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

FORM 10-K

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

For the fiscal year ended December 31, 2023

OR

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

For the transition period from to

Commission File Number 001-39679

Airspan Networks Holdings Inc.

(Exact name of registrant as specified in its charter)

Delaware	85-2642786
(State or other jurisdiction of incorporation or organization)	**(I.R.S. Employer Identification Number)**
777 Yamato Road, Suite 310, Boca Raton, Florida	33431
(Address of principal executive offices)	**(Zip Code)**

Registrant's telephone number, including area code: (561) 893-8670

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

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, smaller reporting company, or an emerging growth company. See the definitions of "large accelerated filer," "accelerated filer," "smaller reporting company," and "emerging growth company" in Rule 12b-2 of the Exchange Act.

Large accelerated filer	☐	Accelerated filer	☐
Non-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. ☐

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 in Rule 12b-2 of the Exchange Act). Yes ☐ No ☒

As of June 30, 2023, the last business day of the registrant's most recently completed second fiscal quarter, the aggregate market value of the registrant's common stock, par value $0.0001 per share, held by non-affiliates, computed by reference to the closing sales price of $2.99 reported on the NYSE American, LLC, was $130,490,985.

As of September 30, 2024, 74,638,893 shares of the registrant's common stock, par value $0.0001 per share, were issued and outstanding.

DOCUMENTS INCORPORATED BY REFERENCE

None.

Explanatory Note

As previously disclosed in Current Reports filed by Airspan Networks Holdings Inc. (the "Company") on April 1, 2024, April 4, 2024 and April 12, 2024 with the Securities and Exchange Commission (the "SEC"), on March 31, 2024, the Company and certain of its affiliates and subsidiaries filed voluntary petitions for relief (the "Chapter 11 Cases") under chapter 11 of title 11 of the United States Code, 11 U.S.C. §§ 101-1532 in the United States Bankruptcy Court for the District of Delaware (the "Bankruptcy Court"). The Bankruptcy Court confirmed the Company's prepackaged Chapter 11 plan of reorganization on June 28, 2024 (together with all amendments and supplements thereto, the "Prepackaged Plan"). Emergence from the Chapter 11 Cases requires governmental approval, as described herein.

In connection with the Chapter 11 Cases, on April 1, 2024, the staff of NYSE Regulation announced its determination to commence proceedings to delist the Company's common stock (the "Common Stock") from NYSE American LLC ("NYSE American"), and trading of the Common Stock was suspended immediately. On April 10, 2024, the staff of NYSE Regulation filed a Form 25-NSE with the SEC to report the delisting of the Common Stock from trading on the NYSE American.

The Company intends to file a Form 15 with the SEC to suspend the Company's public reporting obligations with the SEC under Section 15(d) of the Securities Exchange Act of 1934, as amended (the "Exchange Act").

AIRSPAN NETWORKS HOLDINGS INC.
Annual Report on Form 10-K

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CAUTIONARY STATEMENT REGARDING FORWARD-LOOKING STATEMENTS

This Annual Report on Form 10-K ("Annual Report") contains statements reflecting assumptions, expectations, projections, intentions or beliefs about future events that are intended as "forward-looking statements" within the meaning of the Private Securities Litigation Reform Act of 1995. All statements included in this Annual Report, other than statements of historical fact, that address activities, events or developments that we expect, believe or anticipate will or may occur in the future are forward-looking statements. These statements appear in a number of places, including, but not limited to "Management's Discussion and Analysis of Financial Condition and Results of Operations." These statements represent our reasonable judgment of the future based on various factors and using numerous assumptions and are subject to known and unknown risks, uncertainties and other factors that could cause our actual results and financial position to differ materially from those contemplated by the statements. You can identify these statements by the fact that they do not relate strictly to historical or current facts, and use words such as "anticipate," "believe," "estimate," "expect," "forecast," "may," "should," "plan," "project" and other words of similar meaning. In particular, these include, but are not limited to, statements relating to the following:

