectrum and regulatory rights necessary to provide the Services (the "Required Resources");
- Prioritize the Services and provide Partner with priority access to the Required Resources, including the Company's licensed satellite spectrum;
- Maintain minimum quality and coverage standards and provide continuity of service;
- Maintain minimum liquidity of \$10.0 million;
- Allow Partner to recoup advance payments made to Globalstar from future service fees or, to the extent recoupment is not possible, to repay such amounts in cash; and,
- Provide the Resource Protections as defined in the Service Agreements.

The Service Agreements also require the Company (i) upon commencement of the Services, to refinance all loans outstanding under the 2019 Facility Agreement that are held by affiliates of the Thermo and (ii) to refinance all loans outstanding under the 2019 Facility Agreement that are held by persons other than Thermo by March 13, 2023 (as amended). The required refinancing of the Thermo portion of the 2019 Facility Agreement was complete in November 2022.

Partner has the right, but not the obligation, to participate in certain issuances of the Company's equity securities, in order to maintain its percentage interest in the Company (determined on a fully diluted basis, assuming exercise of all the Warrants).

Refer to Note 1: Summary of Significant Accounting Policies, Note 2: Revenue, Note 3: Leases, Note 4: Property and Equipment, Note 6: Long-Term Debt and Other Financing Arrangements and Note 15: Stock Compensation for further discussion. comply.

Satellite Procurement Agreement and Launch Services Agreement

In February 2022, the Company entered into a satellite procurement agreement with MDA pursuant to which Globalstar will acquire at least 17 satellites that will replenish Globalstar's existing constellation of satellites and ensure long-term continuity of its mobile satellite services. Globalstar is acquiring the satellites (and up to provide continuous satellite services to Partner under the Service Agreements, as well as services to Globalstar's current and future customers. Globalstar maintains the option to acquire additional satellites under the contract. Globalstar plans to contract separately for launch services and launch insurance for the new satellites. The initial 26 satellites) with an amended contract price for 17 satellites is \$327.0 million; Globalstar has the option to purchase additional satellites at a lower per unit cost, subject to certain conditions. The satellites are of \$329.5 million, with initial delivery expected to be launched occur in 2025. In addition, MDA will procure a satellite operations control center for \$4.9 million as well as other equipment for \$3.7 million. Under

As more fully described in our Current Report on Form 8-K filed with the Commission on August 31, 2023, in August 2023, the Company entered into a Launch Services Agreement by and between the Company and Space Exploration Technologies Corp. ("SpaceX") and certain related ancillary agreements (the "Launch Services Agreements"),

providing for the launch of the first set of the satellites the Company is acquiring pursuant to the satellite procurement agreement with MDA. The Launch Services Agreements provide a launch window from April to September 2025.

The Service Agreements subject provide for the Company to certain terms and conditions, Partner has agreed to make receive service payments equal to 95% of the approved capital expenditures under the satellite procurement agreement (to be paid on a straight-line basis over the useful life of the satellites) and certain other costs incurred for the new satellites, as adjusted based on certain provisions, beginning with the Phase 2 Service Period. each contract.

Refer to Note 6: Long-Term Debt and Other Financing Arrangements for further discussion of the vendor financing arrangement with MDA.

Network Obligations

The Company has purchase commitments with certain vendors related to the procurement, deployment and maintenance of the Company's network (beyond the satellite procurement agreement with MDA discussed above). As of December 31, 2022, the Company's remaining purchase obligations under these noncancelable commitments are approximately \$4.1 million; the timing of payments is driven by work performed under the contracts over the remaining contract periods, which is expected to be complete during 2023.

Inventory Purchase Commitments

The Company has inventory purchase commitments with its third party product manufacturers in the normal course of business. These commitments are generally noncancelable and the order quantities are based on sales forecasts. The Company estimates that its open inventory purchase commitments as of December 31, 2022 December 31, 2023 were approximately \$14.0 million \$14.2 million.

Credit Card Processor Reserve

The Company is required to maintain a reserve of \$5.0 million with its credit card processor to address any liability arising from potential charge-backs. The balance at December 31, 2022 was \$5.0 million and is recorded in prepaid expenses and other current assets on the Company's consolidated balance sheet as the required reserve is held with the credit card processor.

Litigation

Due to the nature of the Company's business, the Company is involved, from time to time, in various litigation matters or subject to disputes or routine claims regarding its business activities. Legal costs related to these matters are expensed as incurred. In management's opinion, there is no pending litigation, dispute or claim, which could be expected to have a material adverse effect on the Company's financial condition, results of operations or liquidity.

10.11. ACCRUED EXPENSES AND OTHER NON-CURRENT LIABILITIES

Accrued expenses consist of the following (in thousands):

	December 31,	
	2022	2021
Accrued compensation and benefits	\$ 4,497	\$ 4,687
Accrued satellite and ground costs	36,500	6,195
Accrued property and other taxes	3,293	4,053
Accrued customer liabilities and deposits	5,233	5,354
Accrued professional and other service provider fees	1,190	2,094
Accrued commissions	470	601
Accrued telecommunications expenses	657	705
Accrued inventory	874	1,474
Short-term lease liability	2,747	2,501
Accrued interest	1,291	33
Other accrued expenses	1,694	1,250
Total accrued expenses	\$ 58,446	\$ 28,947

Accrued satellite and ground costs in the table above includes \$36.1 million of milestone work partially incurred, but not yet accepted, under the Company's satellite agreement with MDA.

	December 31,	
	2023	2022
Accrued compensation and benefits	\$ 4,307	\$ 4,967
Accrued property and other taxes	5,586	3,293
Accrued customer liabilities and deposits	4,284	5,233

Accrued professional and other service provider fees	2,010	1,190
Accrued inventory	1,210	874
Short-term lease liability	3,004	2,747
Accrued interest	3,942	1,291
Other accrued expenses	2,615	2,959
Total accrued expenses	<u>\$ 26,958</u>	<u>\$ 22,554</u>

Accrued compensation and benefits include primarily accrued vacation, payroll, benefits and taxes.

Interest includes interest associated with the cash portion of the 13% Notes due in March 2024. Other accrued expenses include primarily vendor services, warranty reserve and occupancy costs.

The following is a summary of the activity in the warranty reserve account, which is included in other accrued expenses above (in thousands):

	Year Ended December 31,		
	2022	2021	2020
Balance at beginning of period	\$ 162	\$ 212	\$ 186
Provision	93	361	543
Utilization	(151)	(411)	(517)
Balance at end of period	<u>\$ 104</u>	<u>\$ 162</u>	<u>\$ 212</u>

Other non-current liabilities consist of the following (in thousands):

		December 31,		December 31,	
		2022	2021	2023	2022
Employee benefit obligations (Note 12)	\$ —	\$3,289			
Asset retirement obligations (Note 1)	Asset retirement obligations (Note 1)	2,953	2,461		
Compound embedded derivative with the 2013 8.00% Notes (Note 7 and Note 8)		—	1,364		
Compound embedded derivative with the 2019 Facility Agreement (Note 7 and Note 8)		122	—		
Accrued interest					
Compound embedded derivative with the 2019 Facility Agreement (Note 8 and Note 9)					
Deferred tax liability (Note 13)	Deferred tax liability (Note 13)	322	296		
Foreign tax contingencies	Foreign tax contingencies	530	474		
Other	Other	68	3		

Total	other	Total	other
non-current		non-current	
liabilities		liabilities	\$3,995 \$7,887

Accrued interest includes interest associated with the PIK portion of the 13% Notes and the 2023 Funding Agreement. Foreign tax contingencies reflect primarily amounts owed by the Company's Brazilian subsidiary pursuant to refinancing programs in country.

11. 12. RELATED PARTY TRANSACTIONS

Thermo is the principal owner and largest stockholder of Globalstar. The Company's Executive Chairman of the Board controls Thermo. Two other members of the Company's Board of Directors are also directors, officers and/or minority equity owners of various Thermo entities.

Payables to Thermo and other affiliates related to normal purchase transactions were \$0.3 million \$0.5 million and \$0.4 million \$0.3 million as of December 31, 2022 December 31, 2023 and 2021, 2022, respectively.

Transactions with Thermo

Certain general and administrative expenses are incurred by Thermo on behalf of the Company. These expenses which include include: i) non-cash expenses, that the Company accounts for such as stock compensation costs as well as costs recorded as a contribution to capital, related to services provided by certain executive officers of Thermo, and ii) expenses incurred by Thermo on behalf of the Company that are charged to the Company. The Company; these expenses charged are based on actual amounts (with no mark-up) incurred by Thermo or upon allocated employee time.

Lease Agreement

The Company has a lease agreement with Thermo Covington, LLC for the Company's headquarters office. Annual lease payments started at \$1.4 million per year, increasing increase at a rate of 2.5% per year, for a year. 2023 lease payments were \$1.6 million. The lease term of is ten years. years and will expire in January 2029. During each of the twelve months ended December 31, 2022 December 31, 2023, 2022 and 2021, the Company incurred lease expense of \$1.6 million, respectively, associated with this lease agreement.

In November 2019, the Company entered into the 2019 Facility Agreement. Perpetual Preferred Stock

Thermo's participation ownership in the 2019 Facility Agreement was \$95.1 million. This principal balance earned paid-in-kind interest at a rate of 13% per annum. To fulfill its obligations under the Service Agreements, in November 2022, the Company entered into an exchange agreement with affiliates of Thermo and certain other Exchanging Lenders providing for the exchange of all the outstanding principal amount of, and accrued and unpaid interest on, the Exchanging Lenders' loans under the 2019 Facility Agreement for shares of the Company's Series A Preferred Stock. The terms Stock is \$136.7 million. Holders of Series A Preferred Stock are entitled to receive, when, as and if declared by our Board of Directors, cumulative cash dividends based on the liquidation preference of the exchange agreement Series A Preferred Stock, at a fixed rate equal to 7.00% per annum, payable quarterly in arrears on January 1, April 1, July 1 and October 1 of each year. During 2023, the Company made dividend payments to Thermo which were reviewed and approved by the Company's Board of Directors and Audit Committee. Prior to the exchange, interest accrued since inception with respect to Thermo's portion of the debt outstanding on the 2019 Facility Agreement was approximately \$44.6 million, of which \$14.9 million was accrued during the twelve months ended December 31, 2022, totaling \$10.9 million.

Also in Service Agreements

In connection with the Service Agreements, Partner and Thermo entered into a lock-up and right of first offer agreement that generally (i) requires Thermo to offer any shares of Globalstar common stock to Partner before transferring them to any other Person other than affiliates of Thermo and (ii) prohibits Thermo from transferring shares of Globalstar common stock if such transfer would cause Thermo to hold less than 51.00% of the outstanding common stock of the Company for a period of five years from the Service Launch launch of Services in November 2022.

Guaranty with 2023 Funding Agreement

Amounts payable by the Company in connection with the 2023 Prepayment with Partner will be Funding Agreement and certain other obligations under the Service Agreements are guaranteed by Thermo, subject to applicable shareholder approval. Prior to such shareholder approval, Thermo. Thermo has agreed to provide support of certain of the Company's obligations under the Service Agreements, 2023 Funding Agreement. This guarantee agreement received shareholder approval in June 2023 and became effective in December 2023. As consideration for Thermo's guarantee, the Satellite Procurement Agreement, and certain related contracts directly Company has issued to Thermo warrants to purchase 10.0 million shares of the Company's common stock at an exercise price equal to \$2.00 per share (as calculated pursuant to the Partner, agreement). 5.0 million of these warrants vested immediately upon effectiveness of Thermo's guarantee, which occurred in December 2023, and the remaining 5.0 million warrants vest if and when Thermo advances aggregate funds of \$25.0 million or more to the Company or a permitted third party pursuant to the terms of Thermo's guarantee. These warrants expire five years after the date of issuance.

Upon effectiveness of Thermo's guarantee, the Company recorded the fair value of the vested warrants, which was accounted for as a credit enhancement for the guarantee and totaled \$5.0 million at issuance, to additional paid-in-capital on the Company's consolidated balance sheet, with an offset to "Loss on equity issuance" on the Company's consolidated statement of operations.

The second tranche of warrants, which vests if and when Thermo advances aggregate funds of \$25.0 million, was assigned a fair value of zero based on the Company's future cash flows and the low probability of the need for funding from Thermo as required under the 2023 Funding Agreement. The Company will reassess the probability of vesting at each reporting period and, if the probability of vesting increases, it will record the fair value as a liability pursuant to applicable accounting guidance with an offsetting expense to derivative gain or loss in that period.

To the extent Thermo is required to advance amounts under the guarantee, the Company is required to issue shares of Common Stock of the Company in respect of such advance in an amount equal to the amount of such payment divided by the average of the volume weighted average price of the Company's common stock on the five trading days immediately preceding such payment.

Refer to Note 9: Fair Value Measurements for further discussion on the fair value of the vested warrants issued to Thermo.

License Agreement

In connection with the XCOM transaction, a portion of the Stock Consideration was resold by XCOM to certain long-term investors of Globalstar and XCOM (the "Resale Purchasers"), including Thermo, in private resale transactions exempt from registration under the Securities Act. Together with shares it received for release of debt owed to it by Licensor, Thermo acquired 4.2 million total shares.

Governance

The Company has a Strategic Review Committee that is required to remain in existence for as long as Thermo and its affiliates beneficially own forty-five percent (45%) or more of Globalstar's outstanding common stock. To the extent permitted by applicable law, the Strategic Review Committee has exclusive responsibility for the oversight, review and approval of, among other things and subject to certain exceptions, any acquisition by Thermo and its affiliates of additional newly-issued securities of the Company and any transaction between the Company and Thermo and its affiliates with a value in excess of \$250,000.

See Note 6: Long-Term Debt and Other Financing Arrangements for further discussion of the Company's debt and financing transactions with Thermo.

12. PENSIONS AND OTHER EMPLOYEE BENEFITS

Defined Benefit Plan

In August 2022, the Company terminated its defined benefit pension plan, which had been frozen since 2003. As such, there are no remaining pension plan obligations as of December 31, 2022. The total settlement of \$7.7 million was paid out through assets held in the Globalstar Plan and cash on hand, totaling \$5.0 million and \$2.7 million, respectively.

Defined Benefit Pension Obligation and Funded Status

The Company's funding policy was to fund its defined benefit pension plan in accordance with the Internal Revenue Code and regulations. Below is a reconciliation of projected benefit obligation, plan assets and the funded status of the Company's defined benefit plan (in thousands):

	Year Ended December 31,	
	2022	2021
Change in projected benefit obligation:		
Projected benefit obligation, beginning of year	\$ 9,051	\$ 9,179
Service cost	117	174
Interest cost	168	225
Actuarial (gain) loss	(1,340)	(45)
Settlement	(7,663)	—
Benefits paid	(333)	(482)
Projected benefit obligation, end of year	\$ —	\$ 9,051
Change in fair value of plan assets:		
Fair value of plan assets, beginning of year	\$ 5,762	\$ 5,529
Return on plan assets	(643)	485
Employer contributions	2,877	230
Settlement	(7,663)	—
Benefits paid	(333)	(482)
Fair value of plan assets, end of year	\$ —	\$ 5,762
Funded status, end of year-net liability	\$ —	\$ (3,289)

Net Benefit Cost and Amounts Recognized

Components of the net periodic benefit cost of the Company's defined benefit pension plan were as follows (in thousands):

	Year Ended December 31,

	2022	2021	2020
Net periodic benefit cost:			
Service cost	\$ 117	\$ 174	\$ 176
Interest cost	168	225	521
Expected return on plan assets	(216)	(309)	(793)
Amortization of unrecognized net actuarial loss	91	189	300
Settlement	1,501	—	2,075
Total net periodic benefit cost	\$ 1,661	\$ 279	\$ 2,279

In December 2020, the Company settled a portion of the pension liability. In August 2022, the remaining obligations were fully settled. In accordance with ASC 715 *Compensation — Retirement Benefits*, the Company recognized losses totaling \$1.5 million and \$2.1 million, respectively. These losses are included in other (expense) income in its consolidated statement of operations during the periods associated with these settlements. The losses represent the pro rata portion of actuarial losses that were previously deferred in other comprehensive income. Components of net periodic benefit cost other than the service cost component are recorded in other (expense) income in the consolidated statement of operations.

Amounts recognized in the consolidated balance sheet were as follows (in thousands):

	December 31,	
	2022	2021
Amounts recognized:		
Funded status recognized in other non-current liabilities	\$ —	\$ (3,289)
Net actuarial loss recognized in accumulated other comprehensive loss	—	2,073
Net amount recognized in retained deficit	\$ —	\$ (1,216)

Assumptions

The weighted-average assumptions used to determine the benefit obligation and net periodic benefit cost were as follows:

	Year Ended December 31,		
	2022	2021	2020
Benefit obligation assumptions:			
Discount rate	N/A	2.84 %	2.50 %
Rate of compensation increase	N/A	N/A	N/A
Net periodic benefit cost assumptions:			
Discount rate	2.84 %	2.50 %	3.28 %
Expected rate of return on plan assets	5.75 %	5.75 %	6.50 %
Rate of compensation increase	N/A	N/A	N/A

The assumptions, investment policies and strategies for the Globalstar Plan were determined by the Globalstar Plan Committee. The Globalstar Plan Committee was responsible for ensuring the investments of the plans were managed in a prudent and effective manner. Amounts related to the pension plan were derived from actuarial and other assumptions, including discount rates, mortality, expected rate of return, participant data and termination. The Company reviewed assumptions on an annual basis and made adjustments as considered necessary.

The expected rate of return on pension plan assets was selected by taking into account the expected duration of the projected benefit obligation for the plan, the asset mix of the plan and the fact that the plan assets were actively managed to mitigate risk. Discount rates were determined annually based on the Plan administrator's yield curve index, which considered expected benefit payments and was discounted with rates from the yield curve to determine a single equivalent discount rate.

Plan Assets and Investment Policies and Strategies

The plan assets were invested in various mutual funds which had quoted prices. The plan had a target allocation. On a weighted-average basis, target allocations for equity securities ranged from 50% to 60%, for debt securities 25% to 50% and for other investments 0% to 15%. The defined benefit pension plan asset allocations as of the measurement date presented as a percentage of total plan assets were as follows:

	December 31,	
	2022	2021
Equity securities	N/A	55 %
Debt securities	N/A	45
Total	N/A	100 %

The fair values of the Company's pension plan assets by asset category were as follows (in thousands):

	December 31, 2021			
	Total	Quoted Prices in Active	Significant Other	Significant Unobservable
		Markets for Identical Assets (Level 1)	Observable Inputs (Level 2)	Inputs (Level 3)
United States equity securities	\$ 2,542	\$ —	\$ 2,542	\$ —
International equity securities	631	—	631	—
Fixed income securities	1,693	—	1,693	—
Other	896	—	896	—
Total	\$ 5,762	\$ —	\$ 5,762	\$ —

Accumulated Benefit Obligation

The accumulated benefit obligation of the defined benefit pension plan was zero and \$9.1 million at December 31, 2022 and 2021, respectively.

Benefits Payments and Contributions

For 2022 and 2021, the Company contributed \$2.9 million and \$0.2 million, respectively, to its defined benefit pension plan.

401(k) Plan

The Company has a defined contribution employee savings plan, or "401(k)," which provides that the Company may match the contributions of participating employees up to a designated level. Under this plan, the matching contributions were approximately \$0.5 million for 2022 and \$0.6 million for each of 2021 and 2020.

13. TAXES

The components of income tax expense (benefit) expense were as follows (in thousands):

		Year Ended December 31,			Year Ended December 31,		
		2022	2021	2020	2023	2022	2021
Current:	Current:						
Federal tax	Federal tax	\$ —	\$ —	\$ —			
State tax	State tax	82	153	54			
Foreign tax	Foreign tax	(9)	7	248			
Total	Total	73	160	302			
Deferred:	Deferred:						
Federal and state tax	Federal and state tax	—	(459)	360			
Foreign tax	Foreign tax	—	—	—			
Total	Total	—	(459)	360			
Income tax expense	Income tax expense	\$ 73	\$ (299)	\$ 662			
Income tax expense (benefit)	Income tax expense (benefit)						

U.S. and foreign components of loss income (loss) before income taxes are presented below (in thousands):

		Year Ended December 31,			Year Ended December 31,		
		2022	2021	2020	2023	2022	2021
U.S. loss	U.S. loss	\$ (232,148)	\$ (79,452)	\$ (82,740)			
Foreign loss	Foreign loss	(24,694)	(33,472)	(26,237)			
Foreign income (loss)	Foreign income (loss)						

Total loss before income taxes	Total loss before income taxes	\$(256,842)	\$(112,924)	\$(108,977)
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As of December 31, 2022, December 31, 2023 and 2021, 2022, the Company had cumulative U.S., state and foreign net operating loss ("NOL") carryforwards for income tax reporting purposes of approximately \$2.0 billion, \$1.9 billion and \$1.8 \$2.0 billion, respectively. The vast majority of these NOL carryforwards were generated prior to 2018 and expire through 2042, 2041 (with less than 1% expiring prior to 2026) 2027 and the remaining NOL carryforwards do not expire.

The components of net deferred income tax assets (liabilities) were as follows (in thousands):

		December 31,		December 31,	
		2022	2021	2023	2022
Federal and foreign NOL and credit carryforwards	Federal and foreign NOL and credit carryforwards	\$479,884	\$498,882		
Property and equipment and other long-term assets	Property and equipment and other long-term assets	(77,925)	(114,722)		
Deferred Revenue	Deferred Revenue	25,774	—		
Deferred revenue	Deferred revenue				
Reserves and disallowed interest	Reserves and disallowed interest	8,919	10,195		
Deferred tax assets before valuation allowance	Deferred tax assets before valuation allowance	436,652	394,355		
Valuation allowance	Valuation allowance	(436,948)	(394,651)		
Net deferred income tax liability	Net deferred income tax liability	\$ (296)	\$ (296)		

The deferred revenue tax asset in the table above is related to a portion of the prepayments made by Partner under the Service Agreements which were recorded as deferred revenue on the Company's balance sheet as of December 31, 2022 (see Note 2, 3; Revenue to our Consolidated Financial Statements for further discussion).

The change in the valuation allowance during 2022, 2023 of \$42.3 million, \$1.2 million was due to a net decrease in property and equipment and other long-term assets depreciation driven primarily by an impairment of these assets (refer to Note 8: Fair Value Measurements for further information), offset partially by depreciation due to the difference between tax and book depreciable lives. Due to the limitation on utilization of state NOLs, the Company recorded deferred tax liabilities of \$0.3 million as of both December 31, 2022, December 31, 2023 and 2021, 2022.

The actual provision for income taxes differs from the statutory U.S. federal income tax rate as follows (in thousands):

		Year Ended December 31,			Year Ended December 31,		
		2022	2021	2020	2023	2022	2021
Provision at U.S. statutory rate of 21%	Provision at U.S. statutory rate of 21%	\$(53,951)	\$(23,714)	\$(22,885)			

State income taxes, net of federal benefit	State income taxes, net of federal benefit	(4,065)	(867)	(1,386)
Change in valuation allowance (excluding impact of foreign exchange rates)		43,500	15,991	61,540
Change in valuation allowance				
Effect of foreign income tax at various rates	Effect of foreign income tax at various rates	(133)	176	(53)
Permanent differences	Permanent differences	8,229	4,993	5,809
Net change in permanent items due to provision to tax return	Net change in permanent items due to provision to tax return	1,855	(569)	1,914
Adjustment to reserved deferred assets	Adjustment to reserved deferred assets	4,607	1,969	(48,485)
Adjustment to state deferred rate	Adjustment to state deferred rate	136	775	4,200
Withholding tax				
Other	Other	(105)	947	8
Total	Total	\$ 73	\$ (299)	\$ 662

Tax Audits

The Company operates in various U.S. and foreign tax jurisdictions. The process of determining its anticipated tax liabilities involves many calculations and estimates which are inherently complex. The Company believes that it has complied in all material respects with its obligations to pay taxes in these jurisdictions. However, its position is subject to review and possible challenge by the taxing authorities of these jurisdictions. If the applicable taxing authorities were to challenge successfully its current tax positions, or if there were changes in the manner in which the Company conducts its activities, the Company could become subject to material unanticipated tax liabilities. It may also become subject to additional tax liabilities as a result of changes in tax laws, which could in certain circumstances have a retroactive effect.

In July 2018, the Company's Canadian subsidiary was notified that its income is under audit for multiple tax returns for the years ended October 31, 2015 through 2018 had been selected for audit. years. The Company has provided all requested information to is working with the Canada Revenue Agency ("CRA") and is working with the CRA to complete the audit. audits. The CRA has completed its audit for the year years ended October 31, 2016 and 2017 and assessed the Company for an additional tax liability, liabilities, which the Company is appealing. The Company's

NOL in Canada would largely offset this tax liability to the extent that the Company is unsuccessful in its appeal. The years ended October 31, 2017 and 2018 October 31, 2018 through December 31, 2022 remain under examination.

Except for the audit noted above, neither the Company nor any of its subsidiaries is currently under audit by the IRS or by any state income tax jurisdiction in the United States. The Company's corporate U.S. tax returns for 2019 2020 and subsequent years remain subject to examination by tax authorities. State income tax returns are generally subject to examination for a period of three to five years after filing of the respective return. The state impact of any federal changes remains subject to examination by various states for a period of up to one year after formal notification to the states.

In the Company's international tax jurisdictions, numerous tax years remain subject to examination by tax authorities, including tax returns for 2014 2015 and subsequent years in most of the Company's international tax jurisdictions.

There are no unrecognized tax benefits as of December 31, 2022 December 31, 2023 and 2021, 2022.

Other

As of December 31, 2022 December 31, 2023, the Company had not provided foreign withholding taxes on approximately \$3.2 million \$5.2 million of undistributed earnings from certain foreign subsidiaries indefinitely invested outside the U.S.

In January 2018, the FASB released guidance on the accounting for tax on the global intangible low-taxed income ("GILTI") provisions of the Tax Act. The GILTI provisions impose a tax on foreign income in excess of a deemed return on tangible assets of foreign corporations. The Company elected to account for GILTI tax in the period in which it is incurred and therefore has not provided any deferred tax impacts of GILTI in its consolidated financial statements for the years ended December 31, 2022 December 31, 2023 and 2021, 2022.

As of December 31, 2022 December 31, 2023 and 2021, 2022, the Company recorded a value added tax ("VAT") recoverable, of which the short term portion is included in prepaid and other current assets on its consolidated balance sheet totaling \$1.7 million \$2.2 million and \$5.6 \$1.7 million,

respectively, and the long-term portion is included in intangible and other assets, net, on its consolidated balance sheet totaling \$3.1 \$2.3 million and \$0.3 \$3.1 million, respectively. This VAT recoverable is related primarily to certain payments for the purchase and importation of gateway equipment in various international jurisdictions in connection with the Company's network upgrade work.

In December 2022, the Company received a refund check totaling \$1.8 million as a result of its eligibility for the employee retention credit under the provisions of the Coronavirus Aid, Relief and Economic Security Act for the first quarter of 2021. The Company evaluated this refund as well as its eligibility for future refunds under ASC 450 and accounts for the gain in the period in which the payment was received. Consistent with the classification of the employment taxes on qualified wages for which this credit relates, the refund was recorded as a reduction to operating expenses during the fourth quarter of 2022 on its consolidated statements of operations.

14. LOSS PER SHARE

The following table sets forth the calculation of basic and diluted loss per share and reconciles basic weighted average shares to diluted weighted average shares of common stock outstanding for the periods indicated (in thousands):

		Year ended December 31,		
		2022	2021	2020
		Year ended December 31,		
		Year ended December 31,		
		Year ended December 31,		
	2023	2023	2022	2021
Numerator:				
Net loss				
Net loss				
Net loss	Net loss	\$(256,915)	\$(112,625)	\$(109,639)
Effect of Series A Preferred Stock dividends	Effect of Series A Preferred Stock dividends	(1,337)	—	—
Adjusted net loss attributable to common shareholders	Adjusted net loss attributable to common shareholders	\$(258,252)	\$(112,625)	\$(109,639)
Denominator:				
Denominator:				
Denominator:				
Weighted average common shares outstanding				

Weighted average common shares outstanding				
Weighted average common shares outstanding	Weighted average common shares outstanding	1,800,825	1,765,139	1,642,359
Net loss per common share:	Net loss per common share:			
Net loss per common share:				
Net loss per common share:				
Basic				
Basic				
Basic	Basic	\$ (0.14)	\$ (0.06)	\$ (0.07)
Diluted	Diluted	\$ (0.14)	\$ (0.06)	\$ (0.07)

For the years ended December 31, 2022, December 31, 2023, 2022 and 2021, and 2020, 7.7 million shares, 18.8 million shares, 10.1 million shares and 4.2 million shares, respectively, of potential common stock were excluded from diluted shares outstanding because the effects of potentially dilutive securities would be anti-dilutive. Included in the potential common stock excluded from diluted these shares outstanding as of December 31, 2022 are December 31, 2023 and 2022 is a portion of the 49.1 million Warrants issued to Partner under the Service Agreements which was determined after considering in 2022 based on the treasury stock method. During 2023, 5.0 million of the warrants that were issued to Thermo for its guarantee of the 2023 Funding Agreement vested; none of these warrants are included in the potentially dilutive securities for the period due to the consideration of the exercise price of each Warrant tranche the warrants relative to the average market price during the period period. Also excluded from the amounts above are 5.0 million unvested warrants associated with Thermo's guarantee of the 2023 Funding Agreement; these warrants vest if and weighting for when Thermo advances aggregate funds of \$25.0 million or more to the period outstanding during 2022 (see Note 15: Stock Compensation for further discussion). Company or a permitted third party pursuant to the terms of Thermo's guarantee.