- our Chapter 11 Cases in the Bankruptcy Court, including the outcome, timing and expected benefits thereof;
- the availability of liquidity from the Company's debtor-in-possession financing, including the DIP Credit Agreement (as defined herein);
- our expected financial and business performance;
- actions the Company may take to improve operating and financial results;
- changes in our strategy, future operations, financial position, estimated revenues and losses, forecasts, projected costs, prospects and plans;
- the implementation, market acceptance and success of our products;
- demand for our products and the drivers of that demand;
- our estimated total addressable market and other industry projections, and our projected market share;
- competition in our industry, the advantages of our products and technology over competing products and technology existing in the market, and competitive factors including with respect to technological capabilities, cost and scalability;
- our ability to scale in a cost-effective manner and maintain and expand our manufacturing relationships;
- our ability to enter into production supply agreements with customers, the terms of those agreements, and customers' utilization of our products and technology;
- our expected reliance on our significant customers;
- developments and projections relating to our competitors and industry, including with respect to investment in 5G networks;
- our expectation that we will incur substantial expenses and continuing losses for the foreseeable future;
- our expectations regarding our ability to obtain and maintain intellectual property protection and not infringe on the rights of others;
- expectations regarding the time during which we will be an emerging growth company as defined in Section 2(a)(19) of the Securities Act of 1933, as amended (the "Securities Act"), as modified by the Jumpstart Our Business Startups Act of 2012 (the "JOBS Act");
- our future capital requirements and sources and uses of cash;

- our ability to obtain funding for our operations;
- our business, expansion plans and opportunities;
- anticipated financial performance, including gross margin, and the expectation that our future results of operations will fluctuate on a quarterly basis for the foreseeable future;
- expected capital expenditures, cost of revenue and other future expenses, and the sources of funds to satisfy our liquidity needs; and
- the outcome of any known and unknown litigation and regulatory proceedings.

These forward-looking statements are based on information available as of the date of this Annual Report and current expectations, forecasts and assumptions, and involve a number of judgments, risks and uncertainties. Accordingly, forward-looking statements should not be relied upon as representing our views as of any subsequent date, and we do not undertake any obligation to update forward-looking statements to reflect events or circumstances after the date they were made, whether as a result of new information, future events or otherwise, except as may be required under applicable securities laws.

You should not place undue reliance on these forward-looking statements. As a result of a number of known and unknown risks and uncertainties, our actual results or performance may be materially different from those expressed or implied by these forward-looking statements. Some factors that could cause actual results to differ include:

- our ability to continue as a going concern;
- the risk of downturns and the possibility of rapid change in the highly competitive industry in which we operate;
- our ability to secure additional liquidity;
- the risk that we and our current and future collaborators are unable to successfully develop and commercialize our products or services, or experience significant delays in doing so;
- the risk that we do not achieve or sustain profitability;
- the risk that we will need to raise additional capital to execute our business plan, which may not be available on acceptable terms or at all;
- the risk that we experience difficulties in managing our growth and expanding operations;
- the risk that third-party suppliers and manufacturers are not able to fully and timely meet their obligations;
- the risk of product liability or regulatory lawsuits or proceedings relating to our products and services;
- the risk that we are unable to secure or protect our intellectual property; and
- other risks and uncertainties described in this Annual Report, including those under the section entitled "Risk Factors."

RISK FACTOR SUMMARY

Our business is subject to numerous material and other risks. These risks are described more fully in the section entitled "Risk Factors." The occurrence of one or more of the events or circumstances described in the section entitled "Risk Factors," alone or in combination with other events or circumstances, may have a material adverse effect on our business, reputation, revenue, financial condition, results of operation and future prospects. These risks include, among others:

Risks related to the Chapter 11 Cases, including that:

- As a result of the Chapter 11 Cases, our financial results may be volatile and may not reflect historical trends.
- Emergence from the Chapter 11 Cases requires government approval, which has now been received.

Risks related to our business and industry, including that:

- We have and may continue to incur substantial losses and may not succeed in achieving profitability.
- Any reduction in expenditures by communications service providers could negatively impact our results.
- We may fail to predict and respond to emerging technological trends and network operators' changing needs.
- Competition from larger, better-capitalized or emerging competitors could negatively impact our results.
- We currently depend on a few key customers for a substantial percentage of our sales.
- Our customers execute short-term purchase orders or contracts without significant termination penalties.
- We are exposed to the credit risk of our channel partners, which could result in material losses.
- Our sales cycle is typically long, and it is difficult to accurately predict revenues and expenses.
- We may make errors in our estimates relating to customer demand.
- Fluctuations and changes in exchange rates, tax rates and in tax laws may adversely impact our results.
- We rely on third-party manufacturers, which subjects us to production and logistical risks.
- Our supply chain may be unable to deliver certain key components.
- Our new and innovative offerings may take significant efforts and may not ultimately prove successful.
- Our failure to offer high-quality support and services could have a material adverse effect on our business.
- We may not detect errors or defects in our solutions until after full deployment, and product liability claims by customers could result in substantial costs.