As discussed in Note 6: Long-Term Debt and Other Financing Arrangements, the Company's Board of Directors approved the payment of dividends totaling \$10.6 million and \$1.3 million, respectively, for the period November 15, 2022 through December 31, 2022 twelve months ended December 31, 2023 and 2022 on its Series A Preferred Stock. This amount adjusts the numerator used to calculate loss per share.

15. STOCK COMPENSATION

Share-Based Payment Arrangements with Employees

The Company's Equity Incentive Plan ("Equity Plan") provides long-term incentives to the Company's key employees, including officers, directors, consultants and advisers ("Eligible Participants"), and is designed to align stockholder and employee interests. Under the Equity Plan, the Company may grant incentive stock options, nonstatutory stock options, restricted stock awards, restricted stock units, and other stock based awards or any combination thereof to Eligible Participants. The Compensation Committee of the Company's Board of Directors establishes the terms and conditions of any awards granted under the plans. At the time of grant, the Company takes into consideration the timing of the stock based award and evaluates for conditions that could result in the award to be considered spring loaded. As of December 31, 2022, December 31, 2023 and 2021, 2022, the number of shares of common stock that was authorized and remained available for issuance under the Equity Plan was 9.8 million, 20.6 million and 21.4 million, 9.8 million, respectively.

Stock Options

The Company has granted incentive stock options under the Equity Plan. These options have various vesting terms, but generally vest in equal installments over three years and expire in ten years. Non-vested options are generally forfeited upon termination of employment.

The Company recognizes compensation expense for stock option grants over the employee's Eligible Participants' requisite service period, which is generally based on the vesting period and the fair value at the date of grant using the Black-Scholes option pricing model. The Company uses historical data, among other factors, to estimate the expected stock price volatility, the expected option life and the expected forfeiture rate. The market price of the Company's common stock has been volatile at times. The Company makes judgmental adjustments to projected volatility during the expected term of the options, considering, among other things, historical volatility of the share prices of its peer group and expectations with regard to business conditions that may impact stock price fluctuations or stability. The Company estimates the expected term considering factors such as historical exercise patterns and the recipients of the options granted. The risk-free rate is based on the United States Treasury Department yield curve in effect at the time of grant for the expected life of the option. The Company assumes an expected dividend yield of zero for all periods. The table below summarizes the assumptions for the indicated periods:

Year Ended December 31,	Year Ended December 31,
-------------------------	-------------------------

		2022	2021	2020		2023		2022		2021
Risk-free interest rate	Risk-free interest rate	1.4 %	0.4 %	1.7 %	Risk-free interest rate	3.9 %		1.4 %		0.4 %
Expected term of options (years)	Expected term of options (years)	5	5	5	Expected term of options (years)	5				5
Volatility	Volatility	100 %	62 %	72 %	Volatility	65 %		100 %		62 %
Weighted average grant-date fair value per share	Weighted average grant-date fair value per share	\$0.86	\$0.17	\$0.32						

The following table represents the Company's stock option activity for the year ended **December 31, 2022** **December 31, 2023**:

		Shares	Weighted Average Exercise Price
Outstanding at January 1, 2022	at	7,924,268	\$ 1.30
Granted	Granted	700,000	1.16
Exercised	Exercised	(371,249)	0.61
Forfeited or expired	Forfeited or expired	(153,134)	2.29
Outstanding at December 31, 2022	at	8,099,885	1.29
Outstanding at December 31, 2023			
Exercisable at December 31, 2022	at	6,562,378	\$ 1.38
Exercisable at December 31, 2023			
Exercisable at December 31, 2023			
Exercisable at December 31, 2023			

The intrinsic value of a stock option is the amount by which the market value of the underlying stock exceeds the exercise price of the option. For the years ended **December 31, 2022** **December 31, 2023** **December 31, 2022** and 2021, the total intrinsic value of all stock options exercised was **less than \$0.1 million**, \$0.4 million and \$0.7 million, respectively. **There were no options exercised during 2020**. The aggregate intrinsic value of all outstanding stock options at **December 31, 2022** **December 31, 2023** was **\$2.9 million** **\$6.9 million** with a remaining contractual life of **5.5** **5.3** years. The aggregate intrinsic value of all vested stock options that were exercisable at **December 31, 2022** **December 31, 2023** was **\$2.2 million** **\$5.7 million** based on a per grant calculation with a remaining contractual life of **4.9** **4.7** years.

Net cash proceeds during the year ended **December 31, 2022** **December 31, 2023** from the exercise of stock options was **\$0.2** **less than \$0.1** million.

For each of the years ended **December 31, 2022** **December 31, 2023**, **2021** **2022** and **2020**, **2021**, the Company recognized **\$0.3** **\$0.5** million of compensation expense related to stock options. As of **December 31, 2022** **December 31, 2023**, unrecognized compensation expense related to non-vested stock options outstanding was approximately **\$0.4 million** **\$0.6 million** to be recognized over a weighted-average period of **1.9** **1.6** years.

The Company adjusts its estimates of expected forfeitures of equity awards based upon its review of recent forfeiture activity and expected future employee turnover. The Company considers the impact of both pre-vesting forfeitures and post-vesting cancellations for purposes of evaluating forfeiture estimates. The effect of adjusting the forfeiture rate is recognized in the period in which the forfeiture estimate is changed.

Restricted Stock

Shares Grants of restricted stock generally vest immediately, have varying vesting criteria, including immediate, one year from the grant date, in equal annual installments over three years or based on performance criteria. Non-vested shares are generally forfeited upon the termination of employment. Holders of restricted stock awards are entitled to all rights of a stockholder of the Company with respect to the restricted stock, including the right to vote the shares and receive any dividends or other distributions. Compensation expense associated with restricted stock is measured based on the grant date fair value of the common stock and is recognized on a straight line basis over the vesting period. The table below summarizes the weighted average grant date fair value of restricted stock for the indicated periods:

Weighted average grant date fair value	Year Ended December 31,		
	2022	2021	2020
	\$ 1.73	\$ 1.23	\$ 0.36

Weighted average grant date fair value	Year Ended December 31,		
	2023	2022	2021
	\$ 1.36	\$ 1.73	\$ 1.23

The following is a rollforward of the activity in restricted stock for the year ended December 31, 2022 December 31, 2023:

		Weighted Average Grant Date Fair Value	
Nonvested at January 1, 2022	Shares	10,697,527	\$ 1.01

		Weighted Average Grant Date Fair Value	
Nonvested at January 1, 2023	Shares		
Granted	Granted	8,231,875	1.73
Vested	Vested	(8,848,009)	1.16
Forfeited	Forfeited	(127,527)	1.09
Nonvested at December 31, 2022		9,953,866	
Nonvested at December 31, 2023			

Included in the non-vested vested balance at December 31, 2022 are during the year ended December 31, 2023 were approximately 3.93.4 million performance-based restricted stock awards that will vest vested upon the achievement of certain milestones. milestones during the year.

For the years ended December 31, 2022 December 31, 2023, 2021 2022 and 2020, 2021, the Company recognized \$13.1 million, \$10.4 million \$5.6 million and \$4.5\$5.6 million, respectively, of compensation expense related to restricted stock. stock awards. The increase in compensation expense during 2022 2023 was driven primarily by performance grants to certain employees associated with their efforts under the Service Agreements. Agreements as well as other performance criteria. The total fair value, as calculated on the day of vesting, of restricted stock awards that vested during 2023, 2022 and 2021 and 2020 was \$11.6 million, \$14.6 million, \$8.6 million, and \$3.3 million\$8.6 million, respectively. As of December 31, 2022 December 31, 2023, unrecognized compensation expense related to unvested restricted stock outstanding was approximately \$11.7 million\$10.2 million to be recognized over a weighted-average period of 2.01.7 years.

Market-Based Restricted Stock Units

During 2023, the Company granted 44.5 million restricted stock units ("RSUs") to certain executives which are earned over a four-year performance period. The RSUs vest upon the Company's common stock trading at various price levels throughout the performance period. The RSUs were valued using a Monte Carlo simulation model. As of the grant date, September 25, 2023, the fair value of the RSUs was \$39.5 million. This total fair value will be recognized over the derived service period, estimated to be 2.6 years. The Monte Carlo simulation was computed using the following assumptions:

Risk-Free Interest Rate	Stock Price Volatility	Market Price of Common Stock
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Fair Value of RSUs	4.73 %	80.00 %	\$	1.29
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For the year ended December 31, 2023, the Company recognized \$6.7 million of compensation cost related to these awards. As of December 31, 2023, unrecognized compensation expense related to unvested market-based RSUs was approximately \$32.8 million to be recognized over a weighted-average period of 1.5 years. No market-based RSUs vested, expired or were forfeited during 2023.

Key Employee Bonus Plan

The Company has an annual bonus plan designed to reward designated key employees' efforts to exceed the Company's financial performance goals for the designated calendar year ("Plan Year"). The bonus pool available for distribution is determined based on the Company's adjusted EBITDA performance during the Plan Year. The bonus may be paid in cash or the Company's common stock, subject to certain approvals.

For the 2022 2023 Plan Year, the Company's adjusted EBITDA performance was within the bonus payout threshold according to the plan document. As of December 31, 2022 December 31, 2023, \$1.0 million \$2.5 million was accrued on the Company's consolidated balance sheet related to this bonus payment, which is expected to be made in the form of common stock during the first quarter of 2023, 2024.

Employee Stock Purchase Plan

The Company has an Employee Stock Purchase Plan (the "Plan") which provides eligible employees of the Company with an opportunity to acquire shares of its common stock at a discount. The As of December 31, 2023, the maximum aggregate number of shares of common stock that may be purchased through the Plan was 20.0 million shares (subject to adjustment as of December 31, 2022; this total includes an increase approved by the Company's Board of Directors in February 2022 totaling 6.0 million shares. The number of shares that may be purchased through the Plan will be subject to proportionate adjustments to reflect stock splits, stock dividends, or other changes allowed in the Company's capital stock. Plan) and the Company has issued approximately 13.6 million shares.

The Plan permits eligible employees to purchase shares of common stock during two semi-annual offering periods beginning on June 15 and December 15 (the "Offering Periods"). Eligible employees may purchase shares of up to 15% of their total compensation per pay period, but may purchase in any calendar year no more than the lesser of \$25,000 in fair market value of common stock or 500,000 shares of common stock, as measured as of the first day of each applicable Offering Period. The price an employee pays is 85% of the fair market value of common stock. Fair market value is equal to the lesser of the closing price of a share of common stock on either the first day or the last day of the Offering Period.

For 2022 2023 and 2021, 2022, the Company received \$0.7 million \$0.9 million and \$0.6 million \$0.7 million, respectively, in proceeds related to shares issued under the Plan. For each of the years ended December 31, 2022 December 31, 2023, 2021 2022 and 2020, 2021, the Company recorded compensation expense of approximately \$0.4 million, which is reflected in marketing, general and administrative expenses. Additionally, the Company has issued approximately 12.7 million shares through December 31, 2022 related to the Plan.

The fair value of the employees' stock purchase rights granted under the ESPP was is estimated using the Black-Scholes option pricing model with the following assumptions for the following years:

	Year Ended December 31,	
	2022	2021
Risk-free interest rate	1.2 %	0.1 %
Expected term (months)	6	6
Volatility	100 %	110 %
Weighted average grant-date fair value per share	\$ 0.58	\$ 0.23

model.

Share-Based Payment Arrangements with Customers

The Company may issue noncash consideration to customers. The only share-based payment arrangement currently outstanding is the warrants under the Service Agreements (the "Warrants") to purchase up to 2.64% of the Company's outstanding common stock. The Warrants are subdivided into two tranches. Each tranche represents one half of the total number of Warrants issued, with the primary difference between the tranches being the exercise price (and therefore the grant dates). The Company evaluated the issuance of the Warrants under ASC 606 and ASC 718 and determined that the Warrants are not a payment for a distinct good or service and, accordingly, are accounted for as a reduction to the transaction price under ASC 606. The classification and measurement of the consideration paid to Partner was evaluated under ASC 718. The Company determined that the Warrants contained a performance condition upon issuance, which was contingent upon commencement of service under the Service Agreements. As Service Launch was November 15, 2022, the performance condition was met and the Warrants vested.

On November 15, 2022, the Company recorded the total fair value of the Warrants totaling \$48.3 million in accumulated paid-in-capital on its consolidated balance sheet with a corresponding offset to a contract asset, which was netted against the deferred revenue balance associated with Partner. As of December 31, 2022, no warrants have been exercised by Partner.

The fair value of the Warrants issued to Partner was estimated using the Black-Scholes option pricing model with the following assumptions on the valuation date of November 15, 2022.

	Tranche 1	Tranche 2
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Number of Warrants (in millions)		24.6		24.6
Grant date		2/24/2020		5/28/2021
Exercise price	\$	0.43	\$	1.60
Expected term (years)		17.73		16.47
Risk-free interest rate		1.63 %		1.92 %
Volatility		97.29 %		97.29 %
Black-Scholes fair value per share	\$	0.42	\$	1.54
Total fair value	\$	10,429,763	\$	37,907,181

The expected term of the Warrants is consistent with the expected term of the Company's performance obligations under the Service Agreements measured as the period beginning with Phase 1 service launch through the design life of the satellites that will support Phase 2 service. The Company allocated the fair value of the Warrants amongst the stand alone selling price for each phase of service under the Service Agreements and records a reduction to revenue over the estimated term of the Service Agreements.

16. ACCUMULATED OTHER COMPREHENSIVE LOSS

Accumulated other comprehensive loss includes all changes in equity during a period from non-owner sources. The change in accumulated other comprehensive loss for all periods presented resulted from foreign currency translation adjustments and minimum pension liability adjustments.

The components of accumulated other comprehensive loss were as follows (in thousands):

	December 31,	
	2022	2021
Accumulated minimum pension liability adjustment	\$ —	\$ (2,073)
Accumulated net foreign currency translation adjustment	9,242	3,963
Total accumulated other comprehensive income	\$ 9,242	\$ 1,890

During 2022, the Company settled the remaining obligations under the pension plan; accordingly, no amounts are reflected in the table above. See further discussion in Note 12: Pensions and Other Employee Benefits.

No amounts were reclassified out of accumulated other comprehensive loss for the periods shown above.

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

Not applicable.

Item 9A. Controls and Procedures

(a) Evaluation of disclosure controls and procedures

Our management, with the participation of our Principal Executive Officer and Principal Financial Officer, evaluated the effectiveness of our disclosure controls and procedures pursuant to Rule 13a-15(b) under the Securities Exchange Act of 1934 as of **December 31, 2022** **December 31, 2023**, the end of the period covered by this Report. This evaluation was based on the guidelines established in *Internal Control - Integrated Framework* issued in 2013 by the Committee of Sponsoring Organizations of the Treadway Commission (COSO). In designing and evaluating the disclosure controls and procedures, management recognized that any controls and procedures, no matter how well designed and operated, can provide only reasonable assurance of achieving the desired control objectives.

Based on this evaluation, each of our Principal Executive Officer and Principal Financial Officer concluded that as of **December 31, 2022** **December 31, 2023** our disclosure controls and procedures were effective to provide reasonable assurance that information we are required to disclose in reports that we file or submit under the Exchange Act is recorded, processed, summarized and reported within the time periods specified in Securities and Exchange Commission rules and forms, and that such information is accumulated and communicated to our management, including our Principal Executive Officer and Principal Financial Officer, as appropriate, to allow timely decisions regarding required disclosure.

We believe that the Consolidated Financial Statements included in this Report fairly present, in all material respects, our consolidated financial position and results of operations as of and for the year ended **December 31, 2022** **December 31, 2023**.

(b) Changes in internal control over financial reporting

As of **December 31, 2022** **December 31, 2023**, our management, with the participation of our Principal Executive Officer and Principal Financial Officer, evaluated our internal control over financial reporting. During the first quarter of 2022, we implemented a new enterprise resource planning ("ERP") system, which replaced our existing financial systems. The implementation and transition to the new ERP system resulted in changes to our reporting processes and our internal control over financial reporting, by automating certain manual procedures and standardizing business processes and reporting across the organization. As a result of this implementation, there were anticipated changes to our internal control over financial reporting, none of which adversely affected the Company's internal control over financial reporting. We will continue to monitor our internal control over financial reporting under the new system, including evaluating the operating effectiveness of related key controls. Based on that evaluation, our Principal Executive Officer and Principal Financial Officer concluded that no changes in our internal control over financial reporting occurred during the year ended **December 31, 2022** **December 31, 2023** have materially affected, or are reasonably likely to materially affect, our internal control over financial reporting.

Management's Annual Report on Internal Control over Financial Reporting

Management of the Company, including our Principal Executive Officer and Principal Financial Officer, is responsible for establishing and maintaining adequate internal control over financial reporting, as defined in Rules 13a-15(f) and 15d-15(f) of the Securities Exchange Act of 1934, as amended. The Company's internal controls were designed to provide reasonable assurance as to the reliability of our financial reporting and the preparation and presentation of the Consolidated Financial Statements for external purposes in accordance with accounting principles generally accepted in the United States and includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the Company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the Company are being made only in accordance with authorizations of management and directors of the Company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use or disposition of the Company's assets that could have a material effect on the financial statements.

The Company conducted an evaluation of the effectiveness of its internal control over financial reporting based on the criteria in *Internal Control - Integrated Framework* issued in 2013 by the Committee of Sponsoring Organizations of the Treadway Commission. This evaluation included review of the documentation of controls, evaluation of the design effectiveness of controls, testing of the operating effectiveness of controls and a conclusion on this evaluation. Through this evaluation, management did not identify any material weakness in the Company's internal control over financial reporting.

There are inherent limitations in the effectiveness of any system of internal control over financial reporting; however, based on the evaluation, management has concluded the Company's internal control over financial reporting was effective as of **December 31, 2022** **December 31, 2023**.

The Company's internal control over financial reporting as of **December 31, 2022** **December 31, 2023** has been audited by Ernst & Young LLP, an independent registered public accounting firm, as stated in their report, which appears herein.

Item 9B. Other Information

None. *Rule 10b5-1 Trading Plans*

During the fiscal quarter ended December 31, 2023, none of our directors or executive officers adopted or terminated any contract, instruction or written plan for the purchase or sale of Company securities that was intended to satisfy the affirmative defense conditions of Rule 10b5-1(c) (each, a "10b5-1 Plan") or any non-Rule 10b5-1 trading arrangement. However, certain of our directors and executive officers may adopt 10b5-1 Plans or non-Rule 10b5-1 trading arrangements in the future.

Item 9C. Disclosure Regarding Foreign Jurisdictions that Prevent Inspections

Not applicable.

PART III

Item 10. Directors, Executive Officers and Corporate Governance

The information required by this item is incorporated by reference from the applicable information set forth in "Executive Officers," "Election of Directors," "Information about the Board of Directors and its Committees," and "Security Ownership of Directors and Executive Officers - Section 16(a) Beneficial Ownership Reporting Requirements" which will be included in our definitive Proxy Statement for our **2023** **2024** Annual Meeting of Stockholders to be filed with the SEC, and Part I, Item 1. Business - Additional Information in this Report.

Item 11. Executive Compensation

The information required by this item is incorporated by reference from the applicable information set forth in "Compensation of Executive Officers", "Compensation of Directors" and "**2022** **2023** Pay Ratio" which will be included in our definitive Proxy Statement for our **2023** **2024** Annual Meeting of Stockholders to be filed with the SEC.

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

The information required by this item is incorporated by reference from the applicable information set forth in "Security Ownership of Principal Stockholders and Management" and "Equity Compensation Plan Information" which will be included in our definitive Proxy Statement for our **2023** **2024** Annual Meeting of Stockholders to be filed with the SEC.

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

The information required by this item is incorporated by reference from the applicable information set forth in "Other Information - Related Person Transactions" and "Information about the Board of Directors and its Committees" which will be included in our definitive Proxy Statement for our **2023** **2024** Annual Meeting of Stockholders to be filed with the SEC.

Item 14. Principal Accountant Fees and Services

The information required by this item is incorporated by reference from the applicable information set forth in "Other Information - Globalstar's Independent Registered Accounting Firm" which will be included in our definitive Proxy Statement for our **2023** **2024** Annual Meeting of Stockholders to be filed with the SEC.

PART IV

Item 15. Exhibits and Financial Statement Schedules

(a) The following documents are filed as part of this Report:

(1) Financial Statements and Report of Independent Registered Public Accounting Firm

Report of Independent Registered Public Accounting Firm

Consolidated balance sheets at December 31, 2022 December 31, 2023 and 2021 2022

Consolidated statements of operations for the years ended December 31, 2022 December 31, 2023, 2021 2022 and 2020 2021

Consolidated statements of comprehensive income (loss) for the years ended December 31, 2022 December 31, 2023, 2021 2022 and 2020 2021

Consolidated statements of stockholders' equity for the years ended December 31, 2022 December 31, 2023, 2021 2022 and 2020 2021

Consolidated statements of cash flows for the years ended December 31, 2022 December 31, 2023, 2021 2022 and 2020 2021

Notes to Consolidated Financial Statements

(2) Financial Statement Schedules

All schedules are omitted because they are not applicable or the required information is in the financial statements or notes thereto.

(3) Exhibits

See Exhibit Index

Item 16. Form 10-K Summary

None.

SIGNATURES

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

GLOBALSTAR, INC.

By: /s/ David B. Kagan Dr. Paul E. Jacobs

Date: March 1, 2023 February 29, 2024

David B. Kagan Dr. Paul E. Jacobs

Chief Executive Officer

POWER OF ATTORNEY

KNOW BY ALL PERSONS BY THESE PRESENTS, that each person whose signature appears below constitutes and appoints David B. Kagan Dr. Paul E. Jacobs and Rebecca S. Clary, jointly and severally, his or her attorney-in-fact, with the power of substitution, for him or her in any and all capacities, to sign any amendments to this Annual Report on Form 10-K and to file the same, with exhibits thereto and other documents in connection therewith, with the Securities and Exchange Commission, hereby ratifying and confirming all that each of said attorneys-in-fact, or his or her substitute or substitutes, may do or cause to be done by virtue hereof.

Pursuant to the requirements of the Securities Exchange Act of 1934, this report has been signed below by the following persons on behalf of the registrant and in the capacities indicated as of March 1, 2023 February 29, 2024.

Signature	Title
/s/ David B. KaganDr. Paul E. Jacobs	Chief Executive Officer
David B. KaganDr. Paul E. Jacobs	(Principal Executive Officer)
/s/ Rebecca S. Clary	Chief Financial Officer
Rebecca S. Clary	(Principal Financial and Accounting Officer)
/s/ James Monroe III	
James Monroe III	Director
/s/ William A. Hasler	
William A. Hasler	Director
/s/ James F. Lynch	
James F. Lynch	Director
/s/ Michael J. Lovett	
Michael J. Lovett	Director
/s/ Keith O. Cowan	
Keith O. Cowan	Director
/s/ Benjamin G. Wolff	
Benjamin G. Wolff	Director
/s/ Timothy E. Taylor	
Timothy E. Taylor	Director

EXHIBIT INDEX

Exhibit Number	Description
3.1*	Third Amended and Restated Certificate of Incorporation of Globalstar, Inc. (Appendix A to DEF 14A filed April 12, 2021)
3.2*	Fourth Fifth Amended and Restated Bylaws of Globalstar, Inc. (Exhibit 3.1 to Form 8-K filed on April 15, 2019 August 31, 2023)
3.3*	Certificate of Designation filed November 15, 2022 (Exhibit 3.1 to Form 8-K filed on November 16, 2022)
4.1*4.1	Indenture between Globalstar, Inc. and U.S. Bank, National Association as Trustee dated as of April 15, 2008 (Exhibit 4.1 to Form 8-K filed April 16, 2008)
4.2*	Fourth Supplemental Indenture between Globalstar, Inc. and U.S. Bank, National Association as Trustee dated as of May 20, 2013, including Form of Global 8% Convertible Senior Note due 2028 (Exhibit 4.1 to Form 8-K filed May 20, 2013)
4.3	Description of Registrant's Securities Registered Pursuant to Section 12 of the Securities Exchange Act of 1934
10.1*	Amended and Restated Loan Agreement between Globalstar, Inc., and Thermo Funding Company LLC dated as of July 31, 2013 (Exhibit 10.4 to Form 8-K filed August 22, 2013)
10.2*	Settlement Agreement dated December 14, 2018 (Exhibit 10.1 to form 8-K filed December 17, 2018)
10.3*10.2*	Lease Agreement by and between Globalstar, Inc. and Thermo Covington, LLC dated February 1, 2019 (Exhibit 10.1 to Form 10-Q filed May 2, 2019)
10.4*10.3*	Form of Indemnification Agreement between Globalstar, Inc. and its Directors dated February 26, 2019 (Exhibit 10.50 to Form 10-K filed February 28, 2019)
10.5*	Subordinated Loan Agreement Dated as of July 2, 2019 by and among Globalstar, Inc. and Other Lenders (Exhibit 10.1 to Form 10-Q filed August 9, 2019)
10.6*	Fourth Global Amendment and Restatement Agreement dated as of November 26, 2019 between Globalstar, Inc., Thermo Funding Company LLC, BNP Paribas and the other lenders thereto Amendment and Restatement Agreement dated as of November 26, 2019 between Globalstar, Inc., Thermo Funding Company LLC, BNP Paribas and the other lenders thereto (Exhibit 10.37 to Form 10-K filed February 28, 2020)
10.7*	Fourth Amended and Restated Facility Agreement dated as of November 26, 2019 between Globalstar, Inc., BNP Paribas and the other lenders party thereto (Exhibit 10.38 to Form 10-K filed February 28, 2020)
10.8*	Second Lien Facility Agreement dated as of November 26, 2019 between Globalstar, Inc., Global Loan Agency Services Limited, GLAS Trust Corporation Limited and other lenders thereto (Exhibit 10.39 to Form 10-K filed February 28, 2020)
10.9*	Form of Common Stock Purchase Warrant dated November 27, 2019 between Globalstar, Inc. and other lenders thereto (Exhibit 10.40 to Form 10-K filed February 28, 2020)
10.10*	Registration Rights Agreement dated November 26, 2019 between Globalstar, Inc. and other lenders thereto (Exhibit 10.41 to Form 10-K filed February 28, 2020)
10.11*	Intercreditor Agreement dated November 26, 2019 between BNP Paribas, Global Loan Agency Services Limited, The Senior Lenders, The Second Lien Lenders, Globalstar, Inc., BNP Paribas, GLAS Trust Corporation Limited and other lenders thereto (Exhibit 10.42 to Form 10-K filed February 28, 2020)
10.12*10.4*	Third Amended and Restated Globalstar, Inc. 2006 Equity Incentive Plan (Appendix A to Definitive Proxy Statement filed April 16, 2019)
10.13*10.5*	Amended and Restated Employee Stock Purchase Plan (Appendix B to Definitive Proxy Statement filed April 16, 2019)
10.14*10.6*	Form of Restricted Stock Units Agreement for Non-U.S. Designated Executives under the Globalstar, Inc. 2006 Equity Incentive Plan (Exhibit 10.2 to Form 10-Q filed August 14, 2007)
10.15*10.7*	Form of Notice of Grant and Restricted Stock Agreement under the Globalstar, Inc. 2006 Equity Incentive Plan (Exhibit 10.29 to Form 10-K filed March 17, 2008)
10.16*10.8*	Form of Non-Qualified Stock Option Award Agreement for Members of the Board of Directors under the Globalstar, Inc. 2006 Equity Incentive Plan (Exhibit 10.1 to Form 8-K filed November 20, 2008)
10.17*10.9*	Form of Stock Option Award Agreement for use with executive officers (Exhibit 10.45 to Form 10-K filed March 31, 2011)

10.18*	10.10*††	2019 Key Employee Bonus Plan (Exhibit 10.52 to Form 10-K Filed February 28, 2020)
10.19*††		2020 Key Employee Bonus Plan (Exhibit 10.1 to Form 10-Q filed November 5, 2020)
10.20*††		2021 Key Employee Bonus Plan (Exhibit 10.24 to Form 10-K Filed March 4, 2021)
10.21*	10.11*††	2022 Key Employee Bonus Plan (Exhibit 10.21 to Form 10-K 10-K filed February 25, 2022)
10.22*	10.12*††	Letter Agreement with David Kagan dated November 27, 2017 2023 Key Employee Bonus Plan (Exhibit 10.55 10.5 to Form 10-K 10-Q filed February 23, 2019 May 5, 2023)
10.23*	10.13*††	Letter Agreement with David Kagan dated September 4, 2018 (Exhibit 10.59 to Form 10-K filed February 28, 2019)
10.24*††		Amended and Restated Prepayment Agreement dated May 19, 2021 (Exhibit 10.1 to Form 10-Q filed August 5, 2021)
10.25*	10.14*††	Satellite Procurement Agreement dated February 21, 2022 between Globalstar, Inc. and Macdonald, Dettwiler and Associates Corporation (Exhibit 10.1 to Form 10-Q filed May 5, 2022)
10.26*	10.15*††	Conformed Copy of Key Terms Agreement reflecting amendments through September 7, 2022 (Exhibit 10.1 to Form 8-K filed September 7, 2022)
10.27*	10.16*††	Exchange Agreement dated November 15, 2022 (Exhibit 10.1 10.1 to Form 8-K filed November 16, 2022)
10.17*		Purchase Agreement, dated March 28, 2023, by and among Globalstar, Inc., the Subsidiary Guarantors party thereto and the Purchasers party thereto (Exhibit 10.1 to Form 8-K filed March 29, 2023)
10.28*††		
10.18*		Letter indenture (including form of Note) dated March 31, 2023, by and among Globalstar, Inc., the Subsidiary Guarantors party thereto and Wilmington Trust, National Association (Exhibit 10.1 to Form 8-K filed April 6, 2023)
10.19*††		Collateral Agreement dated November 15, 2022 April 6, 2023 by and among Globalstar, Inc. the grantors and guarantors party thereto and Partner (Exhibit 10.2 to Form 8-K filed November 16, 2022 April 6, 2023)
10.29†		
10.20*††		Forbearance Prepayment Agreement (Exhibit 10.6 to Form 10-Q filed May 5, 2023)
10.21*††		Amendment No. 4 to the Key Terms Agreement (Exhibit 10.7 to Form 10-Q filed May 5, 2023)
10.22*††		Intellectual Property License Agreement between XCOM Labs, Inc. and Globalstar, Inc. dated August 29, 2023 (Exhibit 10.37 to Form S-1 filed September 8, 2023)
10.23*††		Support Services Agreement by and between XCOM Labs, Inc. and Globalstar, Inc. dated August 29, 2023 (Exhibit 10.38 to Form S-1 filed September 8, 2023)
10.24††		Amended and Restated Employment Agreement dated January 24, 2024 by and between Globalstar, Inc. and Macdonald, Dettwiler and Associates Corporation dated October 28, 2022 Paul Jacobs
10.25††		10.30† Guaranty dated as of December 7, 2023 made by Thermo Funding II, LLC
10.26		Common Stock Purchase Warrant between Thermo Funding II, LLC and Globalstar, Inc. dated December 7, 2023
10.27*††		Second Forbearance Agreement among Globalstar, Inc., Macdonald, Dettwiler and Associates Corporation and Rocket Lab USA, Inc. dated January 31, 2023 (Exhibit 10.30 to Form 10-K filed March 1 2023)
19.1		Globalstar, Inc. Insider Trading Policy

21.1	Subsidiaries of Globalstar, Inc.
23.1	Consent of Ernst & Young LLP
24.1	Power of Attorney (included as part of page titled "Signatures")
31.1	Section 302 Certification of Principal Executive Officer of Globalstar, Inc.
31.2	Section 302 Certification of Principal Financial Officer of Globalstar, Inc.
32.1	Section 906 Certification of Principal Executive Officer of Globalstar, Inc.
32.2	Section 906 Certification of Principal Financial Officer of Globalstar, Inc.
97.1	Globalstar, Inc. Executive Compensation Clawback Policy
101.INS	XBRL Instance Document
101.SCH	XBRL Taxonomy Extension Schema Document
101.CAL	XBRL Taxonomy Extension Calculation Linkbase Document
101.DEF	XBRL Taxonomy Extension Definition Linkbase Document
101.PRE	XBRL Taxonomy Extension Presentation Linkbase Document
101.LAB	XBRL Taxonomy Extension Label Linkbase Document
*	Incorporated by reference.
†	Portions of the exhibit have been omitted pursuant to a request for confidential treatment filed with the Commission. The omitted portions have been filed with the Commission.
††	Portions of the exhibit have been omitted pursuant to Item 601(b)(10) of Regulation S-K.