- Our international sales may be difficult and costly as a result of the political, economic and regulatory risks.

- Our operations in Israel may be disrupted by political and military tensions in Israel and the Middle East.

- If we lose any of our executive officers, we may encounter difficulty replacing their expertise.

- A material defect in our products could seriously harm our credibility and our business, and we may not have sufficient insurance to cover any potential liability.

- The mobile network industry investment levels fluctuate and are affected by many factors.

- We are subject to risks associated with ongoing inflation and increasing oil and gas prices.

- Our business depends on the strength of our brand, and we may fail to maintain and enhance our brand.

- There is substantial doubt about our ability to continue as a going concern and we need to raise additional funding to meet our obligations. We may not secure funding on a timely basis or on acceptable terms to attain profitable operations.

- We may need additional capital; our ability to access capital on acceptable terms could decrease significantly.

Risks related to our intellectual property, including that:

- We may not have adequate protection for our intellectual property.

- Third parties could assert infringement claims against us or our customers that we are obligated to indemnify.

- We may be subject to damages resulting from claims relating to misconduct by employees or contractors.

- We use open-source software in our products that may subject our firmware to general release or require us to re-engineer our products and the firmware contained therein.

Risks related to laws and regulations, including that:

- We are subject to risks relating to changes in telecommunications regulation or delays.

- We are required to satisfy data protection, security, privacy and other government- and industry-specific requirements or regulations.

- Regulations affecting broadband infrastructure could damage demand for our products.

- We are subject to governmental export and import controls.

- We are required to comply with the U.S. Foreign Corrupt Practices Act, the U.K. Bribery Act 2010, and similar laws.

- Our ability to use our net operating loss carryforwards and certain other tax attributes may be limited.

General risks, including that:

- Our business is subject to the risks of earthquakes, fires, floods, military actions and other natural catastrophic events, global pandemics and interruptions by man-made problems, such as terrorism.

- We are subject to risks of interruption or failure of our information technology and communications systems.

- We are subject to cybersecurity risks to operational systems, security systems, infrastructure, integrated software in our 4G and 5G products and customer data processed by us or third-party vendors or suppliers.

- We may identify a material weakness in our internal control over financial reporting.

- We may fail to maintain effective internal control over financial reporting.

- Research and reports or lack thereof, or changes in recommendations, by securities or industry analysts could adversely impact the price and trading volume of our securities.

PART I

Item 1. Business

Airspan Networks Holdings Inc. (“Airspan,” the “Company,” “we” or “us”) is a designer and producer of wireless network equipment for 4G and 5G networks for both mainstream public telecommunications service providers and private network implementations.

Chapter 11 Cases

On March 31, 2024, the Company and certain of its affiliates and subsidiaries (collectively, the “Debtors”) filed bankruptcy petitions under chapter 11 of title 11 of the United States Code, 11 U.S.C. §§ 101-1532 in the Bankruptcy Court. The Bankruptcy Court confirmed the Company’s Prepackaged Plan on June 28, 2024.

Restructuring Support Agreement

On March 29, 2024, the Company entered into a Restructuring Support Agreement (including all exhibits thereto, collectively, the “RSA”) with (i) certain of its affiliates and subsidiaries (as set forth in the RSA, and together with the Company, the “Company Parties”); (ii) certain Consenting Senior Secured Creditors, (iii) certain Consenting Subordinated Term Loan Lenders and (iv) certain Consenting Subordinated Convertible Noteholder (as each such term is defined in the RSA, and collectively, other than the Company Parties, the “Consenting Stakeholders”).