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Exhibit 4.3 4.1

DESCRIPTION OF THE REGISTRANT'S SECURITIES REGISTERED PURSUANT TO SECTION 12 OF THE SECURITIES EXCHANGE ACT OF 1934

As of **December 31, 2022** **December 31, 2023**, Globalstar, Inc. (the "Company") had one class of securities registered under Section 12 of the Securities Exchange Act of 1934, as amended: our common stock.

DESCRIPTION OF CAPITAL STOCK

The following description of our capital stock is a summary and does not purport to be complete. It is subject to and qualified in its entirety by reference to our certificate of incorporation and our bylaws, each of which are incorporated by reference as an exhibit to the Annual Report on Form 10-K of which this Exhibit 4.3 is a part. We encourage you to read our certificate of incorporation, our bylaws and the applicable provisions of the Delaware General Corporation Law, Title 8 of the Delaware Code, for additional information.

Common Stock

General. We are authorized to issue 2.15 billion shares of common stock, par value \$0.0001 per share. All outstanding shares of common stock are, and all shares of common stock to be issued under existing obligations, including under our employee stock plans and convertible notes, will be, fully-paid and nonassessable.

Dividends. Subject to preferences that may be granted to holders of any preferred stock and restrictions under our credit facilities, the holders of our common stock will be entitled to dividends as may be declared from time to time by the board of directors from funds available therefor.

Voting Rights. Each share of common stock entitles its holder to one vote on all matters to be voted on by the stockholders. Our certificate of incorporation does not provide for cumulative voting in the election of directors. Generally, all matters to be voted on by the stockholders must be approved by a majority or, in the case of the election of directors, by a plurality, of the votes present in person or by proxy and entitled to vote. While Thermo Capital Partners, L.L.C. and any of its affiliates (collectively, "Thermo"), beneficially own 45% or more of the shares of our common stock, two directors will be elected by a vote of the holders of shares of common stock not affiliated with Thermo ("Minority Directors"). Additionally, even if Thermo owns 70% or more of the voting power of our stock, Thermo may not vote more than 69.9% of the voting power of the shares eligible to vote in the election of any directors.

Preemptive Rights. Holders of common stock do not have preemptive rights with respect to the issuance and sale by the company of additional shares of common stock or other equity securities of the company.

Liquidation Rights. Upon dissolution, liquidation or winding-up, the holders of shares of common stock will be entitled to receive our assets available for distribution proportionate to their pro rata ownership of the outstanding shares of common stock.

Preferred Stock

Our board of directors has the authority, without further action of our stockholders, to issue up to 100 million shares of preferred stock, par value \$0.0001 per share, in one or more series, to determine the number of shares constituting and the designation of each series and to fix the powers, preferences, rights

Exhibit 4.3 4.1

and qualifications, limitations or restrictions thereof, which may include dividend rights, conversion rights, voting rights, terms of redemption, and liquidation preferences.

There are no restrictions on the repurchase or redemption of preferred stock by the Company in the event of any arrearage in the payment of dividends or sinking fund installments.

The issuance of preferred stock could adversely affect the holders of common stock. The potential issuance of preferred stock may discourage bids for shares of our common stock at a premium over the market price of our common stock, may adversely affect the market price of shares of our common stock and may discourage, delay or prevent a change of control.

Anti-takeover Effects of Certain Provisions of Our Amended and Restated Certificate of Incorporation and Bylaws and of Delaware General Corporation Law

The provisions of the Delaware General Corporation Law and our amended and restated certificate of incorporation and bylaws summarized below may have the effect of discouraging, delaying or preventing a hostile takeover, including one that might result in a premium being paid over the market price of our common stock, and discouraging, delaying or preventing changes in the control or management of the Company.

Certificate of Incorporation and Bylaws

Our certificate of incorporation and bylaws provide that:

- if Thermo does not own a majority of our outstanding capital stock entitled to vote in the election of directors, no action can be taken by stockholders except at an annual or special meeting of the stockholders called in accordance with our bylaws, and stockholders may not act by written consent;
- while Thermo owns a majority of our outstanding capital stock entitled to vote in the election of directors, action can be taken by written consent signed by the number of stockholders necessary to authorize or take such action at a meeting;
- if Thermo does not own a majority of our outstanding capital stock entitled to vote in the election of directors, the approval of holders of 66 2/3% of the shares then entitled to vote in the election of directors will be required to adopt, amend or repeal our bylaws;
- while Thermo owns a majority of our outstanding capital stock entitled to vote in the election of directors, the approval of the majority of the holders of the shares then entitled to vote in the election of directors will be required to adopt, amend or repeal our bylaws;
- our board of directors is expressly authorized to make, alter or repeal our bylaws;
- stockholders may not call special meetings of the stockholders or fill vacancies on the board of directors;
- our board of directors are divided into three classes of service with staggered three-year terms, meaning that only one class of directors will be elected at each annual meeting of stockholders, with the other classes continuing for the remainder of their respective terms;
- our board of directors is authorized to issue preferred stock without stockholder approval;
- if Thermo does not own a majority of our outstanding capital stock entitled to vote in the election of directors, directors may only be removed for cause by the holders of 66 2/3% of the shares then entitled to vote in the election of directors;
- while Thermo owns a majority of our outstanding capital stock entitled to vote in the election of directors, directors may be removed with or without cause; *provided that*, Thermo may not vote on, or consent to, or have any voting power in respect to, the removal without cause of the Minority Directors; and

- we will indemnify directors and certain officers against losses they may incur in connection with investigations and legal proceedings resulting from their service to us, which may include services in connection with takeover defense measures.

The anti-takeover and other provisions of our certificate of incorporation and by-laws could discourage potential acquisition proposals and could delay or prevent a change in control. These provisions are intended to enhance the likelihood of continuity and stability in the composition of the board of directors and in the policies formulated by the board of directors and to discourage certain types of transactions that may involve an actual or threatened change of control. These provisions are designed to reduce our vulnerability to an unsolicited acquisition proposal. The provisions also are intended to discourage certain tactics that may be used in proxy fights. However, such provisions could have the effect of discouraging others from making tender offers for our shares and, as a consequence, they also may inhibit fluctuations in the market price of our shares that could result from actual or rumored takeover attempts. Such provisions also may have the effect of preventing changes in our management.

Delaware General Corporation Law

We are subject to Section 203 of the Delaware General Corporation Law regulating corporate takeovers, which prohibits a Delaware corporation from engaging in any business combination with an “interested stockholder” for three years after the person becomes an interested stockholder unless:

- prior to the date of the transaction, the board of directors of the corporation approved either the business combination or the transaction which resulted in the stockholder becoming an interested stockholder;
- the interested stockholder owned at least 85% of the voting stock of the corporation outstanding at the time the transaction commenced, excluding for purposes of determining the number of shares outstanding (a) shares owned by persons who are directors and also officers and (b) shares owned by employee stock plans in which employee participants do not have the right to determine confidentially whether shares held subject to the plan will be tendered in a tender or exchange offer; or
- on or subsequent to the date of the transaction, the business combination is approved by the board and authorized at an annual or special meeting of stockholders, and not by written consent, by the affirmative vote of at least 66 2/3% of the outstanding voting stock which is not owned by the interested stockholder.

Except as otherwise specified in Section 203, an “interested stockholder” is defined to include (a) any person that is the owner of 15% or more of the outstanding voting securities of the corporation, or is an affiliate or associate of the corporation and was the owner of 15% or more of the outstanding voting stock of the corporation at any time within three years immediately prior to the date of determination and (b) the affiliates and associates of any such person. Thermo is not an “interested stockholder” because it acquired more than 15% of our outstanding stock prior to the completion of our initial public offering.

For purposes of Section 203, the term “business combinations” includes mergers, consolidations, asset sales or other transactions that result in a financial benefit to the interested stockholder and transactions that would increase the interested stockholder’s proportionate share ownership of our company.

Under some circumstances, Section 203 makes it more difficult for an interested stockholder to effect various business combinations with us. Although our stockholders have the right to exclude us from the restrictions imposed by Section 203, they have not done so. Section 203 may encourage companies interested in acquiring us to negotiate in advance with the board of directors, because the requirement

stated above regarding stockholder approval would be avoided if a majority of the directors approves, prior to the time the party became an interested stockholder, either the business combination or the transaction which results in the stockholder becoming an interested stockholder.

Forum Selection Provision

Our Bylaws provide that, unless the Company consents in writing to the selection of an alternative forum, the sole and exclusive forum for (i) any derivative action or proceeding brought on behalf of the Company; (ii) any action asserting a claim for or based on a breach of a fiduciary duty owed by any current or former director or officer or other employee of the Company to the Company or to the Company’s shareowners, including a claim alleging the aiding and abetting of such a breach of fiduciary duty; (iii) any action asserting a claim against the Company or any current or former director or officer or other employee of the Company arising pursuant to any provision of the General Corporation Law of the State of Delaware or the Company’s Certificate of Incorporation or Bylaws (as either may be amended from time to time); (iv) any action asserting a claim related to or involving the Company that is governed by

the internal affairs doctrine; or (v) any action asserting an “internal corporate claim” as that term is defined in Section 115 of the General Corporation Law of the State of Delaware shall be a state court located within the State of Delaware (or, if no state court located within the State of Delaware has jurisdiction, the federal court for the District of Delaware).

Section 27(a) of the Securities Exchange Act of 1934 (the “Exchange Act”) confers exclusive jurisdiction over all suits and actions to enforce a liability or duty created under the Exchange Act or the rules and regulations thereunder. Accordingly, the provisions above do not apply to any such suits or actions. In addition, a recent decision of the Delaware Court of Chancery has held that exclusive forum provisions of the kind included in the Company’s Bylaws do not apply to claims arising under the Securities Act of 1933. Unless action by the Delaware legislature or the Delaware courts provides otherwise, the provisions above will also not apply to such claims.

This forum selection provision may limit the ability of holders of our shares to bring a claim arising in other instances in a judicial forum that such shareholders find favorable for disputes with us or our directors or officers, which may discourage such lawsuits against the Company and/or our directors and officers. Alternatively, if a court outside of the State of Delaware were to find this forum selection provision inapplicable to, or unenforceable in respect of, one or more of the specified types of actions or claims described above, we may incur additional costs associated with resolving such matters in other jurisdictions, which could harm our business, prospects, financial condition and results of operations.

Strategic Review Committee

As part of the settlement of the previously disclosed shareholder action against us, captioned *Mudrick Capital Management, LP, et al. v. Monroe, et al.*, C.A. No. 2018-0699-TMR, our certificate of incorporation and bylaws were amended to require us to form a Strategic Review Committee that is required to remain in existence for as long as Thermo beneficially owns 45% or more of our outstanding common stock. To the extent permitted by applicable law, the Strategic Review Committee has exclusive responsibility for the oversight, review and approval of, among other things and subject to certain exceptions, any acquisition by Thermo of additional newly-issued securities of the Company and any transaction between the Company and Thermo with a value in excess of \$250,000. The approval of any of the foregoing transactions will require the vote of at least three members of the Strategic Review Committee.

Exhibit 4.3 4.1

Limitation of Liability of Directors

Our certificate of incorporation provides that no director shall be personally liable to us or our stockholders for monetary damages for breach of fiduciary duty as a director, except for liability as follows:

- for any breach of the director’s duty of loyalty to us or our stockholders;
- for acts or omissions not in good faith or which involve intentional misconduct or a knowing violation of law; and
- for any transaction from which the director derived an improper personal benefit.

Listing

Our common stock is listed on the NYSE American under the trading symbol “GSAT.”

Transfer Agent and Registrar

The transfer agent and registrar for our common stock is Computershare Investor Services LLC.

Exhibit 10.29 10.24

Certain portions of this document have been omitted pursuant to Item 601(b)(10) of Regulation S-K and, where applicable, have been marked with “[†]” to indicate where omissions have been made. The marked information has been omitted because it is (i) not material and (ii) is the type that the registrant treats as private or confidential.

This Forbearance

Amended and Restated
Employment Agreement (this "Agreement") is entered into as of October 28, 2022 by and between:

This Amended and Restated Employment Agreement (this "**Agreement**"), entered into this 24th day of January, 2024, is made by and between Globalstar Inc. (the "**Inc. Company**") and Paul Jacobs ("**Executive**") (together, the "**Parties**").

RECITALS

WHEREAS, on August 29, 2023 (the "**Execution Date**"), the Parties executed a certain Employment Agreement (the "**Delaware Prior Agreement**" corporation having its principal place of business at 1351 Holiday Square Boulevard, Covington, Louisiana 70433, United States, "); and

Macdonald, WHEREAS Dettwiler, the Parties desire to amend and Associates Corporation, a Canadian corporation having restate in its principal place entirety the Prior Agreement with effect as of business at 21025 Trans- Canada Highway, Ste-Anne-De-Bellevue, Quebec, Canada H9X 3R2.

Recitals

A. [*] the Execution Date.

B. NOW, THEREFORE Globalstar has requested that Contractor forbear from exercising its rights and remedies under the SPA, and Contractor is so willing to forbear for a limited period of time, provided that Globalstar complies with the terms and conditions of this Agreement.

Now therefore, in consideration of the premises and the mutual covenants terms and conditions set forth agreements contained herein and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties Parties hereby agree as follows:

AGREEMENT

1. Definitions Employment.

(a) **Term.** Capitalized Executive's term of employment under this Agreement (the "**Term**") shall be for the period commencing on August 29, 2023 (the "**Effective Date**") and ending on the date this Agreement is terminated as provided in **Section 3**.

(b) **Position and Duties.** During the Term, the Company shall employ Executive. Executive shall serve as the Chief Executive Officer of the Company, and, if elected, as a member of the Board of Directors of the Company (the "**Board**"), with such responsibilities, duties and authority as are consistent with the position of Chief Executive Officer or as may otherwise from time to time be agreed to by Executive and the Board. Executive will not receive any additional compensation for his service on the Board, to the extent applicable. Executive shall devote substantially all of Executive's working time and efforts to the business and affairs of the Company (which shall include service to its affiliates) and shall not engage in outside business activities without the prior consent of the Board, provided that Executive shall be permitted to (i) be part-time Chief Executive Officer of XCOM Labs, Inc. (such entity to be renamed after the date hereof) ("**XCOM**") through January 31, 2024 and serve as a member of the XCOM board of directors, including as Chairman thereof, indefinitely, (ii) serve on outside boards of directors of Dropbox, Inc. and Arm Limited, and any other boards that may be approved by the Board (not to be unreasonably withheld), (iii) manage Executive's personal, financial and legal affairs, including Executive's family investments, (iv) serve as an owner of a National Basketball Association team, the Sacramento Kings, and (v) participate in trade associations and charitable organizations, in each case, subject to compliance with this Agreement and provided that such activities do not materially interfere with Executive's duties and responsibilities hereunder.

Executive agrees to observe and comply in all material respects with the rules and policies of the Company as adopted by the Company from time to time and applicable to the Company's executive officers and directors generally (each, a "**Policy**"), except to the extent the terms used herein and not otherwise defined of this Agreement conflict with the terms of such Policy, in which case this Agreement shall have control.

(c) Location. Executive's primary work location will be [*], though Executive acknowledges that he is expected to spend reasonable time if needed to discharge his duties at the meanings ascribed thereto Company's headquarters in the SPA. Covington, Louisiana.

2. **[*] Compensation and Related Matters**. During the Term, Executive will be entitled to the following:

(a) Base Salary. Executive's initial base salary shall be \$500,000 per annum (the "**Base Salary**"). The Company shall pay the Base Salary in accordance with its customary payroll practices, and the Base Salary shall be pro-rated for any partial year of employment hereunder. Executive's Base Salary shall be reviewed at least annually by the Compensation Committee of the Board (the "**Compensation Committee**") and the independent members of the Board and may be increased, but not decreased, from time to time by the members of the Board other than the Executive.

(b) Annual Bonus. Executive shall be eligible to participate in an annual short-term incentive bonus plan that is similar in all material respects to that applicable to other executive officers of the Company. Executive's annual incentive compensation under such incentive program (the "**Annual Bonus**") shall be targeted at 100% of Executive's Base Salary (the "**Target Annual Bonus**"). The actual amount of any Annual Bonus that will be paid to Executive each year, if any, may be more or less than the Target Annual Bonus and will be calculated based on the level of achievement of the performance goals previously established by the Board or Compensation Committee under the incentive program for the year in question and the terms of the incentive program. The payment of any Annual Bonus pursuant to the incentive program shall be subject to Executive's continued employment with the Company through the date of payment, except as otherwise provided in Section 4 below.

(c) Initial Equity Grant. In consideration of Executive's entry into this Agreement and as an inducement to join the Company, the Company will grant Executive an award of 40.42 million (subject to equitable adjustment in the event of a stock split, reverse stock split or combination) performance-based restricted stock units (the "**RSUs**"), which shall be granted subject to the terms and conditions of the Amended and Restated 2006 Equity Incentive Plan and an individual award document provided to Executive. The RSUs shall be granted within 30 days of the later of Executive commencing employment hereunder or the execution of the license agreement between XCOM and the Company. The RSUs shall be subject to performance-based vesting in accordance with the terms set forth on Exhibit A attached hereto. Upon any Change in Control (as defined below), Executive shall receive measurement treatment on the RSUs (with the Company stock price as of the Change in Control as the measurement value), and all vested RSUs will be settled upon such Change in Control. Upon a Change in Control in which all or substantially all of the Company's common stock is exchanged for cash, securities or other property (a "**Company Sale**"), Executive shall receive final measurement treatment on the RSUs (with the Company stock price as of the Change in Control as the final measurement value), and

all vested RSUs will be settled upon such Change in Control and all unvested RSUs will be forfeited upon such Change in Control.

(d) Benefits. Executive shall be entitled to participate in the Company's employee benefit plans as in effect from time to time, on the same basis as those benefits are generally made available to other senior executives of the Company, in each case, to the extent that Executive is eligible under the terms of such plans or programs.

(e) Vacation. Executive shall be entitled to unlimited paid vacation in addition to Company-recognized holidays. Any vacation shall be taken at the reasonable and mutual convenience of the Company and Executive and will be subject to the Company's vacation policy as in effect from time to time.

(f) Business Expenses. The Company shall reimburse Executive for all reasonable travel and other business expenses incurred by Executive in the performance of Executive's duties to the Company in accordance with and subject to the Company's expense reimbursement policy as in effect from time to time.

3. **Initial Payment; [*] and Amendment to Termination**. Executive's employment hereunder may be terminated by the SPA. Subject to and upon receipt Company, or by Contractor of a payment by Globalstar in Executive, as applicable, under the amount of USD \$7,000,000 within two (2) business days of

the date of this Agreement: following circumstances:

(a) Contractor will provide written confirmation to Globalstar that the Breach Notice is retracted and of no further force and effect and that Contractor waives its right to claim a breach or default and to pursue any remedies [*]; and

[*]

4. **Additional Payment; Interest.** In addition to the USD \$7,000,000 payment contemplated by Section 3 of this Agreement, Globalstar shall pay Contractor (i) an additional payment in the amount of USD \$7,000,000 on or before November 15, 2022 and (ii) interest on the Deferred Payments outstanding as 16 September 2022 at a rate of 7% per annum. Such interest shall accrue commencing on 16 September 2022 and continue until the outstanding Deferred Payments are paid in full, and shall be calculated daily on the amount of Deferred Payments outstanding on such day and compounded monthly. Globalstar shall pay Contractor the accrued interest within five (5) days of the Deferred Payment Date.

5. **Other Agreements of the Parties** Circumstances.

(a) (i) **Globalstar will provide Contractor** Death. Executive's employment hereunder shall terminate upon Executive's death.

(ii) **Disability.** If Executive has incurred a Disability, the Company may terminate Executive's employment. "**Disability**" shall mean Executive is unable, by reason of a medically determinable physical or mental impairment, to perform the essential functions of Executive's job for 180 days out of any 365-day period.

(iii) **Termination for Cause.** The Company may terminate Executive's employment for Cause. "**Cause**" means one or more of the following: (1) an act of fraud, misappropriation, embezzlement, theft or falsification of Company records by the Executive in connection with regular status updates the Company; (2) conviction of Executive by a court of competent jurisdiction of a felony; (3) willful misconduct, gross mismanagement or gross neglect or gross negligence with respect to the Executive's duties to the Company that caused or could have caused material harm to the Company; (4) an intentionally dishonest act or omission by the Executive that causes material harm to the Company; or (5) a material breach by Executive of any agreement between Executive and such other information requested the Company, or by Contractor regarding it Executive of the Company's written policies that causes material harm to the Company (such as the Company's Code of Conduct); provided that a termination for Cause shall require an affirmative vote of at least a majority of the Board or the executive committee thereof.

(iv) s efforts to secure financing for the Project. Such status updates and other information will be provided to Contractor upon request. **Termination without Cause.** The Company may terminate Executive's employment without Cause.

(b) (v) **Resignation for Good Reason.** Executive may resign and terminate Executive's employment with the Company for Good Reason. "**Good Reason**" means the satisfaction of all of the following requirements:

(1) One or more of the following facts and circumstances exist: (A) a reduction in the Executive's then current Base Salary or Target Annual Bonus; (B) a material reduction in the level of benefits provided to the Executive other than a general reduction in the level of benefits that affects all similarly situated executives in substantially the same proportions; (C) a material, adverse change in Executive's duties or responsibilities; (D) a failure to elect Executive to the Board; (E) the Company's material breach of any agreements with Executive; (F) determination by Executive, in good faith, that Executive can no longer discharge his duties effectively by reason of materially unreasonable directives from the Board; or (G) any purported termination of the Executive's employment by the Company in violation of any Company by-laws; and

(2) Within sixty (60) days of his knowledge or reason to know of the existence of any fact or circumstance constituting Good Reason, Executive shall have provided the Company written notice within thirty (30) days of his intention to resign (a "**Good Reason Notice**"), following which the Company shall have within thirty (30) days of its receipt of such notice to cure or eliminate such fact(s) or circumstance(s), and if the Company fails to so cure, the resulting termination of employment must occur within thirty (30) days following expiration of such cure period. If

the Company effects a cure or elimination of such fact(s) or circumstance(s) within thirty (30) days of its receipt of a Good Reason Notice, Executive's resignation shall not become effective.

(vi) *Resignation Without Good Reason.* Executive may resign Executive's employment with the Company for any reason other than Good Reason or for no reason; provided, that, Executive shall provide the Company with thirty (30) days' advance notice of his resignation under this Section 3(a)(vi).

(b) *Company Obligations upon Termination.* Upon termination of Executive's employment pursuant to any of the circumstances listed in Section 3(a), Executive (or Executive's estate) shall be entitled to receive the sum of: (i) all earned but unpaid Base Salary through the date of termination prorated for any partial period of employment, payable in accordance with the Employer's customary payroll practices and the requirements of applicable law; (ii) any benefits to which Executive has a vested entitlement as of the date of termination, payable in accordance with the terms of any applicable benefit plan or as otherwise required by law; (iii) any accrued but unused vacation, payable in a lump sum with Executive's final pay check or as otherwise required by law; and (iv) payment of any approved but not yet reimbursed business expenses incurred prior to the date of termination, payable in accordance with applicable policies of the Company. Except as otherwise expressly required by law or as specifically provided herein, all of Executive's rights to salary, severance, benefits, bonuses and other compensatory amounts hereunder (if any) shall cease upon the termination of Executive's employment hereunder. In the event that Executive's employment is terminated by the Company for any reason, Executive's sole and exclusive remedy shall be to receive the payments and benefits described in this Section 3(b) or Section 4, as applicable.

(c) *Deemed Resignations.* Upon termination of Executive's employment for any reason, Executive shall be deemed to have resigned from the Board and all offices and directorships, if any, then held with the Company, and of its affiliates and any of its benefit plans.

4. Severance Payments.

(a) *Termination for Cause or Resignation Without Good Reason.* If Executive's employment shall terminate for Cause pursuant to Section 3(a), (iii) or for Executive's resignation without Good Reason pursuant to Section 3(a)(vi), then Executive shall not be entitled to any payments or benefits, except as provided in Section 3(b), and any unvested portion of the RSUs shall be forfeited.

(b) *Termination for Death or Disability.* If Executive's employment shall terminate as a result of Executive's death pursuant to Section 3(a)(i) or Disability pursuant to Section 3(a)(ii), in addition to the payments and benefits set forth in Section 3(b), Executive shall be entitled to the benefit of two years beyond the date of employment termination during which the RSUs shall remain eligible to vest in accordance with the performance-based vesting criteria applicable thereto, but any unvested portion of the RSUs at the end of such period shall be forfeited.

(c) *Termination without Cause or Resignation for Good Reason Not in Connection with a Change in Control.* If Executive's employment terminates without Cause pursuant to Section 3(a)(iv) or due to Executive's resignation for Good Reason pursuant to Section 3(a)(v), in either case prior to or more than two years following a Change in Control, then, subject to Executive signing within the period of time set forth therein, and not revoking, a general release of claims in the form attached as Exhibit B attached hereto (excluding any non-disparagement or similar provision) (the "**Release**") and Executive's continued compliance in all material respects with Sections 5, 6, and 7, in addition to the payments and benefits set forth in Section 3(b), Executive shall be entitled to the benefit of two years beyond the date of employment termination during which the RSUs shall remain eligible to vest in accordance with the performance-based vesting criteria applicable thereto with any unvested RSUs forfeited at the end of such period.