As set forth in the RSA, the Company and the Consenting Stakeholders have agreed to the principal terms of a restructuring of the Company (the “Restructuring”) through the filing of the Prepackaged Plan in the Bankruptcy Court. Although the Company intends to pursue the Restructuring in accordance with the terms set forth in the RSA, there can be no assurance that the Company will be successful in completing the Restructuring, whether on the same or different terms than those provided in the RSA and the Prepackaged Plan.

The material terms of the Prepackaged Plan are set forth in the restructuring term sheet attached to the RSA (the “Term Sheet”, and the transactions described therein, the “Restructuring Transactions”), which terms include, among other things:

- trade claims will be paid in the ordinary course of business during and after the Chapter 11 Cases (as hereinafter defined);

- in the bankruptcy cases, the Consenting Senior Secured Creditors committed to provide a senior secured debtor-in-possession financing facility (the “Initial DIP Facility”) which consists of $16.5 million in new money DIP loans and $37.3 million in amounts “rolled up” from certain prepetition bridge facilities, on the terms set forth in the DIP Documents (as that term is defined in the RSA). The new money portion of the Initial DIP Facility became available in two draws, an initial draw of $7.5 million and a second draw of $9.0 million. The Initial DIP Facility as described in the Term Sheet is fully drawn. The Initial DIP Facility was approved by the Bankruptcy Court on a final basis on April 19, 2024.

- on the effective date of the Restructuring Transactions (the “Plan Effective Date”), Airspan (as reorganized, “Reorganized Airspan”) will issue a single class of common equity interests (“New Common Equity”) to certain of its creditors as follows: (a) 94.375% pro rata to the Senior Secured Creditors, and (b) 5.625% pro rata to the Subordinated Term Loan Lenders and Subordinated Convertible Noteholders, subject to dilution on account of the management incentive plan (addressed below), the New Money Common Equity (as hereinafter defined), the New Existing Common Equity Warrants (as hereinafter defined), the DIP Facility Amendment No. 1 (as hereinafter defined), and certain other fees, premiums, and/or other terms as set forth in the RSA;

- on the Plan Effective Date, the Company will consummate a new-money equity capital raise in an amount up to $95 million in aggregate (the “New Money Common Equity”), up to $90 million of which will be offered for ratable participation by holders of senior secured claims, and the remaining $5 million of which will be offered for ratable participation by holders of subordinated claims, and subject to other terms as set forth in the RSA. Certain of the Consenting Senior Secured Creditors have agreed to backstop the New Money Common Equity in an amount equal to at least (a) the amount sufficient to repay the Initial DIP facility, plus (b) $22.0 million;

- on the Plan Effective Date, Reorganized Airspan will issue new warrants ("New Warrants"), consisting of and exercisable into (i) up to 3% of New Common Equity to holders of our existing common stock (the "Existing Common Stock Interest"), and (ii) 6.25% of New Common Equity to holders of subordinated claims on a pro rata basis, subject to other terms as set forth in the RSA;

- on the Plan Effective Date, and in exchange for granting third-party releases and providing certain other consideration, Existing Common Stock Interest will be cancelled and eligible holders of Existing Common Stock Interest, subject to certain limitations set forth in the Plan, will be entitled to: (i) receive their pro rata share of $450,000 cash (the "Equity Cash Pool"), or (ii) elect to receive New Warrants, provided that if more than 150 record holders of Existing Common Stock Interest make such election, no New Warrants shall be issued to holders of Existing Common Stock Interest and all eligible holders of Existing Common Stock Interest will receive their pro rata share of the Equity Cash Pool;

- following the Plan Effective Date, Reorganized Airspan may establish a customary management equity incentive plan; and

- on the Plan Effective Date, there will be no recovery for holders of other equity interests in the Company;

In accordance with the RSA, the Consenting Stakeholders agreed, among other things, to:

- subject to receipt of the Disclosure Statement (as defined in the RSA), vote to accept the Plan;

- grant and not opt out of the releases contemplated by the Plan;

- refrain from taking any action that would delay or impede consummation of the Plan; and

- support and effectuate the documentation within the timeframes contemplated by the RSA.