(d) *Termination without Cause or Resignation for Good Reason in Connection with a Change in Control.* If Executive's employment terminates without Cause pursuant to Section 3(a)(iv) or due to Executive's resignation for Good Reason pursuant to Section 3(a)(v), in either case within two years following a Change in Control that does not constitute a Company Sale (as defined in Section 2(c) above), then, subject to Executive signing within the period of time set forth therein, and not revoking, the Release) and Executive's continued compliance in all material respects with

Sections 5, 6, and 7, Executive shall receive final measurement treatment of any vested RSUs, in addition to the payments and benefits set forth in Section 3(b).

As used herein, "**Change in Control**" means the occurrence of one or more of the following events: (i) any "person" (as such term is used in Sections 3(a)(9) and 13(d) of the Securities Exchange Act of 1934, as amended (the "**Act**")) or "group" (as such term is used in Section 13(d)(3) of the Act), other than the Company or its subsidiaries or any benefit plan of the Company or its subsidiaries is or becomes a "beneficial owner" (as such term is used in Rule 13d-3 promulgated under the Act) of more than 50% of the Voting Stock of the Company; (ii) the Company transfers all or substantially all of its assets (unless the shareholders of the Company immediately prior to such transaction beneficially own, directly or indirectly, in

substantially the same proportion as they owned the Voting Stock of the Company, all of the Voting Stock or other ownership interests of the entity or entities, if any, that succeed to the business of the Company or the Company's ultimate parent company if the Company is a subsidiary of another corporation); or (iii) any merger, reorganization, consolidation or similar transaction unless, immediately after consummation of such transaction, the shareholders of the Company immediately prior to the transaction hold, directly or indirectly, more than 50% of the Voting Stock of the Company or the Company's ultimate parent company if the Company is a subsidiary of another corporation. For purposes of this Change in Control definition, "Voting Stock" means securities or ownership interests of any class or classes having general voting power under ordinary circumstances, in the absence of contingencies, to elect the directors of a corporation.

(e) **Survival.** Notwithstanding anything to the contrary in this Agreement, the provisions of Sections 4 through 12 of this Agreement will survive the termination of Executive's employment pursuant to Section 3.

5. Confidential Information.

(a) **Confidential Information and Trade Secrets.** Executive agrees that during the course of employment with the Company, Executive will come into contact with and have access to various forms of Confidential Information and Trade Secrets, which are the property of the Company. This information relates to the Company, its customers, suppliers, vendors, contractors, consultants, and employees. For purposes of this Agreement, "**Confidential Information and Trade Secrets**" shall include, but shall not be limited to: business plans and strategy, marketing and expansion plans, pricing information, sales information, technological information, food and beverage processes, recipes and the like, product information, specifications, inventions, research, policies, processes, creative projects, methods and intangible rights, computer software, source code, marketing techniques and arrangements, information about the Company's active and prospective customers, suppliers, vendors, contractors, consultants, and other business relationships, or any non-public operational, business or financial information relating to the Company or any of its parents, subsidiaries, or affiliates; and the identity of the Company's employees, their salaries, bonuses, incentive compensation, benefits, qualifications, and abilities, all of which information Executive acknowledges and agrees is not generally known or available to the general public, but has been developed, compiled or acquired by the Company at its great effort and expense. Confidential Information and Trade Secrets can be in any form, including oral, written or machine readable, and electronic files.

(b) **Secrecy of Confidential Information and Trade Secrets Essential.** Executive acknowledges and agrees that the Company is engaged in a highly competitive business and that its competitive position depends upon its ability to maintain the confidentiality of the Confidential Information and Trade Secrets, which were developed, compiled and acquired by the Company over a considerable period of time and at its great effort and expense. Executive further acknowledges and agrees that any disclosure, divulging, revelation or use of any of the Confidential Information and Trade Secrets, other than in connection with the Company's business or as specifically authorized by the Company, will be highly detrimental to the Company, and that serious loss of business and pecuniary damage may result therefrom.

(c) **Return of Material.** Executive agrees that, upon the termination of his employment for any reason, and immediately upon request of the Company at any time, he will promptly return (and shall not delete, destroy or modify) all property, including any originals and all copies of any documents, whether stored on computers or in hard copy, obtained from the Company, or any of its current, former or prospective customers, suppliers, vendors, employees, contractors, and consultants, whether or not Executive believes it qualifies as Confidential Information and Trade Secrets. Such property shall include everything obtained during and as a result of Executive's employment with the Company, other than documents related to Executive's compensation and benefits, such as pay stubs and benefit statements. In addition, Executive shall also return any phone, facsimile, printer, scanner, computer, electronic data storage device, or other items or equipment provided by the Company to Executive to perform his employment responsibilities during his employment with the Company. If Executive has saved or stored Confidential Information and Trade Secrets outside the Company's password protected computer systems such as on a personal USB thumb drive, backup drive, home computer, personal phone, email account or cloud storage, Executive agrees to tender the device or location to the Company (along with any necessary passwords or access codes) for the Company to remove the Confidential Information and Trade Secrets. Executive further agrees that he shall not access or attempt to access the Company's computer systems after the termination of his employment with the Company. Executive also agrees that he does not have a right of privacy to any communications sent through the Company's electronic communications systems (including, without limitation, emails, phone calls and voicemail) and that the Company may monitor, retain, and review all such communications in accordance with applicable law. Notwithstanding the foregoing, Executive may retain his address books and contact lists, whether electronic or otherwise.

(d) Notwithstanding the foregoing, nothing in this Agreement shall prohibit or restrict Executive from lawfully: (i) initiating communications directly with, cooperating with, providing information to, causing information to be provided to, or otherwise assisting in an investigation by, any governmental authority regarding a possible violation of any law; (ii) responding to any inquiry or legal process directed to Executive from any such governmental authority; (iii) testifying, participating or otherwise assisting in any action or proceeding by any such governmental authority relating to a possible violation of law; or (iv) making any other disclosures that are protected under the whistleblower provisions of any applicable law. Additionally, pursuant to the federal Defend Trade Secrets Act of 2016, an individual shall not be held criminally or civilly liable under any federal or state trade secret law for the disclosure of a trade secret that: (A) is made (1) in confidence to a federal, state or local government official, either directly or indirectly, or to an attorney and (2) solely for the purpose of reporting or investigating a suspected violation of law; (B) is made to the individual's attorney in relation to a lawsuit for retaliation against the individual for reporting a suspected violation of law; or (C) is made in a complaint or other document filed in a lawsuit or proceeding, if such filing is made under seal. Nothing in this Agreement requires Executive to obtain prior authorization before engaging in any conduct described in this paragraph, or to notify the Company that Executive has engaged in any such conduct.

6. Cooperation. Executive shall provide Executive's reasonable cooperation in connection with any action or proceeding (or any appeal from any action or proceeding) which relates to events occurring during Executive's employment hereunder; provided, that, the Company shall make reasonable efforts to minimize disruption of the Executive's other activities. The two USD \$7,000,000 payments contemplated Company shall

reimburse the Executive for reasonable expenses incurred in connection with such cooperation (including legal fees) and, to the extent that the Executive is required to spend substantial time on such matters, the Company shall compensate the Executive at an hourly rate based on the Executive's Base Salary on the termination date.

7. Indemnification. In the event that the Executive is made a party or threatened to be made a party to any action, suit, or proceeding, whether civil, criminal, administrative, or investigative (a "**Proceeding**"), other than any Proceeding initiated by Sections 3 the Executive or the Company related to any contest or dispute between the Executive and 4 the Company or any of its affiliates with respect to this Agreement or the Executive's employment hereunder, by reason of the fact that the Executive is or was a director or officer of the Company, or any affiliate of the Company, or is or was serving at the request of the Company as a director, officer, member, employee, or agent of another corporation or a partnership, joint

venture, trust, or other enterprise (for clarity, the foregoing shall not include any officer, director or other position listed in Section 1(b) hereof, other than that of the Company), the Executive shall be indemnified and held harmless by the Company to the maximum extent permitted under applicable law and the Company's bylaws from and against any liabilities, costs, claims, and expenses, including all costs and expenses incurred in defense of any Proceeding (including attorneys' fees). Costs and expenses incurred by the Executive in defense of such Proceeding (including attorneys' fees) shall be paid by the Company in advance of the final disposition of such litigation upon receipt by the Company of: (i) a written request for payment; (ii) appropriate documentation evidencing the incurrence, amount, and nature of the costs and expenses for which payment is being sought; and (iii) an undertaking adequate under applicable law made by or on behalf of the Executive to repay the amounts so paid if it shall ultimately be determined that the Executive is not entitled to be indemnified by the Company under this Agreement.

8. Injunctive Relief. It is recognized and acknowledged by Executive that a breach of the covenants contained in Section 5 will cause irreparable damage to the Company and its goodwill, the exact amount of which will be difficult or impossible to ascertain, and that the remedies at law for any such breach will be inadequate. Accordingly, Executive agrees that in the event of a breach of any of the covenants contained in Section 5, in addition to any other remedy which may be available at law or in equity, the Company will be entitled to specific performance and injunctive relief without the requirement to post bond.

9. Assignment and Successors. This Agreement is personal to Executive and shall not be assigned by Executive. The Company may assign this Agreement to any successor or assign (whether direct or indirect, by purchase, merger, consolidation, or otherwise) to all or substantially all of the business or assets of the Company. This Agreement shall inure to the benefit of the Company and permitted successors and assigns.

10. Governing Law. This Agreement shall be governed, construed, interpreted and enforced in accordance with its express terms, and otherwise in accordance with the substantive laws of the State of Delaware. Subject to Section 11, each of the Parties irrevocably submits to the jurisdiction of the federal and state courts having general jurisdiction over the County of New Castle, State of Delaware, and agrees that any process in any suit or proceeding commenced in such courts under this Agreement may be served upon Executive personally, by certified mail, return receipt requested, or by courier service, with the same full force and effect as if personally served upon Executive in such county. Each of the Parties waives any claim that any such

jurisdiction is not a convenient forum for any such suit or proceeding and any defense of lack of jurisdiction with respect thereto.

11. Arbitration. Except as to any controversy or claim relating to Section 5, the Company and Executive agree, to the maximum extent permitted by law, that all disputes arising out of or related to this Agreement as well as all disputes arising out of or related to Executive's employment by the Company, or the termination of that employment, shall be brought within six (6) months of the act or omission that gives rise to the dispute and shall be submitted to binding arbitration with the Employment Rules of the American Arbitration Association ("AAA"). All fees of the AAA and the arbitrator will be borne equally by the parties. The arbitrator shall be required to determine all issues in accordance with the applicable laws of the State of Delaware, and the arbitration will take place in Wilmington, Delaware. The arbitrator shall have the power to award any types of legal or equitable relief available in a court of competent jurisdiction, including, but not limited to, attorneys' fees and costs, to the extent such relief is available under applicable law. The arbitrator will issue a written statement of decision, including findings of fact and conclusions of law. The Parties agree that in any dispute regarding the Company's purported termination of Executive for Cause, the arbitrator is not required to give the Board's determination any deference and shall review de novo such determination.

Executive and the Company agree and understand that arbitration shall be the exclusive method of resolving all disputes relating to this Agreement or to Executive's employment with the Company or the termination of that employment, except those arising under Section 5 of this Agreement.

12. Miscellaneous Provisions.

(a) **Validity.** The invalidity or unenforceability of any provision or provisions of this Agreement shall be, if not affect the validity or enforceability of any other provision of this Agreement, which shall remain in full force and when received by Contractor, credited as a partial payment against the

outstanding Deferred Payments, effect.

(c) (b) [*] **Notices.** Any notice, request, claim, demand, document and other communication hereunder to any Party shall be effective upon receipt (or refusal of receipt) and shall be in writing and delivered personally or sent by facsimile or certified or registered mail, postage prepaid, as follows:

(i) If to the Company, the General Counsel at its headquarters;

(ii) If to Executive, at the last address that the Company has in its personnel records for Executive.

(c) **All other Counterparts.** This Agreement may be executed in several counterparts, each of which shall be deemed to be an original, but all of which together will constitute one and the same Agreement. Signatures delivered electronically shall be deemed effective for all purposes.

(d) **Entire Agreement.** The terms of this Agreement are intended by the Parties to be the final expression of their agreement with respect to the subject matter hereof and supersede all prior understandings and agreements, whether written or oral. The Parties further intend that this Agreement shall constitute the complete and exclusive statement of their terms and conditions that no

extrinsic evidence whatsoever may be introduced in any judicial, administrative, or other legal proceeding to vary the terms of this Agreement.

(e) **Amendments; Waivers.** This Agreement may not be modified, amended, or terminated except by an instrument in writing, signed by Executive and a duly authorized officer of the SPA Company. No failure to exercise and no delay in exercising any right, remedy, or power hereunder preclude any other or further exercise of any other right, remedy, or power provided herein or by law or in equity.

(f) **Construction.** This Agreement shall be deemed drafted equally by both the Parties. Its language shall be construed as a whole and according to its fair meaning. Any presumption or principle that the language is to be construed against any Party shall not apply. The headings in this Agreement are only for convenience and are not intended to affect construction or interpretation. Any references to paragraphs, subparagraphs, sections or subsections are to those parts of this Agreement, unless the context clearly indicates to the contrary. Also, unless the context clearly indicates to the contrary, (i) the plural includes the singular and the singular includes the plural; (ii) "and" and "or" are each used both conjunctively and disjunctively; (iii) "any," "all," "each," or "every" means "any and all," and "each and every"; (iv) "includes" and "including" are each "without limitation"; (v) "herein," "hereof," "hereunder" and other similar compounds of the word "here" refer to the entire Agreement and not to any particular paragraph, subparagraph, section or subsection; and (vi) all pronouns and any variations thereof shall be deemed to refer to the masculine, feminine, neuter, singular or plural as the identity of the entities or persons referred to may require.

(g) **Enforcement.** If any provision of this Agreement is held to be illegal, invalid or unenforceable under present or future laws effective during the term of this Agreement, such provision shall be fully severable; this Agreement shall be construed and enforced as if such illegal, invalid or unenforceable provision had never comprised a portion of this Agreement; and the remaining provisions of this Agreement shall remain in full force and effect including Contractor's obligations and shall not be affected by the illegal, invalid or unenforceable provision or by its severance from this Agreement. Furthermore, in lieu of such illegal, invalid or unenforceable provision there shall be added automatically as part of this Agreement a provision as similar in terms to such illegal, invalid or unenforceable provision as may be possible and be legal, valid and enforceable.

(h) **ensure Withholding.** The Company shall be entitled to withhold from any amounts payable under this Agreement any federal, state, local or foreign withholding or other taxes or charges which the Project remains on schedule, including Company is required to withhold whether in the work of US or any Major Subcontractor, other relevant jurisdiction.

13. **Nothing Section 280G.**

(a) Notwithstanding any contrary provision in this Agreement, nor if Executive is a "disqualified individual" (as defined in Section 280G of the Code), and the amounts that would otherwise be paid to Executive under this Agreement together with any actions taken other payments or

benefits that Executive has a right to receive from the Company and affiliated entities required to be aggregated in accordance with Q/A-10 and Q/A-46 of Treas. Reg. § 1.280G-1 (collectively, the “**Payments**”) would constitute a “parachute payment” (as defined in Section 280G of the Code), the Payments shall be either (i) reduced (but not below zero) so that the aggregate present value of such Payments shall be \$1.00 less than three times Executive’s “base amount” (as defined in

Section 280G of the Code) (the “**Safe Harbor Amount**”) and so that no portion of such Payments shall be subject to the excise tax imposed by Section 4999 (the “**Excise Tax**”); or (ii) paid in full, whichever produces the better net after-tax result for Executive (taking into account any applicable Excise Tax and any applicable federal, state and local income and employment taxes).

(b) The reduction of Payments, if applicable, shall be made by reducing, first, severance amounts to be paid in cash hereunder in the order in which such payments would be paid or provided (beginning with such payment or benefit that would be made last in time and continuing, to the extent necessary, through to such payment or benefit that would be made first in time) and second, by reducing any other cash payments that would be payable to Executive outside of this Agreement which are valued in full for purposes of Code Section 280G in a similar order (last to first), and third, by reducing any equity acceleration hereunder of awards which are valued in full for purposes of Section 280G of the Code in a similar order (last to first), and finally, by reducing any other Payment in a similar order (last to first). Notwithstanding the foregoing, all such reductions shall be made in a manner that complies with Section 409A to the extent determined appropriate by the Board.

(c) All calculations and determinations under this Section 11 shall be made by an independent accounting firm or independent tax counsel appointed by the Company (the “**Tax Counsel**”) whose determinations shall be conclusive and binding on the Company and the Executive for all purposes. For purposes of making the calculations and determinations required by this Section 11, the Tax Counsel may rely on reasonable, good faith assumptions and approximations concerning the application of Section 280G and Section 4999 of the Code. The Company and the Executive shall furnish the Tax Counsel with such information and documents as the Tax Counsel may reasonably request in order to make its determinations under this Section 11. The Company shall bear all costs the Tax Counsel may reasonably incur in connection with its services.

14. Section 409A.

(i) *General.* The intent of the Parties is that the payments and benefits under this Agreement comply with or be exempt from Section 409A and, accordingly, to the maximum extent permitted, this Agreement shall be construed as a waiver of or consent interpreted to any other existing or future defaults under the SPA, be in compliance therewith.

6. (ii) *Default Separation from Service.* Notwithstanding anything in this Agreement to the contrary, any compensation or benefits payable under this Agreement. In the event that Globalstar fails to make either USD \$7,000,000 payment contemplated in Sections 3 or 4 of is considered nonqualified deferred compensation under Section 409A and is designated under this Agreement Globalstar as payable upon Executive’s termination of employment shall have a period be payable only upon Executive’s “separation from service” with the Company within the meaning of five (5) days following receipt of written notice thereof Section 409A (a “**Separation from Contractor to cure such failure. In the event that Globalstar fails to cure such failure(s) within such cure period Contractor may, at its discretion and at any time until such breach is cured, issue a Contractor Stop Work Order in accordance with Article 9 (Stop Work) of the SPA,[*] Service**”).

7. (iii) *Miscellaneous Specified Employee.* . In the event of a conflict or inconsistency between Notwithstanding anything in this Agreement to the contrary, if Executive is determined by the Company in good faith at the time of Executive’s Separation from Service to be a “specified employee” for purposes of Section 409A, to the extent any portion of the benefits to which Executive is entitled under this Agreement upon such Separation from Service constitute a “deferral of compensation” within the meaning of Section 409A and which do not otherwise qualify under the exemptions under Treas. Reg. § 1.409A-1 (including without limitation, the short-term deferral exemption and the permitted payments under Treas.

Reg. § 1.409A-1(b)(9)(iii)(A)), such portion of Executive's benefits shall not be provided to Executive prior to the earlier of (i) the expiration of the six-month period measured from the date of Executive's Separation from Service with the Company or (ii) the date of Executive's death. Upon the first business day following the expiration of the applicable Section 409A period, all payments deferred pursuant to the preceding sentence shall be paid in a lump sum to Executive (or Executive's estate or beneficiaries), and any remaining payments due to Executive under this Agreement shall be paid as otherwise provided herein.

(iv) **SPA, Expense Reimbursements.** To the **terms** extent that any reimbursements under this Agreement are subject to Section 409A, any such reimbursements payable to Executive shall be paid to Executive no later than December 31 of the year following the year in which the expense was incurred; provided, that Executive submits Executive's reimbursement request promptly following the date the expense is incurred, the amount of expenses reimbursed in one year shall not affect the amount eligible for reimbursement in any subsequent year, other than medical expenses referred to in Section 105(b) of the Code, and **conditions of** Executive's right to reimbursement under this Agreement will **prevail. The terms and conditions of Attachment 2 of the SPA shall apply** not be subject to **this Agreement, mutatis mutandis. liquidation or exchange for another benefit.**

Acknowledged **15. and Effectiveness.** agreed by their duly authorized representatives.

Globalstar, Inc.
By:

Name: This Agreement shall have effect as of the Execution Date, as though it had been entered into on such date.

Date: **16. Executive Acknowledgement.** Executive acknowledges that Executive has read and understands this Agreement, is fully aware of its legal effect, has not acted in reliance upon any representations or promises made by the Company other than those contained in writing herein, and has entered into this Agreement freely based on Executive's own judgment.
[Signature Page Follows]

Macdonald, Dettwiler and Associates Corporation

By: The Parties have executed this Agreement as of the date first set forth above.
Name:

Globalstar Inc.
By: _____
Name:
Title:

Paul Jacobs

Date:

Exhibit A

Performance-Based Vesting Criteria

Share price target (\$)	Incremental Shares Vested
\$2.00	1,500,000
\$2.50	2,800,000
\$3.00	8,333,333
\$3.50	2,857,143
\$4.00	6,250,000
\$4.50	2,222,222
\$5.00	10,000,000
\$6.00	1,666,667
\$7.00	1,428,571
\$8.00	1,250,000
\$9.00	1,111,111
\$10.00	1,000,000

Vest at any time during 4-year period from grant based on stock price hurdle achievement

Stock price hurdles based on achievement of the 60-day weighted average closing stock price after grant

Exhibit B

Form of Release of Claims

(see attached)

Certain portions of this document have been omitted pursuant to Item 601(b)(10) of Regulation S-K and, where applicable, have been marked with "[*]" to indicate where omissions have been made. The marked information has been omitted because it is (i) not material and (ii) is the type that the registrant treats as private or confidential.

Execution Version**Guaranty**

This Second Forbearance Agreement Guaranty (this "**Agreement Guaranty**") is entered into, dated as of January 31, 2023 December 7, 2023, made by and among: Thermo Funding II, LLC, a Colorado limited liability company, located at 1735 19 Street, #200, Denver, CO 80202 ("

Thermo Funding"), in favor of Globalstar, Inc., a Delaware corporation having its principal place of business located at 1351 Holiday Square Boulevard, Blvd. Covington, Louisiana 70433 United States ("**Globalstar**"),

Macdonald, Dettwiler and, Associates Corporation, a Canadian corporation having its principal place of business at 21025 Trans-Canada Highway, Ste-Anne-De-Bellevue, Quebec, Canada H9X 3R2 ("**Contractor**"), and,

Solely solely for the purposes of Section 2, Rocket Lab USA, Inc., a Delaware corporation having its principal place of business at 3881 McGowen Street, Long Beach, CA 90808, United States Sections 23 and 24, [*] ("**Subcontractor** [*]").

Recitals

A. WHEREAS, reference is hereby made to (i) that certain Key Terms Agreement, dated as of October 21, 2019 (as amended, restated, amended and restated, supplemented, waived or otherwise modified from time to time in accordance with the terms thereof and including all attachments, exhibits, SOWs, and other written agreements thereunder, the "**KTA**"), between [*] and Globalstar and (ii) that certain 2023 Prepayment Agreement, dated February 27, 2023 (as amended, restated, amended and restated, supplemented, waived or otherwise modified from time to time in accordance with the terms thereof, collectively, the "**2023 Prepayment Agreement**"), between [*] and Globalstar. Capitalized terms used herein and not otherwise defined herein shall have the respective meanings given to them in the KTA or the 2023 Prepayment Agreement, as applicable.

B. WHEREAS, reference is hereby made to that certain Secured Guaranty, dated as of February 27, 2023, made by Thermo Funding in favor of [*] (as amended, restated, amended and restated, supplemented, waived or otherwise modified from time to time in accordance with the terms thereof, collectively, the "**Partner Guaranty**"), whereby Thermo Funding agreed to guaranty the Guaranteed Obligations (as such term is defined in the Partner Guaranty) (the "**Partner Guaranteed Obligations**");

WHEREAS, as required by Globalstar's Third Amended and Restated Certificate of Incorporation, a majority of Globalstar's stockholders not affiliated with Thermo Funding and Globalstar's Strategic Review Committee have each approved this Guaranty and the transactions contemplated hereby;

WHEREAS, on the terms and subject to the conditions hereof, Thermo Funding has agreed to guarantee the payment when due and payable by Globalstar of the following obligations: (i) repayment of all funds advanced by [*] pursuant to and in accordance with the 2023 Prepayment Agreement; and (ii) payment obligations of Globalstar under the Satellite Procurement Agreement (GINC-220210), dated as of February 22, 2022, between Globalstar and Macdonald, Dettwiler and Associates Corporation ("**MDA**"), the Side Letter to Satellite Purchase Agreement, dated as of February 22, 2022, among Globalstar, [*], and MDA, and any other agreement entered into by Globalstar in connection with the procurement, transportation, and launch of such satellites (as amended, restated, amended and restated, supplemented, waived or otherwise modified from time to time in accordance with the terms thereof, collectively, the "**MDA Satellites Agreements**"); and

C. WHEREAS, in consideration of Thermo Funding's foregoing guaranty, Globalstar has agreed to issue to Thermo Funding under certain circumstances shares of Globalstar's Common Stock, par value \$0.0001 (the "**Common Stock**"), on the terms and subject to the conditions set forth herein.

D. Globalstar has requested that Contractor forbear from exercising its rights and remedies under the SPA and the First Forbearance Agreement in respect of the Overdue Amount.

E. Contractor is willing to forbear for a limited period of time provided that Globalstar complies with the terms and conditions of this Agreement.

Now therefore, NOW, THEREFORE, in consideration of the mutual covenants, terms foregoing and conditions set forth herein, and for other good and valuable consideration, benefits accruing to Thermo Funding, the receipt and sufficiency of which are hereby acknowledged, Thermo Funding, Globalstar and, solely for the parties purposes of Section 23 and 24, [*], hereby agree as follows:

1. **Payments to Contractor: Contractor Forbearance.** Subject to and upon receipt by Contractor of a cash payment by Globalstar in the amount of US \$20,000,000 on or prior to January 31, 2023, Contractor agrees to forbear from exercising its rights and remedies against Globalstar under the SPA and the

First Forbearance Agreement during the Forbearance Period with respect to the failure to pay the Overdue Amount. As used herein "**Forbearance Period**" means the period commencing on the date hereof and ending on the earlier to occur of (i) March 15, 2023 and (ii) the date that any Forbearance Default (as defined below) occurs. Contractor's forbearance, as provided herein, shall immediately and automatically cease without notice or further action on the earlier to occur of (i) or (ii) (the "**Termination Date**"). **Guaranty**

On (a) **2023 Prepayment Agreement**. Thermo Funding hereby absolutely, unconditionally and irrevocably, as a primary obligor and not merely as a surety, guarantees to Globalstar the prompt payment, in full, when due (whether at stated maturity, by acceleration or before March 15, 2023 otherwise), by Globalstar shall also pay and its successors and assigns, of all present and future obligations of Globalstar to Contractor (a) the then remaining balance of the Overdue Amount, together with all accrued interest on the Overdue Amount as calculated [*] in accordance connection with the terms of the First Forbearance 2023 Prepayment Agreement, and (b) any and all other amounts then due and payable including the obligations of Globalstar to Contractor under the SPA as of March 15, 2023.

On and after the Termination Date, Contractor may, in its sole discretion, exercise any and all remedies available to it under the SPA and the First Forbearance Agreement by reason of the occurrence of any events of default or breach [*] thereunder or the continuation of any default in respect of the Overdue Amount or Prepayment Balance (as defined therein) and any failure by Globalstar to pay damages that may arise as a result of Globalstar's breach of any other amounts due and payable as term of March 15, 2023 under the SPA or the First Forbearance Agreement, in each case in accordance with the terms thereof.

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2023 Prepayment Agreement (including any interest, fees, costs or charges that would accrue but for the provisions of the US Federal Bankruptcy Code, as amended or supplemented from time to time, in each case on the terms and subject to the conditions of the 2023 Prepayment Agreement).

(b) **MDA Satellites**. Thermo Funding hereby absolutely, unconditionally and irrevocably, as a primary obligor and not merely as a surety, guarantees to Globalstar the repayment, in full upon demand by [*], of any amounts paid by [*] to cure any default of Globalstar in the performance or punctual payment when due of all Globalstar payment obligations under the MDA Satellites Agreements. Thermo Funding hereby guarantees that if Globalstar does not make a payment within 5 Business Days as required under the MDA Satellites Agreements or any other such amount to fund Globalstar's 50% share of the P2 Capex (as set out in the 2023 Prepayment Agreement) up to \$252 million, as may be adjusted pursuant to the Supply Agreements; provided, that the \$252 million shall be automatically adjusted upwards to an amount not to exceed \$364.5 million when and if Globalstar enters into amendments to the MDA Satellites Agreements and/or other agreements related to P2 Capex that increase the total dollar amount of P2 Capex, then upon written notice by [*] to Thermo Funding of such failure to pay, Thermo Funding will make such payments either to Globalstar or directly to the P2 Capex vendor in 5 Business Days ((a)-(b), the "**Forbearance Default Guaranteed Obligations**").

(c) **Term; No Duplication**. The foregoing guaranty of the Guaranteed Obligations shall terminate and be of no further force and effect upon the satisfaction of the Guaranteed Obligations, whether by either Globalstar, in accordance with the 2023 Prepayment Agreement and the MDA Satellites Agreements, Thermo in accordance with the terms hereof or the Partner Guaranty or otherwise, as the case may be. In the event Thermo Funding has made a payment pursuant to the Partner Guaranty in respect any of the Partner Guaranteed Obligations (a "**Partner Payment**"), Thermo Funding shall have no obligation to make any payment hereunder in respect of the Guaranteed Obligations to the extent such Partner Payment satisfies such Guaranteed Obligations.

2. Covenants.

(a) Thermo Funding hereby agrees that within fifteen days of becoming aware of Globalstar's cash balance falling below \$30 million at the end of any calendar quarter as a result of Globalstar making payments in the ordinary course or in respect of P2 Capex or Recoupment obligations under the Prepayment Agreements, Thermo Funding will make a capital contribution to Globalstar of the amount necessary to bring Globalstar's cash balance above such amount if Globalstar has not remedied the deficit by that time (the "**Contribution Obligation**"). Except as otherwise provided in the foregoing sentence, Thermo Funding shall have no Contribution Obligation in respect of any extraordinary or non-recurring payments of Globalstar.

(b) Thermo Funding hereby covenants for the benefit of Globalstar that Thermo Funding will not pay any dividend or distribute, or transfer, any assets to any direct or indirect member, or any parent entity or other affiliate, of Thermo Funding if the effect of such dividend, distribution or transfer would cause Thermo Funding to fail to maintain the Minimum Asset Level as set forth under Section 3 hereof.

3. Minimum Asset Level. If at any time the market value of Thermo Funding's assets minus its Indebtedness drops below 150% of the then-aggregate amount of the obligations guaranteed by Thermo Funding under Section 1 hereof (the "**Minimum Asset Level**"), then Thermo Funding will cause, within five Business Days, one or more affiliates to contribute Qualified Assets to Thermo Funding such that Thermo Funding maintains the Minimum Asset Level. "**Qualified Assets**" means (a) Globalstar fails

to abide by or observe any material term, condition, covenant of: (i) Kinder Morgan Inc. ("KMI") publicly-traded stock or other provision stock that is traded on a NYSE or Nasdaq market; (ii) cash; or (iii) another security acceptable to Globalstar.

4. Reimbursement of Guaranty Payments:

(a) In the event Thermo Funding pays any amount in respect of the Guaranteed Obligations (each such amount, a "Guaranty Payment"), Globalstar shall issue on the applicable Guaranty Payment Date (as defined herein) a number of shares of the Common Stock to Thermo Funding equal to (i) the amount of the Guaranty Payment divided by (ii) the average of the five (5) trailing Daily VWAPs (as defined herein) ending on the Trading Day (as defined herein) immediately preceding such Guaranty Payment Date (as defined herein) (each, a "Stock Payment" and collectively, the "Stock Payments"). Once a Stock Payment has

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been made to Thermo Funding, Globalstar shall have no further obligation to Thermo Funding hereunder with respect to the applicable Guaranty Payment.

(b) As of the date hereof and on each Guaranty Delivery Date, Thermo Funding hereby represents and warrants to, the Company as follows:

(1) Thermo Funding (A) has such knowledge and experience in financial and business matters as to be capable of evaluating the merits, risks and suitability of the transactions contemplated hereby, (B) is able to bear the risk of an entire loss of its investment in the Common Stock and

(C) is consummating the transactions contemplated hereby with a full understanding of all of the terms, conditions and risks and willingly assumes those terms, conditions and risks;

(2) Thermo Funding is an "accredited investor" as defined in Rule 501(a) under the Securities Act. Thermo Funding is acquiring the Common Stock solely for the its own beneficial account, for investment purposes, and not with a view to, or for resale in connection with, any distribution of the Common Stock. Thermo Funding understands that the shares of Common Stock issued under this Guaranty have not been registered under the Securities Act or any state securities laws by reason of specific exemptions under the provisions thereof which depend in part upon the investment intent of Thermo Funding and of the other representations made by Thermo Funding in this Guaranty. Thermo Funding understands that Globalstar is relying upon the representations and agreements contained in this Agreement; (b) Guaranty (and any supplemental information) for the purpose of determining whether this transaction meets the requirements for such exemptions.

(3) Thermo Funding understands that the shares of the Common Stock issued hereunder are "restricted securities" under applicable federal securities laws and that the Securities Act and the rules of the U.S. Securities and Exchange Commission (the "Commission") provide in substance that Thermo Funding may dispose of the shares of Common Stock issued hereunder only pursuant to an effective registration statement under the Securities Act or an exemption from the registration requirements of the Securities Act. Thermo Funding further acknowledges and agrees: (i) that Thermo Funding will not sell, assign, pledge, give, transfer, or otherwise dispose of any shares of the Common Stock issued hereunder or any interest therein, or make any offer or attempt to do any of the foregoing, unless the transaction is registered under the Securities Act and complies with the requirements of all applicable state securities laws, or the transaction is exempt from the registration provisions of the Securities Act and all applicable requirements of state securities laws; (ii) that any certificates representing the Securities will bear a legend making reference to the foregoing restrictions; and (iii) that the Globalstar materially breaches and its affiliates shall not be required to give effect to any purported transfer of such shares of Common Stock issued hereunder, except upon compliance with the foregoing restrictions.

(c) Thermo Funding understands that each Stock Payment has been issued pursuant to an exemption from registration or is otherwise qualification under the Securities Act of 1933, as amended (the "Securities Act"), and applicable state securities laws, and, except as set forth below, the shares issued with respect to each Stock Payment shall bear any legend as required by the "blue sky" laws of any state and a restrictive legend in substantially the following form (and a stop-transfer order may be placed against transfer of such stock certificates):

THE SECURITIES REPRESENTED BY THIS CERTIFICATE HAVE NOT BEEN REGISTERED UNDER THE SECURITIES ACT OF 1933, AS AMENDED, OR APPLICABLE STATE SECURITIES LAWS. THE SECURITIES MAY NOT BE OFFERED FOR SALE, SOLD, TRANSFERRED OR ASSIGNED (I) IN THE ABSENCE OF (A) AN EFFECTIVE REGISTRATION STATEMENT FOR THE SECURITIES UNDER THE SECURITIES ACT OF 1933, AS AMENDED, OR (B) AN OPINION OF COUNSEL TO THE HOLDER (IF REQUESTED BY THE COMPANY), IN A FORM REASONABLY ACCEPTABLE TO THE COMPANY, THAT REGISTRATION IS NOT REQUIRED UNDER SAID ACT.

5. Default. Thermo Funding will be in default under this Guaranty upon the terms occurrence of any of the following events or conditions ("Events of the SPA; or (c) Globalstar Default"): (i) if Thermo Funding becomes insolvent or makes an assignment for the benefit of creditors, or attempts to effect a composition with creditors or files a petition for bankruptcy, insolvency or is reorganization, or for the subject appointment of a receiver, trustee, custodian, sequestrator, conservator or similar official, for itself or its property (or any substantial portion thereof), or has such petition filed against it; (ii) or the winding-up or liquidation of Thermo Funding or if Thermo Funding becomes

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unable, admits in bankruptcy, writing its inability, or fails generally to pay its debts as they become due; (iii) if Thermo Funding fails to make any payment of any Guaranteed Obligations as and when due under this Guaranty and such failure is not cured within 5 Business Days, (iv) if Thermo Funding fails to duly observe, perform or comply with any covenant, condition or agreement contained in this Guaranty and such failure is not cured within 10 Business Days, or (v) if Thermo Funding fails to observe or perform any covenant, condition or agreement, applicable to Thermo Funding, contained in the 2023 Prepayment Agreement or the Supply and such failure is not cured with 10 Business Days, (vi) any representation or warranty made or deemed made under and in connection with this Guaranty, or any representation, warranty, statement or information contained in any report, certificate or other instrument or control agreement furnished in connection with or pursuant to this Guaranty, shall prove to have been false or misleading in any material respect when so made, deemed made or furnished, (viii) if any provision of this Guaranty shall for any reason (other than pursuant to the express terms hereof) cease to be valid and binding on or enforceable against Thermo Funding or Thermo Funding shall so state in writing or bring an action to limit its obligations or liabilities hereunder.

6. Remedies.

(a) During the continuance of an Event of Default, Globalstar may exercise any or all rights and remedies described in this Section 6. All rights, powers, privileges and remedies of Globalstar and Globalstar shall be cumulative. No delay, failure or discontinuance of Globalstar in exercising any right, power, privilege or remedy hereunder shall affect or operate as a waiver of such right, power, privilege or remedy; nor shall any single or partial exercise of any such right, power, privilege or remedy preclude, waive or otherwise affect any other or further exercise thereof or the exercise of any other right, power, privilege or remedy. Any waiver, permit, consent or approval of any kind by Globalstar of any default hereunder, or any such waiver of any provisions or conditions hereof, must be in writing and shall be effective only to the extent set forth in writing.

(b) **Equitable Relief.** The parties hereto acknowledge and agree that irreparable damage would occur in the event that any of the provisions of this Guaranty were not performed in accordance with its specific terms or were otherwise breached and further agree that Globalstar shall be entitled to seek an injunction, specific performance and other equitable relief against Thermo Funding to prevent breaches of this Guaranty and to enforce specifically the terms and provisions hereof, in addition to any other remedy (subject to the limitations herein) to which it is entitled at law or in equity, and shall not be required to provide any bond or other security in connection with any such order or injunction. Thermo Funding further agrees not to oppose the granting of any such injunction, specific performance, and other equitable relief on the basis that (i) Globalstar has an adequate remedy at law or (ii) an award of an injunction, specific performance or other equitable relief is not an appropriate remedy for any reason at law or in equity.

2. (c) **Subcontractor Statute of Limitations.** Until all Guaranteed Obligations shall have been paid in full, the power of sale or other disposition and all other rights, powers, privileges and remedies granted to Globalstar hereunder shall continue to exist and may be exercised by Globalstar at any time and from time to time irrespective of the fact that the Guaranteed Obligations or any part thereof may have become barred by any statute of limitations, or that the personal liability of Thermo Funding may have ceased, unless such liability shall have ceased due to the payment in full of all Guaranteed Obligations secured hereunder

7. Waivers.

(a) The liability of Thermo Funding under this Guaranty is absolute and unconditional, irrespective of the value, genuineness, validity, regularity or enforceability of the obligations of Globalstar under the 2023 Prepayment Agreement, the Supply Agreements, this Guaranty or any other agreement or instrument referred to herein or therein, or any substitution, release or exchange of any other guarantee of any of the Guaranteed Obligations, and, to the fullest extent permitted by applicable law, irrespective of any other circumstance whatsoever that might otherwise constitute a legal or equitable discharge or defense of a surety or Thermo Funding (except for the defense of payment in full or performance).

(b) THERMO FUNDING WAIVES ITS RIGHTS, IF ANY, TO NOTICE OF ANY ACTIONS, AND ITS OBLIGATIONS THEREUNDER SHALL NOT BE IMPAIRED IN ANY MANNER WHATSOEVER BY ANY: (i) amendments, extensions, modifications, renewals or waivers of default as to any existing or future Agreements or obligations of the Assignee or third parties with or to Globalstar; (ii)

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extensions of credit by [*] to Globalstar; (iii) adjustments, compromises or releases of any obligations of Globalstar, Thermo Funding or any other parties, or exchanges, releases or sales of any security of the Globalstar, Thermo Funding or any other parties; (iv) falsity, incorrectness, invalidity or unenforceability, or any reason, of any instrument, or acts or omissions by Globalstar; (v) composition, extensions, moratoria or other relief granted to Globalstar pursuant to applicable law; (vi) interruptions in the business relationship

between Globalstar; (vii) any of the acts mentioned in any of the 2023 Prepayment Agreement, the Supply Agreements or any other agreement or instrument referred to herein or therein shall be done or omitted; (viii) any other person shall become a guarantor of the Guaranteed Obligations; (ix) any other guarantor shall be released; or (x) other reason.

(c) Thermo Funding agrees that, at any time and from time to time, without notice to or further consent of Thermo Funding, Globalstar may enter into an agreement for the extension, renewal, payment, compromise, discharge or release under the 2023 Prepayment Agreement or the Supply Agreement, in whole or in part, or for any modification of the 2023 Prepayment Agreement or the Supply Agreement without in any way impairing or affecting Thermo Funding's Guaranteed Obligations under this Guaranty. Thermo Funding agrees that the Guaranteed Obligations of Thermo Funding hereunder shall not be released or discharged, in whole or in part, or otherwise affected by (i) the failure of Globalstar to assert any claim or demand or to enforce any right or remedy against Globalstar or any other person interested in the transactions contemplated hereby; (ii) any change in the time, place or manner of payment of any of the Guaranteed Obligations or any rescission, waiver, compromise, consolidation or other amendment or modification of any of the terms or provisions of the 2023 Prepayment Agreement or the Supply Agreements made in accordance with the terms thereof; (iii) any insolvency, bankruptcy, reorganization or other similar proceeding affecting Globalstar or any other person interested in the transactions contemplated hereby; (iv) the existence of any claim, set-off or other right which Thermo Funding may have at any time against Globalstar, whether relating to, arising out of or in connection with the Guaranteed Obligations or otherwise; (v) the adequacy of any other means Globalstar may have of obtaining repayment of any of the Guaranteed Obligations; (vi) the existence of any other guaranty or security or any payment on, or in reduction of, any such other guaranty or security, (vii) any invalidity, irregularity, avoidability, or unenforceability of all or any part of the Guaranteed Obligations; and (viii) any other circumstance that might otherwise constitute a defense available to, or a discharge of, any guarantor or surety.

(d) To the fullest extent permitted by applicable law, Thermo Funding hereby expressly waives any and all rights or defenses arising by reason of any applicable law which would otherwise require any election of remedies by Globalstar. Thermo Funding waives promptness, diligence, notice of the acceptance of this Guaranty and of the Guaranteed Obligations, presentment, demand for payment, notice of non-performance, default, dishonor and protest, notice of any Guaranteed Obligations incurred and all other notices of any kind (except for notices to be provided pursuant to this Guaranty), all defenses which may be available by virtue of any valuation, stay, moratorium law or other similar applicable law now or hereafter in effect, any right to require the marshalling of assets of Globalstar or any other person interested in the transactions contemplated hereby, all suretyship defenses generally (other than fraud or willful misconduct by Globalstar or any of its affiliates), and any requirement that Globalstar exhaust any right, power or remedy or proceed against Globalstar under the 2023 Prepayment Agreement or the Supply Agreements or any other agreements or instrument referred to herein or therein, or against any other person under any other guaranty of, or security for, Globalstar obligations under the 2023 Prepayment Agreement or the Supply Agreements. Thermo Funding waives any and all notice of the creation, renewal, extension, waiver, termination or accrual of any of the obligations owed by Globalstar to [*] under the 2023 Prepayment Agreement or the Supply Agreements. Thermo Funding assumes all responsibility for being and keeping itself informed of its own and Globalstar's financial condition and assets and of all other circumstances bearing upon the risk of non-payment of the

Guaranteed Obligations and the nature and scope of the Guaranteed Obligations, and agrees that Globalstar shall have no duty to advise Thermo Funding of information known to Globalstar regarding such circumstances or risks

(e) THERMO FUNDING WAIVES NOTICE OF GLOBALSTAR'S ACCEPTANCE HEREOF, OR DEFAULT AND NON-PAYMENT BY GLOBALSTAR (OR ANY OTHER PARTIES), OF PRESENTMENT, PROTEST AND DEMAND, AND OF ALL OTHER MATTERS OF WHICH THE UNDERSIGNED OTHERWISE MIGHT BE ENTITLED.

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(f) Thermo Funding further waives and agrees not to assert or claim at any time any deductions of the amount guaranteed under this Guaranty for any claim of setoff, counterclaim, counter demand, recoupment or similar right, whether such claim, demand or right may be asserted by Thermo Funding, Globalstar, or both. Thermo Funding further waives, to the fullest extent permitted by law (i) any right or defense arising by reason of any claim or defense based upon an election of remedies by Globalstar, including any defense based upon an impairment or elimination of Thermo Funding's rights of subrogation, reimbursement, contribution, or indemnity of Thermo Funding against any sureties (if any) and (ii) the benefit of any statute of limitations affecting its liability hereunder or the enforcement hereof.

(g) No failure on the part of Globalstar to exercise, and no delay in exercising, any right, remedy or power hereunder shall operate as a waiver thereof, nor shall any single or partial exercise by Globalstar of any right, remedy or power hereunder preclude any other or future exercise of any right, remedy or power hereunder except as explicitly set forth herein, in the KTA or in the 2023 Prepayment Agreement. Subject to the terms, conditions and limitations hereof, the KTA and the 2023 Prepayment Agreement, each and every right, remedy and power hereby granted to Globalstar or allowed to it by applicable law shall be cumulative and not exclusive of any other, and may be exercised by Globalstar at any time or from time to time.

8. Knowledge of Waivers. Thermo Funding warrants and agrees that the waivers set forth in this Guaranty are made with its full knowledge of its significance and consequences and that, under the circumstances, the waivers are reasonable and not contrary to public policy or law. If any waiver is determined to be contrary to public policy, such waiver shall be effective only to the extent permitted by public policy. THERMO FUNDING ACKNOWLEDGES THAT IT HAS HAD THE ASSISTANCE OF INDEPENDENT COUNSEL IN

THE REVIEW AND EXECUTION OF THIS GUARANTY. Thermo Funding agrees that it is sophisticated and knowledgeable in the matters contained in this Guaranty and has acted in its own self-interest in negotiating this Guaranty. Thermo Funding has been represented by legal counsel and therefore, this Guaranty shall not be

interpreted or construed against Globalstar because Globalstar or any attorney or representative for Globalstar drafted or participated in the drafting of this Guaranty.

9. Reinstatement. The obligations of Thermo Funding under this Guaranty shall be automatically reinstated if and to the extent that for any reason any payment by or on behalf of Globalstar or Thermo Funding in respect of the Guaranteed Obligations is rescinded or must be otherwise restored by any holder of any of the Guaranteed Obligations, whether as a result of any proceedings in bankruptcy or reorganization or otherwise. Thermo Funding agrees that it will indemnify Globalstar on demand for all reasonable and documented costs and expenses (including reasonable and documented fees of counsel) incurred in connection with such rescission or restoration, including any such costs and expenses incurred in defending against any claim alleging that such payment constituted a preference, fraudulent transfer or similar payment under any bankruptcy, insolvency or similar law.

10. Nature of Guaranteed Obligations. Globalstar shall not be obligated to file any claim relating to any Guaranteed Obligation in the event that Globalstar becomes subject to a bankruptcy, reorganization, or similar proceeding, and the failure of Globalstar to so file shall not affect Thermo Funding's Guaranteed Obligations hereunder. This Guaranty is an unconditional guarantee of payment and of performance and not of collection.

11. General Representations and Warranties. Each of Globalstar and Thermo Funding hereby represents and warrants to such other party hereto that:

(a) it is a validly existing entity in good standing under its jurisdiction of organization; it has the power and authority to execute, deliver and perform its obligations under this Guaranty; the execution, delivery and performance of this Guaranty have been duly authorized by all necessary action and do not contravene any provision of such party's charter, operating agreement or similar organizational documents or any applicable law or material contract binding on such party or its assets;

(b) all consents, approvals, authorizations, permits of, filings with and notifications to, any governmental entity necessary for the due execution, delivery and performance of this Guaranty by such party have been obtained or made and all conditions thereof have been duly complied with, and no other

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action by, and no notice to or filing with, any governmental entity or regulatory body is required in connection with the execution, delivery or performance of this Guaranty;

(c) assuming the due execution and delivery of this Guaranty by such other party hereto, this Guaranty constitutes a legal, valid and binding obligation of such party enforceable against such party in accordance with its terms, subject to (i) the effects of bankruptcy, insolvency, fraudulent conveyance, reorganization, moratorium or other similar applicable laws affecting creditors' rights generally, and (ii) general equitable principles (whether considered in a proceeding in equity or at law); and

(d) Thermo Funding has the financial capacity to pay and perform the Guaranteed Obligations, and all funds necessary for Thermo Funding to fulfill its obligations under this Guaranty are and shall be available to Thermo Funding (or its permitted assignee pursuant to Section 12 of this Guaranty) for so long as this Guaranty shall remain in effect in accordance with Section 14 of this Guaranty. On a quarterly basis, Thermo Funding shall deliver to Globalstar copies of its financial statements.

(e) the issuance of the shares of Common Stock **Payment** hereunder has been duly authorized and, when issued and delivered in accordance with the terms of this Guaranty, the shares of the Common Stock issuable hereunder shall be validly issued, fully paid and non-assessable and free and clear of all liens with respect to the issuance thereof.

12. Assignment. Neither Thermo Funding nor Globalstar may assign its respective rights, interests or obligations under this Guaranty to any other person (except by operation of law) without the prior written consent of Globalstar (in the case of an assignment by Thermo Funding) or Thermo Funding (in the case of an assignment by Globalstar); provided that any such permitted assignment shall not relieve Thermo Funding of its obligations under this Guaranty. Any purported assignment in violation of this Section shall be null and void *ab initio*.

The Subcontractor, Contractor 13. Notices. All notices, requests, demands and Globalstar agree that, if Globalstar elects other communications under or relating to this Guaranty must be in its sole discretion writing, are deemed to pay make a party "aware" for all purposes herein, and will be deemed given (a) when delivered personally, by hand (with written confirmation of receipt), (b) when sent by facsimile or email (with written confirmation of transmission), (c) one Business Day following the **Work Fee** (as defined below) day sent by reputable, internationally recognized overnight courier (with written confirmation of receipt), they will negotiate or (d) upon receipt of confirmation of delivery when sent by registered or certified mail (return receipt requested), postage prepaid, in good faith during each case to the **Forbearance Period toward a mutually acceptable stock purchase agreement and related documents, including customary registration rights and indemnities** (collectively, parties at the **"Definitive Stock Agreement"**), which is expected to provide for the payment of one following addresses or more invoices issued by the Subcontractor under the Rocket Lab Agreement (such invoices, **"Subcontractor Payables"**) by Globalstar (on behalf of the Contractor) in one or multiple tranches (each a **"Stock Payment"**), which shall be via a number of fully paid and nonassessable shares of common stock of Globalstar, par value US \$0.0001 per share (the **"Common Stock"**) equal to, for any Subcontractor Payable. (i)(A) the amount of each such Subcontractor Payable divided by (B) the volume-weighted average closing price of the Common

Stock for the 5 trading days immediately preceding the date on which the Common Stock is delivered or (ii) facsimile numbers (or at such other amount or formula address for a party as otherwise mutually agreed between Globalstar, Contractor and Subcontractor; provided that it is the intention of the parties that the aggregate value of all Common Stock conveyed under a Stock Payment for any Subcontractor Payable be sufficient to permit Subcontractor to receive net proceeds from the sale of any such shares of Common Stock party specifies by Subcontractor equal like notice given to the face amount of such Subcontractor Payable, taking into account out-of-pocket selling and other out-of-pocket costs associated with the Stock Payments as agreed parties hereto pursuant to in the Definitive Stock Agreement. Nothing in this Forbearance Agreement shall constitute a commitment by Subcontractor to enter into a Stock Purchase Agreement or accept Stock Payments in satisfaction of one or more Subcontractor Payables. In the event that Subcontractor does agree to enter into the contemplated Stock Purchase Agreement, the Rocket Lab Agreement will remain in full force and effect except as expressly provided in such Stock Purchase Agreement. provision);

Contractor agrees that it will issue a credit to Globalstar in an amount equal to the aggregate value realized by Subcontractor from the Stock Payments actually made, subject to a maximum amount of the Subcontractor Amount, which credit shall be applied to any amounts, other than the Overdue Amount, payable by Globalstar to Contractor under the SPA.

Notwithstanding the foregoing or anything else in this Agreement, unless and until any Definitive Stock Agreement has been approved and entered into with respect to any Stock Payment, which shall be in the sole and absolute independent discretion of each of Globalstar, Contractor and Subcontractor and subject to Subcontractor obtaining board approval, nothing in this Agreement shall impair, amend or modify the Rocket Lab Agreement or any obligation of Globalstar or Contractor, or the rights of Subcontractor thereunder.

If to Thermo Funding:

Thermo Funding II, LLC
1735 19th Street,
Denver, CO 80202
Attention: James Monroe III and Timothy Taylor
Email: jay@thermoco.com and tim@thermoco.com

If to Globalstar:

Globalstar, Inc
1351 Holiday Square Blvd Covington, LA
Attention: Rebecca Clay
Email: rebecca.clary@globalstar.com

Subcontractor shall not be required If to participate in any negotiation with respect to a Definitive Stock Agreement or a Stock Purchase unless Globalstar has delivered a work fee in the amount of \$50,000 (the "[*]Work Fee"), which amount will be used to pay Subcontractor's reasonable, documented, out-of-pocket expenses (including reasonable, documented, out-of-pocket fees and expenses of counsel for Subcontractor) incurred after the date hereof in connection with negotiating definitive documentation for the Stock Purchases and otherwise consummating the transactions proposed hereunder (collectively, "Transaction Expenses"). For the avoidance of doubt, Globalstar shall not be required to pay the Work Fee, and may elect not to do so in its sole discretion, but Subcontractor shall not be required to negotiate with Globalstar with respect to a Definitive Stock Agreement or a Stock Payment unless Globalstar has paid to it the Work Fee. Following payment of the Work Fee, in Globalstar's sole discretion, in the event Transaction Expenses exceed the Work Fee, Subcontractor may submit invoices to Globalstar for payment of such Transaction Expenses, whether or not any Stock Payments are consummated. In the event that no Stock Payments are consummated, Subcontractor agrees to refund any portion of the Work Fee that is not used to pay for Transaction Expenses. ;

3. Other Agreements of the Parties.[*]

[*]
[*]
[*]
[*]

with a copy (which shall not constitute notice) to:
Weil, Gotshal & Manges, LLP 767 Fifth Avenue
New York, NY 10153 Attention: Charan Sandhu
Email: charan.sandhu@weil.com

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This Agreement applies only 14. Continuing Obligations. Unless terminated earlier pursuant to the matters expressly set forth herein. All terms and conditions of the Forbearance Agreement, the SPA, and the Rocket Lab Agreement Section 1(c) hereof, this Guaranty shall remain in full force and effect. Nothing effect and shall be binding on

Thermo Funding, its successors and permitted assigns until the Guaranteed Obligations are indefeasibly paid, observed, performed or satisfied in full. Thermo Funding may not delegate its duties hereunder. The obligations of Thermo Funding hereunder are joint and several as to any other person responsible for the Guaranteed Obligations.

15. Governing Law; Jurisdiction and Forum. This Guaranty (including, without limitation, the validity, construction, effect or performance hereof and any remedies hereunder or related hereto) and all claims, obligations, liabilities, causes of action, or proceedings (in each case, whether at law or in equity, and whether sounding in contract, tort, statute or otherwise) that may be based upon, in respect of, arise under, out or by reason of, be connected with, or relate in any manner to this Agreement, nor Guaranty, or the negotiation, execution, performance, or breach (whether willful, intentional, unintentional or otherwise) of this Guaranty, including, without limitation, any actions taken representation or warranty made or alleged to be made in, in connection with, or as an inducement to, this Guaranty (each of such above-described legal, equitable or other theories or sources of liability, a "**Claim**") shall be governed by the internal laws of the State of New York without giving effect to any choice or conflict of law provision or rule that would cause the application of the laws of any jurisdiction other than the State of New York. Each of the parties hereto (for itself and on behalf of its successors and permitted assigns and any person claiming by, through or on behalf of any of them) irrevocably agrees that any permitted Claim shall be brought exclusively in the state and federal courts located in the City, County and State of New York. Each of the parties hereto (for itself and on behalf of its successors and permitted assigns and any person claiming by, through or on behalf of any of them) irrevocably and unconditionally submits to the exclusive jurisdiction of such courts in any such action, agrees to take any and all future action necessary to submit to the jurisdiction of such courts, waives and agrees not to assert (by way of motion, as a defense, counterclaim or otherwise) any objection it may now or hereafter have to venue or to convenience of forum (including: (a) any claim that it is not personally subject to the jurisdiction of the above named courts for any reason other than the failure to serve; (b) any claim that it or its property is exempt or immune from jurisdiction of any such court or from any legal process commenced in such courts (whether through service of notice, attachment prior to judgment, attachment in aid of execution of judgment, execution of judgment or otherwise); and (c) to the fullest extent permitted by applicable law any claim that: (i) the suit, action or proceeding in such court is brought in an inconvenient forum; (ii) the venue of such suit, action or proceeding is improper; or (iii) this Guaranty, or the subject matter hereof, may not be enforced in or by such courts), and agrees that all Claims shall be heard and determined only in any such court and covenants and agrees not to bring any Claim in any other court. The parties hereto agree that any of them may file a copy of this Section 15 with any court as written evidence of the knowing, voluntary and bargained Guaranty between the parties hereto irrevocably to waive any objections to venue or to convenience of forum. Each of the parties hereto irrevocably consents to the service of process out of the above-described courts in any permitted Claim in accordance with Section 13 hereof. Nothing herein shall affect the right of any party to serve process in any other manner permitted by applicable law.

16. Costs to Enforce. Thermo Funding agrees to pay any of Globalstar's reasonable and documented attorneys' fees and expenses, regardless whether a lawsuit is filed or not, including reasonable and documented attorneys' fees and expenses in enforcing this Guaranty or in bankruptcy proceedings (including efforts to modify or vacate any automatic stay or injunction), and appeals, incurred by Globalstar to enforce the 2023 Prepayment Agreement, the Supply Agreements or this Guaranty or any amounts due under the 2023 Prepayment Agreement, the Supply Agreements or Guaranty.

17. Waiver of Jury Trial. EACH PARTY ACKNOWLEDGES AND AGREES THAT ANY CONTROVERSY WHICH MAY ARISE UNDER THIS GUARANTY IS LIKELY TO INVOLVE COMPLICATED AND DIFFICULT ISSUES AND, THEREFORE, EACH OF THE PARTIES HERETO IRREVOCABLY WAIVES ANY AND ALL RIGHT TO TRIAL BY JURY IN ANY ACTION, PROCEEDING OR COUNTERCLAIM CONTEMPLATED BY SECTION 15 HEREOF. Each party certifies and acknowledges that (a) no representative of any other party has represented, expressly or otherwise, that such other party would not seek to enforce the foregoing waiver in the event of a legal action, (b) such party has considered and understands the implications of this waiver, (c) such party makes this waiver voluntarily and (d) such party has been induced to enter into this Guaranty by, among other things, the mutual waivers and certifications in this Section.

18. Indemnity. THIS SHALL BE A "CONTINUING GUARANTY" AND INDEMNITY UNDER WHICH THERMO FUNDING AGREES TO GUARANTEE THE FULL AND

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PUNCTUAL PAYMENT, PERFORMANCE AND SATISFACTION OF THE GUARANTEED OBLIGATIONS. In addition, Thermo Funding shall indemnify, hold harmless, and, upon Globalstar's request, defend Globalstar, and its respective directors, officers, employees, and agents from and against all claims, liabilities, actions, demands, settlements, damages, costs, fees, and losses of any type, including reasonable attorneys' and professionals' fees and costs, arising in whole or in part from third party claims in connection with any material breach by Thermo Funding of the provisions of this Guaranty.

19. Entire Guaranty. This Guaranty constitutes the entire guaranty between Thermo Funding and Globalstar with respect to Guaranteed Obligations and supersedes any and all prior discussions, negotiations, proposals, undertakings, understandings and agreements, whether written or oral, among the parties hereto. For the avoidance of doubt, this Guaranty shall not supersede or in any way affect Thermo Funding's obligations set forth in the Partner Guaranty or any other written agreement between the parties. All parties hereto acknowledge that each party and its counsel have participated in the drafting and negotiation of this Guaranty and that any rules of construction to the effect that any ambiguities are to be resolved against the drafting party shall not be employed in the interpretation of this Guaranty.

20. **Counterparts.** This Guaranty may be executed and delivered (including by facsimile transmission or via portable document format (.pdf) or similar electronic means) in one or more counterparts, and by the different parties hereto in separate counterparts, each of which when so executed and delivered shall be deemed to be an original but all of which taken together shall constitute one and the same instrument. The words "execution," "signed," "signature," "delivery" and words of like import in or relating to any document to be signed in connection with this Guaranty and the transactions contemplated hereby shall be deemed to include any electronic sound, symbol or process attached to, or associated with, a contract or other record and adopted by a person with the intent to sign, authenticate or accept such contract or record, and deliveries or the keeping of records in electronic form, each of which shall be of the same legal effect, validity or enforceability as a manually executed signature, physical delivery thereof or the use of a paper-based recordkeeping system, as the case may be, to the extent and as provided for in any applicable law, including the Federal Electronic Signatures in Global and National Commerce Act, the New York State Electronic Signatures and Records Act or any other similar State laws based on the Uniform Electronic Transactions Act; provided that nothing herein shall require Globalstar to accept electronic signatures in any form or format without its prior written consent.

21. **Amendments and Waivers.** No amendment, waiver, supplement or modification of any provision of this Guaranty will be valid and binding unless it is in writing and signed, in the case of an amendment, supplement or modification, by Thermo Funding and Globalstar or, in the case of waiver, by the party or parties against whom the waiver is to be effective. No waiver by any party hereto of any breach or violation of, or default under, this Guaranty, whether intentional or not, will be deemed to extend to any prior

or subsequent breach, violation or default hereunder or affect in any way any rights arising by virtue of any prior or subsequent such occurrence. Subject to the terms hereof, no delay or omission on the part of any party hereto in exercising any right, power or remedy under this Guaranty will operate as a waiver thereof.

22. **Severability.** Any term or provision of this Guaranty that is invalid or unenforceable in any situation in any jurisdiction will not affect the validity or enforceability of the remaining terms and provisions hereof or the validity or enforceability of the offending term or provision in any other situation or in any other jurisdiction.

23. **Third-Party Beneficiary; No Other Third-Party Beneficiaries.** Thermo Funding and Globalstar hereby agree that [*] is an express third-party beneficiary to this Guaranty, with the right to enforce any failure on the part of Thermo Funding to satisfy the Guaranteed Obligations when they are due and payable. Other than [*], the parties hereto agree that their respective representations, warranties, Agreements and covenants set forth herein are solely for the benefit of the other parties hereto and their respective successors and permitted assigns, in accordance with and subject to the terms of this Guaranty, and this Guaranty is not intended to, and does not, confer upon any person other than the parties hereto and their respective successors and permitted assigns any rights or remedies under this Guaranty.

24. **Confidentiality.** This Guaranty shall be treated as strictly confidential by the parties hereto and is being provided to Globalstar solely in connection with the transactions contemplated hereby, by

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the KTA and the MDA Satellite Agreements and by the 2023 Prepayment Agreement. If either Thermo Funding or Globalstar determines in good faith after consultation with counsel that disclosure of this Guaranty or matters set forth herein is required by law due to the fact that Globalstar is a publicly reporting company, Globalstar or Thermo Funding, as the case may be, (a) shall give [*] notice of such requirement prior to any such disclosure; (b) shall use all reasonable efforts to obtain confidential treatment of all such information; and (c) shall allow [*] a reasonable opportunity to propose redactions of sensitive information prior to any disclosure. If Globalstar complies with the foregoing, it may disclose such information solely to the extent Globalstar or Thermo Funding, as the case may be, after consultation with counsel that such disclosure is required by law.

25. **Defined Terms.** As used in this Guaranty, the following terms shall have the meanings specified below.

"Daily VWAP" means for any Trading Day, the per share volume-weighted average price of the Common Stock as displayed under the heading "Bloomberg VWAP" on Bloomberg page "GSAT <EQUITY> VAP" (or, if such page is not available, its equivalent successor page) in respect of the period from the scheduled open of trading until the scheduled close of trading of the primary trading session on such Trading Day (or, if such volume-weighted average price is unavailable, the market value of one share of the Company's common stock on such Trading Day, determined, using a volume-weighted average price method, by a nationally recognized independent investment banking firm selected by Globalstar).

"GAAP" means generally accepted accounting principles in the United States in effect and applicable to the accounting period in respect of which reference to GAAP is made.

"Guaranty Payment Date" means any date on which Thermo Funding is required to make a cash payment to Globalstar in consideration of the Guaranteed Obligations.

"Indebtedness" means, as applied to any person means, without duplication: (i) all indebtedness for borrowed money; (ii) that portion of obligations with respect to capital leases to the extent recorded as a liability on a balance sheet (excluding the footnotes thereto) of such person prepared in accordance with GAAP; (iii) all

obligations of such person evidenced by bonds, debentures, notes or similar instruments to the extent the same would appear as a liability on a balance sheet (excluding the footnotes thereto) of a person prepared in accordance with GAAP; (iv) accrued expenses and trade accounts payable in the ordinary course of business (including on an inter-company basis); and (v) the guarantee by such person of the indebtedness of another; provided, however, that this Guaranty

and the Partner Guaranty shall not be included in the calculation of Thermo Funding's Indebtedness for any purpose hereunder.

"Trading Day" means any day on which trading in the Common Stock generally occurs on the NYSE American (or such other principal national or regional stock exchange on which the Common Stock may be listed at such time). The Daily VWAP will be determined without regard to after-hours trading or any other trading outside of the regular trading session

"UCC" means the Uniform Commercial Code as in effect from time to time (except as otherwise specified) in any applicable state or jurisdiction.

26. **Terms Generally.** The definitions of terms herein shall apply equally to the singular and plural forms of the terms defined. Whenever the context may require, any pronoun shall include the corresponding masculine, feminine and neuter forms. The words "include," "includes" and "including" shall be deemed to be followed by the phrase "without limitation." The word "will" shall be construed to have the same meaning and effect as the word "shall." Unless the context requires otherwise (a) any definition of or reference to any agreement, instrument or other document herein shall be construed as a waiver of, referring to such agreement, instrument or consent other document as from time to time amended, restated, amended and restated, supplemented or otherwise modified or extended, replaced or refinanced (subject to any other existing restrictions or future defaults under qualifications on such amendments, restatements, amendment and restatements, supplements or modifications or extensions, replacements or refinancings set forth herein or therein), (b) any reference to any law shall include all statutory and regulatory provisions consolidating, amending, replacing, supplementing or interpreting such law, (c) any reference herein to any Person shall be

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construed to include such Person's successors and permitted assigns, (d) the SPA or words "herein," "hereof" and "hereunder," and words of similar import, when used herein shall be construed to refer to this Guaranty in its entirety and not to any particular provision hereof, and (e) the Rocket Lab Agreement, words "asset" and "property" shall be construed to have the same meaning and effect and to refer to any and all tangible and intangible assets and properties.

[Signature page follows.]

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IN WITNESS WHEREOF, each of the parties has duly executed and delivered this Guaranty through its undersigned designee duly authorized to be effective as of the date first above written.

THERMO FUNDING II, LLC

4. By: Miscellaneous /s/

Name: James Monroe III

Title: Manager

GLOBALSTAR, INC.

By:

Name: _____

Title: _____

Solely for the purposes of Section 23 and 24,

[*]

By:

Name: _____

Title: _____

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IN WITNESS WHEREOF, each of the parties has duly executed and delivered this Guaranty through its undersigned designee duly authorized to be effective as of the date first above written.

THERMO FUNDING II, LLC

By:

Name: James Monroe III

Title: Manager

GLOBALSTAR, INC.

By: /s/

Name: Rebecca Clary

Title: VP and Chief Financial Officer

Solely for the purposes of Section 23 and 24,

[*]

By: Name: Title:

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Partner Confidential

IN WITNESS WHEREOF, each of the parties has duly executed and delivered this Guaranty through its undersigned designee duly authorized to be effective as of the date first above written.

THERMO FUNDING II, LLC

By:

Name: James Monroe III

Title: Manager

GLOBALSTAR, INC.

By:

Name:

Title:

Solely for the purposes of Section 23 and 24,

[*]

By: [*]
Name: [*]
Title: [*]

Partner Confidential

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Exhibit 10.26

Execution Version

NEITHER THIS SECURITY NOR THE SECURITIES FOR WHICH THIS SECURITY IS EXERCISABLE HAVE BEEN REGISTERED WITH THE SECURITIES AND EXCHANGE COMMISSION OR THE SECURITIES COMMISSION OF ANY STATE IN RELIANCE UPON AN EXEMPTION FROM REGISTRATION UNDER THE SECURITIES ACT OF 1933, AS AMENDED (THE "SECURITIES ACT"), AND, ACCORDINGLY, MAY NOT BE OFFERED OR SOLD EXCEPT PURSUANT TO AN EFFECTIVE REGISTRATION STATEMENT UNDER THE SECURITIES ACT OR PURSUANT TO AN AVAILABLE EXEMPTION FROM, OR IN A TRANSACTION NOT SUBJECT TO, THE REGISTRATION REQUIREMENTS OF THE SECURITIES ACT AND IN ACCORDANCE WITH APPLICABLE STATE SECURITIES LAWS.

COMMON STOCK PURCHASE WARRANT
GLOBALSTAR, INC.

Warrant Shares: 10,000,000 Original Issue Date: December 7, 2023

THIS COMMON STOCK PURCHASE WARRANT (this "**Warrant**") certifies that, for value received, Thermo Funding II, LLC (the "**Initial Holder**"), or its permitted successors and assigns (the "**Holder**"), is entitled, upon the terms and subject to the limitations on exercise and the conditions hereinafter set forth, including any vesting conditions, at any time on or after the Original Issue Date and on or prior to the close of business on December 7, 2028 (the "**Termination Date**") but not thereafter, to subscribe for and purchase from **GLOBALSTAR, INC.**, a Delaware corporation (the "**Company**"), up to 10,000,000 shares of Common Stock (subject to adjustment hereunder, the "**Warrant Shares**"). The purchase price of one Warrant Share under this Warrant shall be equal to the Exercise Price.

This Warrant is issued pursuant to, and in consideration of the Initial Holder's obligations under, the Guaranty, dated as of the Original Issue Date, made by the Initial Holder in favor of the Company and such other parties from time to time party thereto (as amended, restated, supplemented or otherwise modified from time to time, the "**Guaranty**").

Section 1. Definitions.

- a. Capitalized terms used and not otherwise defined herein shall have the meanings set forth in the Guaranty.
- b. Except as otherwise defined herein or in the Guaranty, the following terms have the respective meanings set forth below:

"Aggregate Exercise Price" means an amount equal to the product of (a) the number of Warrant Shares in respect of which this Warrant is then being exercised pursuant to Section 2 hereof, multiplied by (b) the Exercise Price in effect as of the Exercise Date in accordance with the terms of this Warrant. **"Board"** means the board of directors of the Company.

"Certificate of Incorporation" means the Third Amended and Restated Certificate of the Incorporation of the Company, as it may be amended, restated, supplemented or otherwise modified from time to time.

"Change of Control" means the occurrence of any of the following (i) the consolidation or merger of the Company with or into another Person that is not the Initial Holder or any of its affiliates, (ii) the sale of all or substantially all of the Company's assets to another Person that is not the Initial Holder or any of its affiliates or (iii) the acquisition by a Person other than the Initial Holder or any of its affiliates of more than 50% of the then outstanding Common Stock.

"Common Stock" means shares of the Company's Common Stock, par value \$0.0001.

"Convertible Securities" means any securities (directly or indirectly) convertible into or exercisable or exchangeable for Common Stock.

"Daily VWAP" means for any Trading Day, the per share volume-weighted average price of the Common Stock as displayed under the heading "Bloomberg VWAP" on Bloomberg page "GSAT <EQUITY>

VAP" (or, if such page is not available, its equivalent successor page) in respect of the period from the scheduled open of trading until the scheduled close of trading of the primary trading session on such Trading Day (or, if such volume-weighted average price is unavailable, the market value of one share of the Common Stock on such Trading Day, determined, using a volume-weighted average price method, by a nationally recognized independent investment banking firm selected by the Company).

"Original Issue Date" means December 7, 2023.

"Trading Day" means any day on which trading in the Common Stock generally occurs on the NYSE American (or such other principal national or regional stock exchange on which the Common Stock may be listed at such time). The Daily VWAP will be determined without regard to after-hours trading or any other trading outside of the regular trading session.

"Vesting Termination Date" shall mean the earlier of (i) December 7, 2028 and (ii) the date on which the Company shall undergo a Change of Control.

"Vesting Trigger Date" means the date on which the Initial Holder has advanced aggregate funds of Twenty Five Million Dollars (\$25,000,000.00) or more to the Company or a permitted third party pursuant to the terms of the Guaranty.

Section 2. Exercise; Vesting.

- a. Exercise; Vesting. Exercise of the purchase rights represented by this Warrant may be made, in whole or in part, (i) at any time or times on or after the Original Issue Date, with respect to the first Five Million (5,000,000) of the Warrant Shares and (ii) if the Vesting Termination Date has not occurred at any time on or after the Vesting Trigger Date, with respect to any Warrant Shares in excess of the initial Five Million (5,000,000) Warrant Shares, and, in each case, prior to the Termination Date by delivery to the Company (or such other office or agency of the Company as it may designate by notice in writing to the registered Holder at the address of the Holder appearing on the books of the Company) of a duly executed facsimile (or other electronic method) copy of the Notice of Exercise Form attached hereto as **Exhibit A**. Within two (2) Business Days following the date of exercise as aforesaid, the Holder shall deliver the Aggregate Exercise Price for the Warrant Shares specified in the applicable Notice of Exercise by wire transfer or cashier's check drawn on a United States bank. Notwithstanding anything herein to the contrary (although the Holder may surrender this Warrant to, and receive a replacement Warrant from, the Company), the Holder shall not be required to physically surrender this Warrant to the Company. After the Holder has purchased all of the Warrant Shares available hereunder and this Warrant has been exercised in full, this Warrant will be deemed cancelled. Partial exercises of this Warrant resulting in purchases of a portion of the total number of Warrant Shares available hereunder shall have the effect of lowering the outstanding number of Warrant Shares purchasable hereunder in an amount equal to the applicable number of Warrant Shares purchased. The Company shall maintain records showing the number of Warrant Shares purchased and the date of such purchases. The Company shall deliver any objection to any Notice of Exercise Form within one (1) Business Day of delivery of such notice. The Holder by acceptance of this Warrant, acknowledges and agrees that, by reason of the provisions of this paragraph, following the purchase of a portion of the Warrant Shares hereunder, the number of Warrant Shares available for purchase hereunder at any given time may be less than the amount stated on the face hereof.
- b. Exercise Price. The initial exercise price per share of the Common Stock under this Warrant (the **"Exercise Price"**) shall be the greater of (i) \$2.00 and (ii) the average of the five] (5) trailing Daily VWAPs ending on the Trading Day immediately preceding immediately preceding the first date on which the Guaranty has been approved by Company's stockholders in the manner required by the Certificate of Incorporation, subject to adjustment as provided herein.
- c. Mechanics of Exercise.
- i. Delivery of Warrant Shares Upon Exercise. Warrant Shares purchased hereunder shall be transmitted to the Holder by the Holder's transfer agent by crediting the account of the Holder's broker with The Depository Trust Company through its Deposit or Withdrawal at Custodian

system ("DWAC") if the Company is then a participant in such system, there is an effective registration statement registering the resale of the Warrant Shares by the Holder, or otherwise by notation of electronic book entry (including any notation of restrictive legend) in the records of the Company's transfer agent as specified by the Holder in the Notice of Exercise by the date that is two (2) Business Days after the latest of: (y) the delivery to the Company of the Notice of

Exercise; and (z) payment of the Aggregate Exercise Price as set forth above (such date, the "**Warrant Share Delivery Date**"). The Warrant Shares shall be deemed to have been issued, and Holder or any other Person so designated to be named therein shall be deemed to have become a holder of record of such shares for all purposes, as of the date this Warrant has been exercised, with payment to the Company of the Exercise Price and all taxes required to be paid by the Holder, if any, pursuant to Section 2(c)(iv) prior to the issuance of such shares, having been paid.

ii. **Delivery of New Warrants Upon Exercise.** If this Warrant shall have been exercised in part, the Company shall, at the request of a Holder and upon surrender of this Warrant, at the time of delivery of the Warrant Shares, deliver to the Holder a new Warrant evidencing the rights of the Holder to purchase the unpurchased Warrant Shares called for by this Warrant, which new Warrant shall in all other respects be identical to this Warrant.

iii. **Rescission Rights.** If the Company fails to issue and deliver the Warrant Shares to the Holder by the Warrant Share Delivery Date, then the Holder will have the right to rescind such exercise.

iv. **Charges, Taxes and Expenses.** Issuance of Warrant Shares shall be made without charge to the Holder for any issue or transfer tax or other incidental expense in respect of the issuance of such Warrant Shares including any charges of any clearing firm, all of which taxes and expenses shall be paid by the Company, and such Warrant Shares shall be issued in the name of the Holder or in such name or names as may be directed by the Holder; provided, however, that in the event Warrant Shares are to be issued in a name other than the name of the Holder, this Warrant when surrendered for exercise shall be accompanied by the Assignment Form attached hereto as **Exhibit B** duly executed by the Holder and the Company may require, as a condition thereto, the payment of a sum sufficient to reimburse it for any transfer tax incidental thereto.

v. **Closing of Books.** The Company will not close its stockholder books or records in any manner which prevents the timely exercise of this Warrant, pursuant to the terms hereof.

d. **Disputes.** In the case of a dispute as to the determination of the Exercise Price or the arithmetic calculation of the Warrant Shares, the Company shall promptly issue to the Holder the number of Warrant Shares that are not disputed.

Section 3. Certain Adjustments. The number of Warrant Shares issuable upon exercise of this Warrant shall be subject to adjustment from time to time as provided in this Section 3 (in each case, after taking into consideration any prior adjustments pursuant to this Section 3).

a. **Adjustment to Exercise Price and Warrant Shares Upon Dividend, Subdivision or Combination of Common Stock.** If the Company shall, at any time or from time to time after the Original Issue Date, (i) pay a dividend or make any other distribution upon the Common Stock or any other capital stock of the Company payable in shares of Common Stock or Convertible Securities, or (ii) subdivide (by any stock split, recapitalization or otherwise) its outstanding shares of Common Stock into a greater number of shares, the Exercise Price in effect immediately prior to any such dividend, distribution or subdivision shall be proportionately reduced and the number of Warrant Shares issuable upon exercise of this Warrant shall be proportionately increased. If the Company at any time combines (by combination, reverse stock split or otherwise) its outstanding shares of Common Stock into a smaller number of shares, the Exercise Price in effect immediately prior to such combination shall be proportionately increased and the number of Warrant Shares issuable upon exercise of this Warrant shall be proportionately decreased. Any adjustment under this Section 3(a) shall become effective at the close of business on the date the dividend, subdivision or combination becomes effective.

b. **Adjustment to Exercise Price and Warrant Shares Upon Reorganization, Reclassification, Consolidation or Merger.** In the event of any (i) capital reorganization of the Company, (ii) reclassification of the stock of

the Company (other than a **conflict change in par value** or **inconsistency between** from par value to no par value or from no par value to par value or as a result of a stock dividend or subdivision, split-up or combination of shares), (iii) consolidation or merger of the Company with or into another Person, (iv) sale of all or substantially all of the Company's assets to another Person or (v) other similar transaction (other than any such transaction covered by Section 3(a)), in each case which entitles the holders of Common Stock to receive (either directly or upon subsequent liquidation) stock, securities or assets with respect to or in exchange for Common Stock, each vested Warrant, and if the Vesting Termination Date has not occurred, each unvested warrant shall, immediately after such reorganization, reclassification, consolidation, merger, sale or similar transaction, remain outstanding and shall thereafter, in lieu of or in addition to (as the case may be) the number of Warrant Shares then exercisable under this **Agreement**, Warrant, be exercisable for the **SPA and** kind and number of shares of stock or other securities or assets of the Company or of the successor Person resulting from such transaction to which the Holder would have been entitled upon such reorganization, reclassification, consolidation, merger, sale or similar transaction if the Holder had exercised this Warrant in full immediately prior to the time of such reorganization, reclassification, consolidation, merger, sale or similar transaction and acquired the applicable number of Warrant Shares then issuable hereunder as a result of such exercise (without taking into account any limitations or restrictions on the exercisability of this Warrant); and, in such case, appropriate adjustment (in form and substance satisfactory to the Holder) shall be made with respect to the Holder's rights under this Warrant to insure that the provisions of this Section 3 hereof shall thereafter be applicable, as nearly as possible, to

this Warrant in relation to any shares of stock, securities or assets thereafter acquirable upon exercise of this Warrant (including, in the case of any consolidation, merger, sale or similar transaction in which the successor or purchasing Person is other than the Company, an immediate adjustment in the Exercise Price to the value per share for the Common Stock reflected by the terms of such consolidation, merger, sale or similar transaction, and a corresponding immediate adjustment to the number of Warrant Shares acquirable upon exercise of this Warrant without regard to any limitations or restrictions on exercise, if the value so reflected is less than the Exercise Price in effect immediately prior to such consolidation, merger, sale or similar transaction). The provisions of this Section 3(b) shall similarly apply to successive reorganizations, reclassifications, consolidations, mergers, sales or similar transactions. The Company shall not effect any such reorganization, reclassification, consolidation, merger, sale or similar transaction unless, prior to the consummation thereof, the successor Person (if other than the Company) resulting from such reorganization, reclassification, consolidation, merger, sale or similar transaction, shall assume, by written instrument substantially similar in form and substance to this Warrant and satisfactory to the Holder, the obligation to deliver to the Holder such shares of stock, securities or assets which, in accordance with the foregoing provisions, such Holder shall be entitled to receive upon exercise of this Warrant.

a. **Calculations.** All calculations under this Section 3 shall be made to the nearest cent or the **Forbearance Agreement**, nearest 1/100th of a share, as the case may be. For purposes of this Section 3, the number of shares of Common Stock deemed to be issued and outstanding as of a given date shall be the **terms** sum of the number of shares of Common Stock (excluding treasury shares, if any) issued and **conditions** outstanding.

b. **Notice to Holder.**

i. **Adjustment to Exercise Price.** Whenever the Exercise Price is adjusted pursuant to any provision of this **Agreement will prevail. The terms** Section 3, the Company shall promptly email to the Holder a notice setting forth the Exercise Price after such adjustment and **conditions** any resulting adjustment to the number of **Attachment 2** Warrant Shares and setting forth a brief statement of the **SPA** facts requiring such adjustment. The Holder may supply an email address to the Company and change such address.

ii. **Notice to Allow Exercise by Holder.** If: (A) the Company shall declare a dividend (or any other distribution in whatever form) on the Common Stock; (B) the Company shall declare a special nonrecurring cash dividend on the Common Stock; (C) the Company shall authorize the granting to all holders of the Common Stock rights or warrants to subscribe for or purchase any shares of capital stock of any class or of any rights; (D) the approval of any stockholders of the Company shall be required in connection with any Change in Control, any reclassification of the Common Stock, any consolidation or merger to which the Company is a party, any sale or transfer of all or substantially all of the assets of the Company, or any compulsory share exchange whereby the Common Stock is converted into other securities; or (E) the Company shall authorize the voluntary or involuntary dissolution, liquidation or winding up of the affairs of the Company,

then, in each case, the Company shall deliver to the Holder at its last address as it shall appear upon the Warrant Register of the Company, at least twenty (20) calendar days prior to the applicable record or effective date hereinafter specified, a notice stating: (x) the date on which a record is to be taken for the purpose of such dividend, distribution, redemption, rights or warrants, or if a record is not to be taken, the date as of which the holders of the Common Stock of record to be entitled to such dividend, distributions, redemption, rights or warrants are to be determined; or (y) the date on which such reclassification, consolidation, merger, sale, transfer or share exchange is expected to become effective or close, and the date as of which it is expected that holders of the Common Stock of record shall be entitled to exchange their shares of the Common Stock for securities, cash or other property deliverable upon such reclassification, consolidation, merger, sale, transfer or share exchange; **provided** that the failure to email such notice or any defect therein or in the emailing thereof shall not affect the validity of the corporate action required to be specified in such notice. The Holder shall remain entitled to exercise this Warrant during the period commencing on the date of such notice to the effective date of the event triggering such notice except as may otherwise be expressly set forth herein.

Section 4. Transfer; Representations of Holder.

a. **Transferability.** Subject to compliance with any applicable securities laws, this Warrant is transferable, in whole or in part, upon surrender of this Warrant at the principal office of the Company or its designated agent, together with a written assignment of this Warrant substantially in the form of the Assignment Form attached hereto as **Exhibit B** duly executed by the Holder or its agent or attorney and funds sufficient to pay any transfer taxes payable upon the making of such transfer; **provided, however,** the Initial Holder may not transfer any purchase rights subject to vesting under clause 2(a)(ii) until on or after the Guaranty Advance Date. As a condition to the effectiveness of any transfer or assignment, any subsequent Holder shall be required to make all representations and warranties and agree to all limitations on transfer set forth under this Warrant and the Guaranty to the Company in a writing acceptable to the Company. Further, the Company may require any Holder and proposed transferee or assignee to provide documentation sufficient to confirm such proposed transfer complies with such restrictions, including, without limitation, an opinion from counsel as to the lawfulness of such transfer or assignment, as a condition to the effectiveness of such transfer or assignment. Upon such surrender and, if required, such payment, the Company shall execute and deliver a new Warrant or Warrants in the name of the assignee or assignees, as applicable, and in the denomination or denominations specified in such instrument of assignment, and shall issue to the assignor a new Warrant evidencing the portion of this Warrant not so assigned, and this

Warrant shall promptly be cancelled. This Warrant, if properly assigned in accordance herewith, may be exercised by a new holder for the purchase of Warrant Shares without having a new Warrant issued.

- b. **New Warrants.** This Warrant may be divided or combined with other Warrants upon presentation hereof at the aforesaid office of the Company, together with a written notice specifying the names and denominations in which new Warrants are to be issued, signed by the Holder or its agent or attorney. Subject to compliance with Section 4(a), as to any transfer which may be involved in such division or combination, the Company shall execute and deliver a new Warrant or Warrants in exchange for this Warrant or Warrants to be divided or combined in accordance with such notice. All Warrants issued on transfers or exchanges shall be dated the initial issuance date of this Warrant and shall be identical with this Warrant except as to the number of Warrant Shares issuable pursuant thereto.
- c. **Warrant Register.** The Company shall register this Warrant, upon records to be maintained by the Company for that purpose (the "**Warrant Register**"), in the name of the record Holder hereof from time to time. The Company may deem and treat the registered Holder of this Warrant as the absolute owner hereof for the purpose of any exercise hereof or any distribution to the Holder, and for all other purposes, absent actual notice to the contrary.
- d. **Representations by the Holder.** As of the Original Issuance and on any day Warrant Shares are delivered, the Holder hereby represents and warrants to, the Company as follows:
 - i. the Holder is acquiring this Warrant and any Warrant Shares issuable upon exercise of this Warrant, for its own account and not with a view to or for distributing or reselling this Warrant or the Warrant Shares or any part thereof in violation of the Securities Act or any applicable state

securities law, except pursuant to sales registered or exempted under the Securities Act. Further, the Holder is an "accredited investor" as defined in Rule 501(a) under the Securities Act

- ii. the Holder understands that this Warrant and any Warrant Shares issuable upon the exercise of this Warrant have not been registered under the Securities Act or any state securities laws by reason of specific exemptions under the provisions thereof which depend in part upon the investment intent of the Holder and of the other representations made by the Holder hereunder. The Holder understands that the Company is relying upon the representations and agreements contained in this Guaranty (and any supplemental information) for the purpose of determining whether this transaction meets the requirements for such exemptions.
- iii. the Holder understands that this Warrant and any Warrant Shares issuable upon the exercise of this Warrant are "restricted securities" under applicable federal securities laws and that the Securities Act and the rules of the U.S. Securities and Exchange Commission (the "**Commission**") provide in substance that the Holder may dispose of this Warrant and any Warrant Shares issuable upon the exercise of this Warrant only pursuant to an effective registration statement under the Securities Act or an exemption from the registration requirements of the Securities Act. The Holder further acknowledges and agrees: (i) that it will not sell, assign, pledge, give, transfer, or otherwise dispose of this Warrant, any Warrant Shares issuable upon the exercise of this Warrant or any interest therein, or make any offer or attempt to do any of the foregoing, unless the transaction is registered under the Securities Act and complies with the requirements of all applicable state securities laws, or the transaction is exempt from the registration provisions of the Securities Act and all applicable requirements of state securities laws; (ii) that any certificates representing such securities will bear a legend making reference to the foregoing restrictions; and (iii) that the Company and its affiliates shall not be required to give effect to any purported transfer of such securities, except upon compliance with the foregoing restrictions.

Section 5. Non-circumvention. The Company hereby covenants and agrees that the Company will not by any action, including, without limitation, by amendment of its Certificate of Incorporation, Bylaws or through any reorganization, transfer of assets, consolidation, merger, scheme of arrangement, dissolution, issue or sale of securities, or any other voluntary action, avoid or seek to avoid the observance or performance of any of the terms of this Warrant, and will at all times in good faith carry out all the provisions of this Warrant and take all action as may be required to protect the rights of the Holder as set forth in this Warrant against impairment. Without limiting the generality of the foregoing, the Company: (i) shall not increase the par value of any Warrant Shares above the amount payable therefor upon such exercise immediately prior to such increase in par value; (ii) shall take all such actions as may be necessary or appropriate in order that the Company may validly and legally issue fully paid and nonassessable shares of Common Stock upon the exercise of this Warrant; and (iii) shall use commercially reasonable efforts to obtain all such authorizations, exemptions or consents from any public regulatory body having jurisdiction thereof, as may be, necessary to enable the Company to perform its obligations under this Warrant.

Section 6. Miscellaneous.

- a. **No Rights as Stockholder Until Exercise.** This Warrant does not entitle the Holder to any voting rights, dividends or other rights as a stockholder of the Company prior to the exercise hereof other than as explicitly set forth in Section 3.

- b. Loss, Theft, Destruction or Mutilation of Warrant. The Company covenants that upon receipt by the Company of evidence reasonably satisfactory to it of the loss, theft, destruction or mutilation of this Warrant or any stock certificate relating to the Warrant Shares, and in case of loss, theft or destruction, of indemnity or security reasonably satisfactory to it, and upon surrender and cancellation of such Warrant or stock certificate, if mutilated, the Company will make and deliver a new Warrant or stock certificate of like tenor and dated as of such cancellation, in lieu of such Warrant or stock certificate.
- c. Saturdays, Sundays, Holidays, etc. If the last or appointed day for the taking of any action or the expiration of any right required or granted herein shall not be a Business Day, then,

such action may be taken or such right may be exercised on the next succeeding Business Day.

- d. Authorized Shares and Listing. The Company covenants that, during the period this Warrant is outstanding, it will reserve from its authorized and unissued Common Stock, free of preemptive rights, a sufficient number of shares to satisfy the exercise of any then exercisable Warrant Shares issuable hereunder. The Company further covenants that its issuance of this Warrant shall constitute full authority to its officers who are charged with the duty of executing stock certificates to execute and issue the necessary certificates or make other necessary instructions for the issuance of the Warrant Shares upon the exercise of the purchase rights under this Warrant. The Company will take such commercially reasonable action as may be necessary to assure that such Warrant Shares may be issued as provided herein without violation of any applicable law or regulation, or of any requirements of any trading market upon which the Common Stock may be listed. The Company covenants that all Warrant Shares which may be issued upon the exercise of the purchase rights represented by this Warrant will, upon exercise of the purchase rights represented by this Warrant and payment for such Warrant Shares in accordance herewith, be duly authorized, validly issued, fully paid and non-assessable and free from all taxes, liens and charges created by the Company in respect of the issue thereof (other than taxes in respect of any transfer occurring contemporaneously with such issue).

Before taking any action which would result in an adjustment in the number of Warrant Shares for which this Warrant is exercisable or in the Exercise Price, the Company shall use commercially reasonable efforts to obtain all such authorizations or exemptions thereof, or consents thereto, as may be necessary from any public regulatory body or bodies having jurisdiction thereof.

The Company shall promptly secure the listing of the Warrant Shares issuable upon exercise of this Warrant on the market or exchange on which the Common Shares are traded or listed, if any, and shall maintain, so long as any other Common Shares shall be so traded or listed, such listing of all Warrant Shares from time to time issuable upon the exercise of this Warrant.

- e. Governing Law. All questions concerning the construction, validity, enforcement and interpretation of this Warrant shall be determined in accordance with the internal laws of the State of New York without giving effect to any choice or conflict of law provision or rule (whether of the State of New York or any other jurisdiction) that would cause the application of laws of any jurisdiction other than those of the State of New York.
- f. Jurisdiction. Any legal suit, action or proceeding arising out of or based upon this Warrant or the transactions contemplated hereby shall be instituted in the federal courts of the United States of America or the courts of the State of New York, in each case located in the city of New York City, borough of Manhattan, and County of New York, exclusively.
- g. Restrictions. The Holder acknowledges that the Warrant Shares acquired upon the exercise of this Warrant, if not registered, may have restrictions upon resale imposed by state and federal securities laws.
- h. Non-waiver and Expenses. No course of dealing or any delay or failure to exercise any right hereunder on the part of Holder shall operate as a waiver of such right or otherwise prejudice the Holder's rights, powers or remedies. Without limiting any other provision of this Warrant or the Second Lien Financing Agreement, if the Company willfully and knowingly fails to comply with any provision of this Warrant, which results in any material damages to the Holder, the Company shall pay to the Holder such amounts as shall be sufficient to cover any costs and expenses including, but not limited to, reasonable attorneys' fees, including those of appellate proceedings, incurred by the Holder in collecting any amounts due pursuant hereto or in otherwise enforcing any of its rights, powers or remedies hereunder.
- i. Notices. All notices, requests, demands and other communications under or relating to this Guaranty must be in writing, are deemed to make a party "aware" for all purposes

herein, and will be deemed given (a) when delivered personally, by hand (with written confirmation of receipt), (b) when sent by facsimile or email (with written confirmation of transmission), (c) one Business Day following the day sent by reputable, internationally recognized overnight courier (with written confirmation of receipt), or (d) upon receipt of confirmation of delivery when sent by registered or certified mail (return receipt requested), postage prepaid, in each case to the parties at the following addresses or facsimile numbers (or at such other address for a party as such party specifies by like notice given to the other parties hereto pursuant to this provision):

If to the Initial Holder

Thermo Funding II, LLC
1735 19th Street, #200
Denver, CO 80202
Attention: James Monroe III and Timothy Taylor
Email: jay@thermoco.com and tim@thermoco.com

If to the Company

Globalstar, Inc
1351 Holiday Square Blvd
Covington, LA
Attention: Rebecca Clary
Email: rebecca.clary@globalstar.com

- j. Limitation of Liability. No provision hereof, in the absence of any affirmative action by the Holder to exercise this Warrant to purchase Warrant Shares, and no enumeration herein of the rights or privileges of the Holder, shall give rise to any liability of the Holder for the purchase price of any Common Stock or as a stockholder of the Company, whether such liability is asserted by the Company or by creditors of the Company.
- k. Remedies. The Holder, in addition to being entitled to exercise all rights granted by law, including recovery of damages, will be entitled to specific performance of its rights under this Warrant. The Company agrees that monetary damages would not be adequate compensation for any loss incurred by reason of a breach by it of the provisions of this Warrant and hereby agrees to waive and not to assert the defense in any action for specific performance that a remedy at law would be adequate or that there is no irreparable harm and not to require the posting of a bond or other security.
- l. Successors and Assigns. Subject to applicable securities laws, this Warrant and the rights and obligations evidenced hereby shall inure to the benefit of and be binding upon the successors and permitted assigns of the Company and the successors and permitted assigns of Holder. The provisions of this Warrant are intended to be for the benefit of any Holder from time to time of this Warrant and shall be enforceable by the Holder or holder of Warrant Shares.
- m. Amendment. This Warrant may be modified or amended or the provisions hereof waived with the written consent of the Company and the Holder.
- n. Severability. Wherever possible, each provision of this Warrant shall be interpreted in such manner as to be effective and valid under applicable law, but if any provision of this Warrant shall be prohibited by or invalid under applicable law, such provision shall be ineffective to the extent of such prohibition or invalidity, without invalidating the remainder of such provisions or the remaining provisions of this Warrant.

[THE REMAINDER OF THIS PAGE IS INTENTIONALLY LEFT BLANK]

IN WITNESS WHEREOF, the Company has caused this Warrant to be executed by its officer thereunto duly authorized as of the date first above indicated.

GLOBALSTAR, INC.

By: /s/

Name: Rebecca Clary
Title: VP and Chief Financial Officer

THERMO FUNDING II, LLC

By:
Name: James Monroe III
Title: Manager

[SIGNATURE PAGE TO COMMON STOCK PURCHASE WARRANT]

indicated. IN WITNESS WHEREOF, the Company has caused this Warrant to be executed by its officer thereunto duly authorized as of the date first above

GLOBALSTAR, INC.

By:
Name:
Title:

THERMO FUNDING II, LLC

By: /s/
Name: James Monroe III
Title: Manager

[SIGNATURE PAGE TO COMMON STOCK PURCHASE WARRANT]

EXHIBIT A
NOTICE OF EXERCISE

TO: GLOBALSTAR, INC.

1. The undersigned hereby elects to purchase Warrant Shares of the Company pursuant to the terms of the Warrant, and tenders herewith payment of the exercise price in full, together with all applicable transfer taxes, if any.
2. Payment shall take the form of lawful money of the United States.
3. Please issue said Warrant Shares in the name of the undersigned or in such other name as is specified below:

The Warrant Shares shall be delivered to the following DWAC Account Number or by notation of electronic book entry in the records of the Company's transfer agent to:

[SIGNATURE OF HOLDER]

Name of Investing Individual:

Signature:

Date:

EXHIBIT B

ASSIGNMENT FORM

(To assign the foregoing warrant, execute this form and supply required information.
Do not use this form to exercise the warrant.)

--

FOR VALUE RECEIVED, [all]] of the rights to purchase Warrant Shares under the foregoing Warrant and all other rights evidenced thereby are hereby assigned to

whose address is

Dated: ,

In connection with any transfer or exchange of any of the Warrant, the undersigned confirms that such Warrant (or portion thereof) is being transferred:

CHECK ONE BOX BELOW:

- ☐ (1) to the Company;
- ☐ (2) pursuant to an effective registration statement under the Securities Act of 1933;
- ☐ (3) to a person who the undersigned reasonably believes is a "qualified institutional buyer" (as defined in Rule 144A under the Securities Act of 1933) that is purchasing for its own account or for the account of a qualified institutional buyer to whom notice is given that such transfer is being made in compliance with Rule 144A, in each case pursuant to and in compliance with Rule 144A under the Securities Act of 1933;
- ☐ (4) outside the United States in an offshore transaction within the meaning of Regulation S under the Securities Act in compliance with Rule 904 under the Securities Act of 1933;
- ☐ (5) to an affiliate of the Holder for no consideration; or
- ☐ (6) pursuant to another available exemption from the registration requirements of the Securities Act of 1933.

Unless one of the boxes is checked, the Company will refuse to register any of the foregoing Warrant in the name of any person other than the Holder, and the Company may require, prior to registering any such transfer of the Warrant, in its sole discretion, such legal opinions, certifications and other information as the Company may reasonably request to confirm that such transfer is being made pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act of 1933, such as the exemption provided by Rule 144.

Holder's Signature:

Holder's Address:

NOTE: The signature to this Assignment Form must correspond with the name as it appears on the face of the Warrant, without alteration or enlargement or any change whatsoever. Officers of corporations and those acting in a fiduciary or other representative capacity should file proper evidence of authority to assign the foregoing Warrant.

Exhibit 19.1

Revised October 2023

Globalstar, Inc.
Amended and Restated
Insider Trading Policy

Exhibit 19.1

OBJECTIVE

This Insider Trading Policy (sometimes, hereinafter, "ITP") is designed to help you understand the nature and scope of the federal insider trading laws and the serious consequences of violating these laws. It also describes certain prohibited transactions in the securities of Globalstar, Inc. ("Globalstar" or the "Company") and other companies.

SCOPE

This policy applies to every member of the board of directors, all officers, employees, contract employees, consultants and agents of the Company and its subsidiaries.

INSIDER TRADING

The insider trading laws prohibit both (a) buying or selling securities of any company while in possession of material non-public information (as defined below) about that company, and (b) passing such information on to others who might purchase or sell securities on the basis of the information. These laws apply not only to trading in the Company's common stock (and any other Company securities, including options on stock), but also to trading in the securities of other companies about which the person doing the trading has acquired material, non-public information. In general, information is deemed to be material if there is a substantial likelihood that a reasonable investor would consider the information important in making an investment decision. The information must be both material and non-public. More precise meanings, for these purposes, of "material" and "non-public" are discussed below under "DEFINITIONS."

THE POLICY

A. Globalstar's Policy Regarding

Trading in Securities is as Follows:

1. If you have material non-public information relating to the Company or information that might affect the market value of securities of any other company that is acquired in the course of your employment or other relationship with the Company, neither you nor any family member may buy or sell the Company's securities, or the securities of the other company, or engage in any other actions to take advantage of, or pass on to others, that information until such information is publicly disclosed as discussed below.

2. Directors, officers and other personnel who regularly have access to or generate material non-public information are subject to additional restrictions on the purchase and sale of the Company's securities. These restrictions are appended to this policy.

Exhibit 19.1

3. You bear the individual responsibility for following this policy and avoiding improper transactions or the appearance of improper transactions.

4. The Company may adopt additional restrictions or limitations applicable to some or all employees.

5. You must complete and execute the certification at the end of this policy.

6. Any questions regarding this policy should be directed to L. Barbee Ponder IV, Vice President and General Counsel, or to Richard S. Roberts, Corporate Secretary.

B. Additional Prohibited Transactions

The Company considers it improper for any Company personnel to engage in short-term or speculative transactions involving the Company's securities. It also is the Company's policy that directors, officers, employees (including without limitation contract employees and consultants), and agents may not engage in any of the following activities with respect to the Company's securities at any time:

- Short sales (a sale of securities that are not owned by the seller at the time of the sale), including short sales against the box.
- Buying or selling puts or calls.
- Frequent trading (for example, daily or weekly) to take advantage of fluctuations in stock prices.

In addition, because purchasing of the Company's securities on margin can raise potential problems under the securities laws, it is strongly suggested that you consult with Company legal counsel before purchasing or selling the Company's securities in margin accounts.

C. Transactions by Family Members

The same restrictions that apply to you also apply to your family members. Each director, officer, employee and agent is individually responsible for his or her immediate family's and each personal household member's compliance with the terms of this Agreement, policy.

In the context of insider trading, there is no precise definition of family member. Your spouse and any person living in your household (whether or not related to you) definitely are included, as are children temporarily living away from home. Adult relatives of you and your spouse (parents, grown children, siblings, etc.) who do not live with you may or may not be beyond your control, depending on facts and circumstances. Bear in mind, however, that transactions by these persons are likely to be suspect in an insider trading investigation. Therefore, it is crucial that you do not disclose confidential information concerning the Company to anyone, including members of your household and your extended family.

Exhibit 19.1

D. Equity Incentive Plan Transactions

Employee benefit plan transactions present special issues any time you possess material non-public information.

1. Stock options *mutatis mutandis* - Generally, a stock option **exercise** is not likely to violate the insider trading rules because the exercise price was set when the option was granted.

2. Restricted stock awards or units - When a restricted stock award or unit vests, the Company, by default, will initiate a sell-to-cover transaction resulting in the sale of shares sufficient to cover the tax withholding. This Company-initiated sell-to-cover transaction is not considered a violation as the vesting generally occurs automatically on the anniversary date of the grant.

Furthermore, if you possess material non-public information, the sale of the stock acquired by exercise, the sale of stock of a previously-granted option or the sale of stock acquired upon vesting of a restricted stock award or unit (except in a sell-to-cover transaction as described above) will result in a violation. Because of the complexity of the rules, if you believe you may possess material non-public information, you should seek advice from the Company's legal counsel or its Corporate Secretary **before engaging in any benefit plan transaction involving the Company's securities**.

Acknowledged and agreed by their duly authorized representatives. DEFINITIONS

Globalstar, Inc.

By: This policy on insider trading prohibits, among other things, buying or selling the Company's securities *or the securities of any other company* while in possession of material non-public information, or passing on such information ("tipping") to others who buy or sell the Company's securities or the securities of any other company.

Name: ***Material information*** is any information that a *reasonable investor would consider significant* in making a decision to buy, sell or hold the securities of a company. Another way to express it is, **any information which reasonably could be expected to affect, whether positively or negatively, the price a typical third-party investor would be willing to pay or accept for the Company's stock or other securities is "material" information**. Although it is impossible to provide a complete list, some examples of information that frequently are deemed to be "material" are:

- Date:**
- financial results, reports or projections
 - news of a pending or proposed merger, acquisition, divestiture, tender offer or financing transaction
 - changes in top management
 - changes in dividend policy, declarations of stock splits or offerings of securities
 - calls, redemptions or purchases of the Company's securities

Exhibit 19.1

- changes in prices or demand for the Company's products or services, or changes in the Company's cost structure
- gain or loss of a substantial customer or supplier
- significant new orders, products or services or other changes in operations
- decisions or discussions relating to opening additional facilities or closing existing facilities
- significant litigation or governmental investigation or other governmental action
- initiation or settlement of labor negotiations or disputes, strikes or lockouts

Non-public information is any information that has *not been disclosed generally to the marketplace* or the investing public. Information becomes public when it has been released through appropriate channels, such as a press release, governmental filing or statement from a senior officer. This information is still considered to be non-public until enough time has elapsed after such a release for the investing public to evaluate the information. At that point - and not before - the information is considered "public." **ALL information that you learn about the Company (or any other company) in connection with your employment or other relationship with the Company is "insider" information until it has become public in the sense described above.**

Tipping is the passing along of material non-public information to others. Penalties for tipping apply whether or not you derive benefit from another's actions. Recommending that others buy or sell stock or other securities, *even without telling them why*, can still be unlawful if, at the time you recommend, you are in possession of, or are in a position to be in possession of, material non-public information about the issuer of the security.

Macdonald, Dettwiler and Associates Corporation

By:

Name: ENFORCEMENT OF THE INSIDER TRADING LAWS

Date: The Securities and Exchange Commission (the "SEC"), the U.S. Department of Justice, the NASDAQ Stock Market and private litigants vigorously pursue violations of insider trading laws. Although most of the publicity about insider trading centers around violations by individuals, federal law also imposes liability on companies and on "controlling persons" for insider trading violations by company personnel. The Company's reputation for integrity and ethical conduct is extremely important to all of us. None of us can afford to have that reputation damaged by even the appearance of improper conduct by anyone employed by or associated with our company.

Rocket Lab USA, Inc. THE SERIOUS CONSEQUENCES OF VIOLATING

By:

Name: THE INSIDER TRADING LAWS

Date: The penalties for insider trading law violations are significant:

Exhibit 19.1

Individuals who trade on inside information, and those who "tip" information to others who then trade, are subject to:

- Repayment (also referred to as "disgorgement") of any profit gained or *loss avoided*;
- A civil penalty (in addition to disgorgement) of up to three times the profit gained or loss avoided;
- A criminal fine (no matter how small the profit) of up to \$5 million; and
- A jail term of up to 20 years.

Companies (as well as certain supervisory persons) who fail to take appropriate steps to *prevent* insider trading are subject to:

- A civil penalty of the greater of \$1.275 million or three times the profit gained (or loss avoided) as a result of the employee's violation;
- A criminal penalty of up to \$25 million; and
- Injunctions or cease-and-desist orders prohibiting future violations.

In addition, persons who violate this ITP, *or who refuse to certify compliance with it*, will be subject to appropriate disciplinary action up to and including immediate dismissal for cause. The Company may also refer potential violations of law to appropriate authorities.

Any of the above consequences, or even an SEC investigation that does not result in legal action, can tarnish the Company's reputation and irreparably damage the careers of those involved.

DETECTION OF INSIDER TRADING VIOLATIONS

The SEC and the national and regional stock exchanges employ state-of-the-art trading surveillance techniques, so there is a *strong likelihood that insider trading will be detected and prosecuted*—even if it does not involve a great deal of money. The SEC may seek jail time for an offender even when the insider profits are not huge. In addition, the United States Insider Trading Protection Act contains bounty provisions that reward individuals who turn in violators of the insider trading laws. This added incentive makes it even more likely that insider trading will be discovered and punished. If you discover an instance of suspected insider trading, you may report it on the Company's EthicsPoint® Web site.

SAFEGUARDING CONFIDENTIAL INFORMATION

As an employee or agent of the Company, you are legally obligated to the Company to treat all sensitive, non-public information about the Company (or any third party's business or dealings with the Company that comes to you in the course of your employment) as confidential and proprietary to the Company. You may not disclose that information to others (such as family members, relatives, business or

Exhibit 19.1

social acquaintances) who do not have a legitimate need to know the information for company business reasons. You must treat all such information carefully and avoid its inadvertent or indirect disclosure. Even within the Company, confidential information should be distributed to or discussed with others only on a need-to-know basis, and the person receiving the information should be told that it is confidential. Be careful that your conversations are not overheard on elevators, airplanes or other public places; do not leave confidential documents on copiers, facsimile machines, conference tables, desks, computers, tablets, or smart phone displays unguarded. Take whatever steps are reasonably necessary to keep any and all confidential information from being disclosed.

In addition, you must be especially alert to any inquiries about the Company that are made by the financial press, investment analysts, or others in the media or financial community. All such communications on behalf of the Company must be made through an appropriately designated officer under carefully controlled circumstances. Unless you are expressly authorized to the contrary, if you receive any inquiries of this nature, you should decline comment and refer the inquirer to Barbee Ponder, or in his absence to Rebecca Clary. In the event that you cannot reach either of them, you should call Rick Roberts on his mobile phone number, which is (513) 503-7900 and leave a substantive message.

RULE 10b5-1 PLANS

Rule 10b5-1 under the Exchange Act provides a defense from insider trading liability under Rule 10b-5. In order to be eligible to rely on this defense, a person subject to this Policy must enter into or modify a Rule 10b5-1 plan for transactions in Company securities that meets certain conditions specified in the rule (a "Rule 10b5-1 Plan"). If the plan meets the requirements of Rule 10b5-1, Company securities may be purchased or sold without regard to certain insider trading restrictions. To comply with this ITP, entry into or modification of a Rule 10b5-1 Plan must be approved by L. Barbee Ponder (or, in his absence, Rebecca Clary) and meet the requirements of Rule 10b5-1 and the Company's "Guidelines for Rule 10b5-1 Plans," which is attached as Annex Two to this ITP. If a person enters into, modifies or, in some cases, terminates a Rule 10b5-1 Plan when he or she is in possession of particular material nonpublic information, the plan will not provide a defense from Rule 10b-5 liability arising from that information. Once the plan is adopted, the person must not exercise any influence over the amount of securities to be traded, the price at which they are to be traded or the date of the trade. The plan must either specify the amount, pricing and timing of transactions in advance or delegate discretion on these matters to an independent third party.

Any Rule 10b5-1 Plan must be submitted for approval five business days prior to the entry into the Rule 10b5-1 Plan. No further pre-approval of transactions conducted pursuant to the Rule 10b5-1 Plan will be required.

A FINAL WORD OF CAUTION

Any transaction that becomes the subject of an insider trading inquiry will be viewed by the SEC and the courts with 20-20 hindsight. Therefore, you must

Exhibit 19.1

consider the appearance of any transaction both now and in the future. **If you have any questions at all about the propriety of a transaction, you should contact Company legal counsel for advice before any trading in any of the Company's securities.**

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APPENDIX ONE TO ITP

ADDITIONAL TRADING RESTRICTIONS FOR MEMBERS OF THE BOARD OF DIRECTORS, OFFICERS AND KEY PERSONNEL

Globalstar has adopted a policy prohibiting insider trading and certain other securities transactions. That policy applies to all of our personnel. In addition to the general provisions of the policy, all members of the Company's board of directors, all officers above the level of departmental directors (except those corporate level officers, if any, who have not been designated as "executive" officers) and certain other persons (regardless of level of employment) whether full or part-time employees, contractors, or consultants who regularly have access to, or generate, material non-public information (such further restricted persons sometimes being referred to collectively in the ITP for convenience as "key personnel"), are subject to the following additional restrictions on the purchase and sale of the Company's securities.

Violations of this type always are examined with 20-20 hindsight, usually by people who do not know you or the Company. As a consequence, even the appearance of impropriety can severely damage both you and the Company. Therefore, during the "blackout period" described in paragraph 1 below, members of the board of directors, non-excluded officers, and other key personnel (as explained in the preceding paragraph) are strictly prohibited from trading in the Company's securities, regardless of whether they do, in fact, possess material non-public information. These are additional trading restrictions adopted by the Company to guard against even the appearance of impropriety. They are *in addition to and not in substitution for the prohibitions on insider trading that apply to all Company personnel*. Therefore, if you are a member of the board of directors, a non-excluded corporate level officer, or have been designated a key person, you must, in addition to abiding at all times by the Globalstar insider trading policy, adhere to the following trading restrictions, even if your trade would not, but for these restrictions, violate the insider trading policy:

1. Except as described in paragraph 3, below, neither you nor any person living in your household may buy or sell the Company's securities for a period beginning the calendar day immediately prior to the last day of any fiscal quarter and ending following the completion of two full business days after results for the prior quarter are publicly released (the "Blackout Period"). If you have questions about what is or is not a business day, ask Barbee Ponder or Rebecca Clary.

2. Except as described in paragraph 3, below, if you desire to purchase or sell the Company's securities at any time outside of the Blackout Period, you must notify L. Barbee Ponder (or, in his absence, either Rebecca Clary or Rick Roberts) at least two business days in advance of the transaction and preclear the transaction with the person you have contacted. If you do not speak directly with one of these persons, it is your responsibility to make certain that the person you have attempted to notify has actually received your message and read or listened to it in a timely way. In addition, Section 16 directors and officers must also notify

the Company's outside securities legal counsel, Taft, Stettinius & Hollister, attention Arthur McMahon, at least two business days in advance of trading so that legal counsel can prepare and file a timely SEC Form 4 for your transaction.

3. Purchases and sales of securities of the Company made pursuant to a Rule 10b5-1 Plan are permitted during the Blackout Period and do not require preclearance. In addition, a majority of the disinterested members of the Board of Directors of the Company may approve a proposed purchase or sale of the Company's securities by a person subject to these restrictions during a Blackout Period if they determine in their reasonable, good faith discretion, that (i) such person is not in possession of material nonpublic information about the Company at the time of determination and will not be in possession of such information at the time of the proposed purchase or sale and (ii) such person demonstrates a need to complete such purchase or sale before the end of the applicable Blackout Period.

Key personnel may be designated according to name, position or both. The General Counsel or Chief Financial Officer reviews the list of key personnel at least quarterly and sends any revisions to the list to the Stock Plan Administrator. If you are a member of the Company's board of directors, a non-excluded officer of the Company, or otherwise designated as key personnel, you will be notified approximately one week prior to the start of a Blackout Period that a Blackout Period is approaching. At such time, you are required to acknowledge your compliance with this policy by either submitting a signed certification (included herein) or certifying your acknowledgement via email.

These restrictions are in addition to the legal requirements that may otherwise apply to your transactions in the Company's securities, such as Securities Act Rule 144; the reporting, short-swing profit and prohibited transaction provisions under Section 16 of the Securities Exchange Act; and the prohibition on purchases while the Company is distributing securities of the same class. Company legal counsel, both corporate and outside, is available to advise you further about any of these matters.

APPENDIX TWO TO ITP

GUIDELINES FOR RULE 10b5-1 PLANS

Rule 10b5-1 under the Exchange Act provides a defense from insider trading liability under Rule 10b-5. In order to be eligible to rely on this defense, a person subject to this Policy must enter into a Rule 10b5-1 plan for transactions in securities of the Company that meets certain conditions specified in the Rule (a "Rule 10b5-1 Plan").

If the plan meets the requirements of Rule 10b5-1, securities of the Company may be purchased or sold without regard to certain insider trading restrictions. As discussed above, transactions effected pursuant to a Rule 10b5-1 Plan will not be subject to the Blackout Periods described in this ITP. If a person enters into, modifies or in some cases, terminates a Rule 10b5-1 Plan when he or she is in possession of material nonpublic information, the plan will not provide a defense from Rule 10b-5 liability arising from that information. Once the plan is adopted, the person must not exercise any influence over the amount of securities to be traded, the price at which they are to be traded or the date of the trade. The plan must either specify the amount, pricing and timing of transactions in advance or delegate discretion on these matters to an independent third party.

As specified in the Company's Insider Trading Policy, entry into or modification of a Rule 10b5-1 Plan must be approved by L. Barbee Ponder (or, in his absence, either Rebecca Clary or Rick Roberts) and meet the requirements of Rule 10b5-1 and these guidelines. Any Rule 10b5-1 Plan must be submitted for approval five business days prior to the entry into the Rule 10b5-1 Plan. No further pre-approval of transactions conducted pursuant to the Rule 10b5-1 Plan will be required.

The following guidelines apply to all Rule 10b5-1 Plans:

- You may not enter into or modify a trading program during a Blackout Period or while in possession of material nonpublic information.
- All Rule 10b5-1 Plans must have a duration of at least 6 months and no more than 2 years.

·Any entry into or modification of a Rule 10b5-1 Plan must be made in good faith and not as part of a plan or scheme to evade applicable, and a person who has entered into a Rule 10b5-1 Plan must at all times act in good faith respect to such 10b5-1 Plan.

·For directors and officers of the Company, each Rule 10b5-1 Plan must include a representation that such director or officer is (i) not aware of material non-public information about the Company or its securities and (ii) adopting the Rule 10b5-1 Plan in good faith and not as a scheme to evade the prohibitions of Rule 10b-5.

·If a Rule 10b5-1 Plan is terminated, you must wait at least 30 calendar days before trading outside of the Rule 10b5-1 Plan.

Exhibit 19.1

·Before trading can commence, you must comply with the following mandatory cooling-off period after the adoption or modification of a Rule 10b5-1 Plan:

oOfficers and Directors: the later of (i) 90 days after adoption or modification and (ii) two business days after the disclosure of the Company's financial results for the fiscal quarter in which the Rule 10b5-1 Plan was adopted or modified (not to exceed 120 days); and

oAll Other Company Personnel: 30 days after adoption or modification.

·Each director, officer and other Section 16 insider understands that the approval or adoption of a preplanned trading program in no way reduces or eliminates such person's obligations under Section 16 of the Exchange Act, including such person's disclosure and short-swing trading liabilities thereunder. If any questions arise, such person should consult with their own counsel in implementing a Rule 10b5-1 Plan.

·Unless you qualify for certain limited exceptions under Rule 10b5-1, you may not have more than one Rule 10b5-1 Plan in effect at any time. You must contact Barbee Ponder if you would like to enter into a Rule 10b5-1 Plan while you are already party to a Rule 10b5-1 Plan.

Additionally, Rule 10b5-1 generally restricts the availability of the defense to one single Rule 10b5-1 Plan during any 12-month period, even when such plans to do not overlap.

Each person subject to this ITP shall provide L. Barbee Ponder (or, in his absence, Rebecca Clary) with (i) written notice at any time such person adopts, amends, revises, modifies or terminates a Rule 10b5-1 Plan, (ii) a copy of the Rule 10b5-1 Plan and (iii) a description of its material terms, including the date of adoption, the duration and the aggregate number of securities to be sold or purchased.

Exhibit 19.1

RECEIPT AND CERTIFICATION

TO: Globalstar General Counsel and
Globalstar Chief Financial Officer

RE: Insider Trading Policy

I certify that I have received and read in its entirety Globalstar's Insider Trading Policy and that I will comply with this policy in all respects. I further acknowledge that I am subject to the additional trading restrictions stated in the attached Appendix One.

Signature:

Printed Name:

Dated:

Exhibit 21.1

Subsidiaries of Globalstar, Inc.

As of ~~December 31, 2022~~ December 31, 2023, the subsidiaries of Globalstar, Inc., their jurisdiction of organization and the percent of their voting securities owned by their immediate parent entity were as follows:

Subsidiary	Organized Under Laws of	% of Voting Securities Owned by Immediate Parent
GSSI, LLC	Delaware	100%
ATSS Canada, Inc.	Delaware	100%
Globalstar Brazil Holdings, L.P.	Delaware	100%
Globalstar do Brasil Holdings Ltda.	Brazil	100%
Globalstar do Brasil Ltda.	Brazil	100%
Globalstar Japan K.K.	Japan	100%
Globalstar Satellite Services Pte., Ltd	Singapore	100%
Globalstar Communications Mongolia LLC	Mongolia	100%
Globalstar Satellite Services Pty., Ltd	South Africa	70%
Globalstar C, LLC	Delaware	100%
Globalstar Leasing LLC	Delaware	100%
Globalstar Licensee LLC	Delaware	100%
Globalstar Security Services, LLC	Delaware	100%
Globalstar USA, LLC	Delaware	100%
GUSA Licensee LLC	Delaware	100%
Globalstar Canada Satellite Co.	Canada	100%
Globalstar de Venezuela, C.A.	Venezuela	100%
Globalstar Colombia, Ltda.	Colombia	100%
Globalstar Caribbean Ltd.	Cayman Islands	100%
Globalstar Republica Dominicana, S.A.	Dominican Republic	100%
GCL Licensee LLC	Delaware	100%
Globalstar Americas Acquisitions, Ltd.	British Virgin Islands	100%
Globalstar Americas Holding Ltd.	British Virgin Islands	100%
Globalstar Gateway Company S.A.	Nicaragua	100%
Globalstar Americas Telecommunications Ltd.	British Virgin Islands	100%
Globalstar Honduras S.A.	Honduras	100%
Globalstar Nicaragua S.A.	Nicaragua	100%
Globalstar de El Salvador, SA de CV	El Salvador	100%
Globalstar Panama Corp.	Panama	100%
Globalstar Guatemala S.A.	Guatemala	100%
Globalstar Belize Ltd.	Belize	100%
Astral Technologies Investment Ltd.	British Virgin Islands	100%
Astral Technologies Nicaragua S.A.	Nicaragua	100%
SPOT LLC	Colorado	100%
Globalstar Media, LLC	Louisiana	100%
Globalstar Broadband Services, Inc.	Delaware	100%

Subsidiary	Organized Under Laws of	% of Voting Securities Owned by Immediate Parent
The World's End (Pty) Ltd.	Botswana	100%
Globaltouch West Africa Limited	Nigeria	30%
Globalstar International, LLC	Delaware	100%
Globalstar Telecomunicaciones Perú S.A.C.	Peru	100%
Global Star Majan LLC	Oman	100%
Globalstar Japan, Inc.	Japan	51%
Mobile Satellite Services Australia Pty. Ltd.	Australia	100%
Globalstar (Thailand) Ltd.	Thailand	100%
GSAT NZ Limited	New Zealand	100%
Globalstar Netherlands B.V.	Netherlands	100%
Globalstar GE, SL	Equatorial Guinea	100%
Mobile Satellite Services B.V.	Netherlands	100%
Globalstar Europe, S.A.S.	France	100%
Globalstar Gabon S.A.	Gabon	100%
Globalstar Europe Satellite Services, Ltd.	Ireland	100%
Globalstar Holding US, LLC	Delaware	100%
Globalstar Slovakia, S.R.O.	Slovakia	100%
Globalstar Argentina S.R.L.	Argentina	100%
GSAT Bucharest S.R.L.	Romania	100%
Mobile Satellite Services Mexico S. de R.L. de C.V.	Mexico	100%
Globalstar Ukraine Limited Liability Company	Ukraine	100%
Globalstar Albania sh.p.k.	Albania	100%
Globalstar Communications Spain, S.L.	Spain	100%
Globalstar London Limited	United Kingdom	100%
Globalstar Cote D'Ivoire	Cote D'Ivoire	100%
Leosat Portugal, Unipessoal, LDA	Portugal	100%
Globalstar Moçambique LDA	Mozambique	75%
Globalstar Montenegro	Montenegro	100%
Leosat Kenya Limited	Kenya	100%
Mobile Satellite Services Rwanda Ltd	Rwanda	100%
Globalstar Satellite Namibia (PTY) LTD	Namibia	70%
Globalstar Seoul Co., Ltd	South Korea	100%
Globalstar Asia Pacific	South Korea	100%
HIBLEO Nigeria Limited	Nigeria	100%

Exhibit 23.1

CONSENT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM Consent of Independent Registered Public Accounting Firm

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

- Form S-3 No. 333-235726 of Globalstar, Inc.
- Form S-3 No. 333-268142 of Globalstar, Inc.
- Form S-8 No. 333-263224 of Globalstar, Inc.
- Form S-8 No. 333-235505 of Globalstar, Inc.
- Form S-8 No. 333-232178 of Globalstar, Inc.

- Form S-8 No. 333-272071 of Globalstar, Inc.
- From S-1 No. 333-274440 of Globalstar, Inc.

of our reports dated **March 1, 2023** **February 29, 2024**, with respect to the consolidated financial statements of Globalstar, Inc. and the effectiveness of internal control over financial reporting of Globalstar, Inc. included in this Annual Report (Form 10-K) of Globalstar, Inc. for the year ended **December 31, 2022** **December 31, 2023**.

/s/ Ernst & Young LLP

New Orleans, Louisiana
March 1, 2023 **February 29, 2024**

Exhibit 31.1

Certification of Principal Executive Officer of Globalstar, Inc. Pursuant to Rule 13a-14(a) and Rule 15d-14(a) of the Securities Exchange Act of 1934, as amended

I, **David B. Kagan**, **Dr. Paul E. Jacobs**, certify that:

1. I have reviewed this annual report on Form 10-K of Globalstar, 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. I am responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15(d)-15(e)) and internal control over financial reporting (as defined in Exchange Act Rule 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 my supervision, to ensure material information relating to the registrant, including its consolidated subsidiaries, is made known to me 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 my 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 my conclusion about the effectiveness of 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. I have disclosed, based on my most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant, or board of directors (or persons performing the equivalent functions):
 - (a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
 - (b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: **March 1, 2023** February 29, 2024

By: /s/ David B. Kagan Dr. Paul E. Jacobs
David B. Kagan Dr. Paul E. Jacobs
Chief Executive Officer (Principal Executive Officer)

Exhibit 31.2

**Certification of Principal Financial Officer of Globalstar, Inc.
Pursuant to Rule 13a-14(a) and Rule 15d-14(a) of the Securities Exchange Act of 1934, as amended**

I, Rebecca S. Clary, certify that:

1. I have reviewed this annual report on Form 10-K of Globalstar, 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. I am responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15(d)-15(e)) and internal control over financial reporting (as defined in Exchange Act Rule 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 my supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to me 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 my 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 my conclusion 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. I have disclosed, based on my most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):
 - (a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
 - (b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: ~~March 1, 2023~~ February 29, 2024

By: /s/ Rebecca S. Clary

Rebecca S. Clary
Chief Financial Officer (Principal Financial Officer)

Exhibit 32.1

Certification of Principal Executive Officer Under Section 906 of the Sarbanes-Oxley Act of 2002, 18 U.S.C. Section 1350

Pursuant to section 906 of the Sarbanes-Oxley Act of 2002 (subsections (a) and (b) of Section 1350, Chapter 63 of Title 18, United States Code), the undersigned officer of Globalstar, Inc. (the "Company"), does hereby certify that:

This annual report on Form 10-K for the year ended ~~December 31, 2022~~ December 31, 2023 of the Company fully complies with the requirements of section 13(a) or 15(d) of the Securities Exchange Act of 1934 and the information contained in the Form 10-K fairly presents, in all material respects, the financial condition and results of operations of the Company.

~~March 1, 2023~~ February 29, 2024

By: /s/ David B. Kagan Dr. Paul E. Jacobs

David B. Kagan Dr. Paul E. Jacobs

Chief Executive Officer (Principal Executive Officer)

Exhibit 32.2

Certification of Principal Financial Officer Under Section 906 of the Sarbanes-Oxley Act of 2002, 18 U.S.C. Section 1350

Pursuant to section 906 of the Sarbanes-Oxley Act of 2002 (subsections (a) and (b) of Section 1350, Chapter 63 of Title 18, United States Code), the undersigned officer of Globalstar, Inc. (the "Company"), does hereby certify that:

This annual report on Form 10-K for the year ended ~~December 31, 2022~~ December 31, 2023 of the Company fully complies with the requirements of section 13(a) or 15(d) of the Securities Exchange Act of 1934 and the information contained in the Form 10-K fairly presents, in all material respects, the financial condition and results of operations of the Company.


~~March 1, 2023~~ February 29, 2024

By: /s/ Rebecca S. Clary

Rebecca S. Clary

Chief Financial Officer (Principal Financial Officer)

Exhibit 97.1

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Globalstar, Inc.

Clawback Policy

(Dated November 22, 2023)

1. Introduction and Purpose.

1.1. Introduction. This document sets forth the Globalstar, Inc. Clawback Policy (the “Policy”), effective October 2, 2023 (the “Effective Date”).

1.2. Purpose. Globalstar, Inc. (the “Company”) has established this Policy to appropriately align the interests of the executives of the Company, who have been designated as Covered Executives, with those of the Company and to provide for the recovery of (i) Erroneously Awarded Compensation from Section 16 Officers, and (ii) Recoverable Amounts from Covered Executives. This Policy is designed to comply with the applicable rules of The New York Stock Exchange Listed Company Manual (the “NYSE Rules”) and with Section 10D and Rule 10D-1 of the Exchange Act (“Rule 10D-1”). All capitalized terms not defined herein shall have the meanings set forth in Section 4.4 of this Policy.

2. Mandatory Recovery as Required by the SEC and the NYSE.

2.1. Recovery of Erroneously Awarded Compensation due to an Accounting Restatement.

a. In the event of an Accounting Restatement, the Board will reasonably promptly recover the Erroneously Awarded Compensation in accordance with the NYSE Rules and Rule 10D-1 as follows:

i. Upon the occurrence of an Accounting Restatement, the Committee shall determine the amount of any Erroneously Awarded Compensation and shall promptly deliver a written notice to each Section 16 Officer containing the amount of any Erroneously Awarded Compensation and a demand for repayment or return of such compensation, as applicable. For the avoidance of doubt, recovery of Erroneously Awarded Compensation is on a “no fault” basis, meaning that it will occur regardless of whether the Section 16 Officer engaged in misconduct or was otherwise directly or indirectly responsible, in whole or in part, for the Accounting Restatement.

A. To determine the amount of any Erroneously Awarded Compensation for Incentive-based Compensation that is based on a Financial Reporting Measure other than stock price or TSR, after an Accounting Restatement:

1. The Company shall recalculate the applicable Financial Reporting Measure and the amount of Incentive-based Compensation that would have been Received based on such Financial Reporting Measure; and

2. The Company shall determine whether the Section 16 Officers Received a greater amount of Incentive-based Compensation than would have been Received applying the recalculated Financial Reporting Measure, based on: (i) the originally calculated Financial Reporting Measure, and (ii) taking into consideration any discretion that the Committee applied to reduce the amount originally received.

B. To determine the amount of any Erroneously Awarded Compensation for Incentive-based Compensation that is based on stock price or TSR, where the amount of Erroneously Awarded Compensation is not subject to mathematical recalculation directly from the information in the applicable Accounting Restatement:

1. The amount to be repaid or returned shall be determined by the Committee based on a reasonable estimate of the effect of the Accounting Restatement on the Company’s stock price or TSR upon which the Incentive-based Compensation was Received; and

2. The Company shall maintain documentation of the determination of such reasonable estimate and provide the relevant documentation as required to the NYSE.

Exhibit 97.1

ii. The Committee shall have discretion to determine the appropriate means of recouping Erroneously Awarded Compensation hereunder based on the particular facts and circumstances which may include, without limitation:

- A. requiring reimbursement of cash Incentive-based Compensation previously paid;
- B. seeking recovery of any gain realized on the vesting, exercise, settlement, sale, transfer, or other disposition of any equity-based awards;
- C. offsetting the recouped amount from any compensation otherwise owed by the Company to the Section 16 Officer;
- D. canceling outstanding vested or unvested equity awards; and/or
- E. taking any other remedial and recovery action permitted by law, as determined by the Committee, in its sole discretion.

iii. Notwithstanding the foregoing in Section 2.1(a)(ii), except as set forth in Section 2.1(b) below, in no event may the Company accept an amount that is less than the amount of Erroneously Awarded Compensation in satisfaction of a Section 16 Officer's obligations hereunder.

iv. To the extent that a Section 16 Officer fails to repay all Erroneously Awarded Compensation to the Company when due, the Company shall take all actions

Exhibit 97.1

reasonable and appropriate to recover such Erroneously Awarded Compensation from the applicable Section 16 Officer. The applicable Section 16 Officer shall be required to reimburse the Company for any and all expenses reasonably incurred (including legal fees) by the Company in recovering such Erroneously Awarded Compensation in accordance with the immediately preceding sentence.

b. Notwithstanding anything herein to the contrary, the Company shall not be required to take the actions contemplated by Section 2.1(a) above if the Committee determines that recovery would be impracticable and any of the following two conditions are met:

i. The Committee has determined that the direct expenses, such as reasonable legal expenses and consulting fees, paid to a third party to assist in enforcing the Policy would exceed the amount to be recovered. In order for the Committee to make this determination, the Company must make a reasonable attempt to recover the Erroneously Awarded Compensation, document such attempt(s) to recover, and provide such documentation to the NYSE; or ii. Recovery would likely cause an otherwise tax-qualified retirement plan, under which benefits are broadly available to employees of the Company, to fail to meet the requirements of Section 401(a)(13) or Section 411(a) of the Code.

2.2. Mandatory Disclosure. The Company shall file this Policy and, in the event of an Accounting Restatement, will disclose information related to such Accounting Restatement in accordance with applicable law, including, for the avoidance of doubt, Rule 10-D1 and the NYSE Rules.

2.3. Prohibition of Indemnification. The Company shall not be permitted to insure or indemnify any Section 16 Officer against (i) the loss of any Erroneously Awarded Compensation that is repaid, returned, or recovered pursuant to the terms of this Policy, or (ii) any claims relating to the Company's enforcement of its rights under this Policy. While Section 16 Officers subject to this Policy may purchase insurance to cover their potential recovery obligations, the Company shall not be permitted to pay or reimburse the Section 16 Officer for premiums for such an insurance policy. Further, the Company shall not enter into any agreement that exempts any Incentive-based Compensation that is granted, paid, or awarded to a Section 16 Officer from the application of this Policy or that waives the Company's right to recovery of any Erroneously Awarded Compensation, and this Policy shall supersede any such agreement (whether entered into before, on, or after the Effective Date of this Policy), including, for the avoidance of doubt, the Company's Indemnification Agreement.

2.4. Other Recoupment Rights. This Policy shall be binding and enforceable against all Section 16 Officers and, to the extent required by applicable law or guidance from the SEC or NYSE, their beneficiaries, heirs, executors, administrators, or other legal representatives. The

Administrator intends that this Policy will be applied to the fullest extent required by applicable law. Any employment agreement, equity award agreement, compensatory plan, or any other agreement or arrangement with a Section 16 Officer shall be deemed to include, as a condition to the grant of any benefit thereunder, an agreement by the Section 16 Officer to abide by the terms of this Policy. Any right of recovery under this Policy is in addition to, and not in lieu of, any other remedies or rights of recovery that may be available to the Company under applicable law,

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regulation, or rule pursuant to the terms of any policy of the Company or any provision in any employment agreement, equity award agreement, compensatory plan, agreement, or other arrangement.

3. Recovery of Compensation at the Discretion of the Board.

3.1. Discretionary Clawback Events. If (i) the Company is required to undertake an accounting restatement due to the Company's material noncompliance, as a result of misconduct by a Covered Executive, with any financial reporting requirement under the U.S. federal securities laws, (ii) a Covered Executive engages in Misconduct, (iii) a Covered Executive breaches in any material respect a restrictive covenant set forth in any agreement between the Covered Executive and the Company, including but not limited to, a breach in any material respect of a confidentiality provision, or (iv) a Covered Executive receives Incentive-based Compensation without having satisfied the requirements necessary to earn such compensation (any such event under clause (i), (ii), (iii) or (iv), a "Discretionary Clawback Event"), then the Board may, in its sole discretion, to the extent permitted by applicable law, in addition to any other recovery permitted under this Policy under Section 2 or otherwise, seek to recover all or any portion of the Recoverable Amounts awarded to any such Covered Executive after the Effective Date.

3.2. Determination by the Board. In determining the appropriate action to take, the Board may consider such factors as it deems appropriate, including:

a. the associated costs and benefits of seeking the Recoverable Amounts;

b. the requirements of applicable law;

c. the extent to which the Covered Executive participated or otherwise bore responsibility for the Discretionary Clawback Event; and d. the extent to which the Covered Executive's current compensation may or may not have been impacted had the Board or the Committee known about the Discretionary Clawback Event.

In addition, the Board may, in its sole discretion, determine whether and to what extent additional action is appropriate to address the circumstances surrounding the Discretionary Clawback Event so as to minimize the likelihood of any recurrence and to impose such other discipline as it deems appropriate.

3.3. Disclosure of Clawback Events. If the Board determines that a Discretionary Clawback Event has occurred that is subsequently disclosed by the Company in a public filing required under the Exchange Act (a "Disclosed Event"), the Company will disclose in the proxy statement relating to the year in which such determination is made (i) if any amount was clawed back from a Covered Executive and the aggregate amount clawed back or (ii) if no amount was clawed back from the Covered Executive as a result of the Disclosed Event, the fact that no amount was clawed back.

4. Miscellaneous and Definitions.

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4.1. Administration and Interpretation. This Policy shall be administered by the Committee or by the Board acting as the Committee (either of these, as applicable, the “Administrator”), which shall have authority to (i) exercise all of the powers granted to it under the Policy, (ii) construe, interpret, and implement this Policy, (iii) make all determinations necessary or advisable in administering this Policy and for the Company’s compliance with NYSE Rules, Section 10D and Rule 10D-1, and any other applicable law, regulation, rule, or interpretation of the SEC or NYSE Rules promulgated or issued in connection therewith, and (iv) amend this Policy, including to reflect changes in applicable law or stock exchange regulation. Any determinations made by the Administrator shall be final and binding on all affected individuals.

4.2. Amendment; Termination. The Administrator may amend this Policy from time to time in its discretion and shall amend this Policy as it deems necessary. Notwithstanding anything in this Section 4.2 to the contrary, no amendment or termination of this Policy shall be effective if such amendment or termination would (after taking into account any actions taken by the Company contemporaneously with such amendment or termination) cause the Company to violate any federal securities laws, Rule 10D-1, or any NYSE Rules.

4.3. Application and Method of Recovery. Nothing in this Policy will limit in any respect (i) the Company’s right to take or not to take any action with respect to any Covered Executive’s or any other person’s employment or (ii) the obligation of the Chief Executive Officer or the Chief Financial Officer to reimburse the Company in accordance with Section 304 of the Sarbanes-Oxley Act of 2002, as amended. Any determination made pursuant to this Policy and any application and implementation thereof need not be uniform with respect to each Covered Executive, or payment recovered or forfeited under this Policy. To the extent permitted by applicable law, the Board may seek to recoup Recoverable Amounts by all legal means available, including but not limited to, by requiring any affected Covered Executive to repay such amount to the Company, by set-off, by reducing future compensation of the affected Covered Executive, or by such other means or combination of means as the Board, in its sole discretion, determines to be appropriate.

4.4. Definitions. For purposes of this Policy, the following terms shall have the following meanings:

a. “Accounting Restatement” means an accounting restatement due to the material noncompliance of the Company with any financial reporting requirement under the securities laws, including any required accounting restatement to correct an error in previously issued financial statements that is material to the previously issued financial statements (a “Big R” restatement), or that corrects an error that is not material to previously issued financial statements but would result in a material misstatement if the error were corrected in the current period or left uncorrected in the current period (a “little R” restatement).

b. “Board” means the Board of Directors of the Company.

c. “Clawback Eligible Incentive Compensation” means all Incentive-based Compensation Received by a Section 16 Officer (i) on or after the Effective Date, (ii) after beginning service as a Section 16 Officer, (iii) who served as a Section 16 Officer at any time during the applicable performance period relating to any Incentive-based Compensation (whether or not such Section 16 Officer is serving at the time any Erroneously Awarded Compensation is

Exhibit 97.1

required to be repaid to the Company), (iv) while the Company has a class of securities listed on a national securities exchange or a national securities association, and (v) during the applicable Clawback Period.

d. “Clawback Period” means, with respect to any Accounting Restatement, the three completed fiscal years of the Company immediately preceding the Restatement Date and if the Company changes its fiscal year, any transition period of less than nine months within or immediately following those three completed fiscal years.

e. “Code” means the Internal Revenue Code of 1986, as amended, and regulations thereunder.

f. “**Committee**” means the Compensation Committee of the Board of Directors of the Company, which is required to be composed entirely of independent directors.

g. “**Covered Executive**” means each “officer,” as defined in Rule 16a-1 under the Exchange Act, and any other senior executive as designated by the Committee or the Board.

h. “**Erroneously Awarded Compensation**” means, with respect to each Section 16 Officer in connection with an Accounting Restatement, the amount of Clawback Eligible Incentive Compensation that exceeds the amount of Incentive-based Compensation that would have been Received had it been determined based on the restated amounts in the Accounting Restatement, computed without regard to any taxes paid.

i. “**Exchange Act**” means the Securities Exchange Act of 1934, as amended.

j. “**Financial Reporting Measures**” means measures that are determined and presented in accordance with the accounting principles used in preparing the Company’s financial statements, and all other measures that are derived wholly or in part from such measures. Stock price and TSR (and any measures that are derived wholly or in part from stock price or TSR) shall, for purposes of this Policy, be considered Financial Reporting Measures. For the avoidance of doubt, a Financial Reporting Measure need not be presented in the Company’s financial statements or included in a filing with the SEC.

k. “**Incentive-based Compensation**” means any compensation that is granted, earned, or vested based wholly or in part upon the attainment of (i) a Financial Reporting Measure or (ii) any other performance incentive related to the Company’s business.

l. “**Misconduct**” means, with respect to a Covered Executive, the occurrence of any of the following events, as reasonably determined by the Board in its discretion: (i) the Covered Executive’s conviction of, or plea of nolo contendere to, any felony; (ii) the Covered Executive’s commission of, or participation in, intentional acts of fraud or dishonesty that in either case results in material harm to the reputation or business of the Company; (iii) the Covered Executive’s intentional, material violation of any term of the Covered Executive’s employment agreement with the Company or any other contract or agreement between the Covered Executive and the Company or any statutory duty the Covered Executive owes to the Company that in either case results in material harm to the business of the Company; (iv) the Covered Executive’s conduct that constitutes gross insubordination or habitual neglect of duties and that in either case

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results in material harm to the business of the Company; (v) the Covered Executive’s intentional, material refusal to follow the lawful directions of the Board, the Company’s Chief Executive Officer, or his or her direct manager (other than as a result of physical or mental illness); or (vi) the Covered Executive’s intentional, material failure to follow, or intentional conduct that violates (or would have violated, if such conduct occurred within ten (10) years prior to the Effective Date and has not been previously disclosed to the Company), the Company’s written policies that are generally applicable to all employees or all officers of the Company and that results in material harm to the reputation or business of the Company; provided, however, that willful bad faith disregard will be deemed to constitute intentionality for purposes of this definition.

m. “**NYSE**” means the New York Stock Exchange.

n. “**Recoverable Amounts**” means (i) any equity compensation awarded after the Effective Date or (ii) any severance or cash incentive-based compensation (other than base salary) awarded after the Effective Date, in any case to the extent permitted under applicable law. Recoverable Amounts shall not include Erroneously Awarded Compensation that has been recouped pursuant to Section 2 of this Policy.

o. “**Received**” means, with respect to any Incentive-based Compensation, actual or deemed receipt, and Incentive-based Compensation shall be deemed received in the Company’s fiscal period during which the Financial Reporting Measure specified in the Incentive-based Compensation award is attained even if the payment or grant of the Incentive-based Compensation to the Section 16 Officer occurs after the end of that period. For the avoidance of doubt, Incentive-based Compensation shall only be treated as Received during one (and only one) fiscal year,

even if such Incentive-based Compensation is deemed received in one fiscal year and actually received in a later fiscal year. For example, if an amount is deemed received in 2024, but actually received in 2025, such amount shall be treated as Received under this definition only in 2024.

p. "Restatement Date" means the earlier to occur of (i) the date the Board, a committee of the Board, or officers of the Company authorized to take action if Board action is not required, concludes, or reasonably should have concluded, that the Company is required to prepare an Accounting Restatement, or (ii) the date a court, regulator, or other legally authorized body directs the Company to prepare an Accounting Restatement.

q. "SEC" means the U.S. Securities and Exchange Commission.

r. "Section 16 Officer" means each individual who is currently or was previously designated as an "officer" of the Company, within the meaning of Rule 10D-1(d).

s. "Securities Act" means the U.S. Securities Act of 1933, as amended.

t. "TSR" means total shareholder return.

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