In accordance with the RSA, the Company Parties agreed, among other things, to:

- support the Restructuring Transactions, act in good faith, and use commercially reasonable efforts to take all actions, to the extent practicable and subject to the terms of the RSA, and reasonably requested or necessary to implement and consummate the Restructuring Transactions in accordance with the terms, conditions, and applicable deadlines set forth in the RSA, as applicable;

- take all commercially reasonable actions to obtain and/or support the Company Parties in obtaining necessary or advisable regulatory or third-party approvals and providing notices in respect of regulatory and licensing requirements, as applicable, in connection with the Restructuring Transactions, including by providing all information reasonably requested by the Company Parties;

- negotiate in good faith and use commercially reasonable efforts to execute (where applicable) and implement the definitive documents (as set forth in the RSA) and any other agreements required to effectuate and consummate the Restructuring Transactions as contemplated by the RSA;

- support, and not directly or indirectly object to, delay, impede, or take any other action to interfere with, confirmation or consummation of the Plan;

- support, and not directly or indirectly object to, delay, impede, or take any other action to interfere with, any motion or other pleading or document filed by a Debtor in the Bankruptcy Court or any other court that is consistent in all respects with the RSA and the Restructuring Transactions; and

- take or cause to be taken all corporate actions and provide all authorizations reasonably necessary in furtherance of the Restructuring Transactions as are within the authority of such Consenting Stakeholders.

Pursuant to the RSA, the Company commenced the solicitation of votes on the Prepackaged Plan (the "Solicitation") on March 30, 2024. In connection with the Solicitation, the Plan and Disclosure Statement were distributed to certain creditors of the Company that are entitled to vote on the Plan.

The RSA may be mutually terminated by the Required Consenting Senior Secured Creditors and each Company Party. The RSA will automatically terminate upon the earlier of the Plan Effective Date or 180 days after the date on which the Company Parties commenced their Chapter 11 Cases (the "Outside Date"); provided, that if the Plan Effective Date shall not have occurred by the Outside Date solely as a result of the failure to receive all necessary or advisable regulatory approvals by the Outside Date, the Outside Date shall automatically extend to the earlier of three business days following the receipt of all necessary or advisable regulatory approvals or 210 days after the date on which the Company Parties commenced their Chapter 11 Cases. Moreover, the Required Consenting Senior Secured Creditors, the Required Consenting Subordinated Creditors and the Company Parties each have termination rights if certain conditions are not met.

DIP Credit Facility

In connection with the Chapter 11 Cases, the Debtors entered into a Senior Secured Superpriority Debtor-in-Possession Term Loan Credit Agreement, dated April 8, 2024 (the "Initial DIP Credit Agreement"), with DBFIP ANI LLC, as administrative and collateral agent (the "DIP Administrative Agent"), and the lenders from time to time party thereto (collectively, the "DIP Lenders"), and a Security Agreement, dated April 8, 2024 (the "DIP Security Agreement"), with DBFIP ANI LLC, as collateral agent. The DIP Lenders are also (i) holders or affiliates, partners or investors of holders under the Company's senior secured convertible notes sold pursuant to the Senior Secured Convertible Note Purchase and Guarantee Agreement, dated as of July 30, 2021 (as amended, restated, amended and restated, supplemented, modified or replaced, extended or refinanced from time to time), by and among the Company, certain of its subsidiaries as guarantors, the purchasers party thereto and DBFIP ANI LLC, as collateral agent and administrative agent, and (ii) lenders pursuant to the Sixth Amended and Restated Credit Agreement, dated as of March 7, 2024 (as amended, restated, amended and restated, supplemented, modified or replaced, extended or refinanced from time to time) (the "Prepetition Credit Agreement"), by and among Airspan Networks Inc., the Company, certain subsidiaries of the Company, the lenders party thereto and DBFIP ANI LLC, as collateral agent and administrative agent.

Under the Initial DIP Credit Agreement, the DIP Lenders provided term loans to the Borrowers in an original principal amount of $53,848,837, plus certain fees as described below. The DIP Lenders made new financing commitments to the Company under a new money delayed draw term loan facility (the "New Money DIP Facility") in an aggregate principal amount of up to $16,500,000, all of which has been funded. The Initial DIP Credit Agreement also provides for a credit facility pursuant to which $37,348,837 of outstanding indebtedness under the Fortress Credit Agreement was automatically deemed substituted and exchanged for, and converted, into (such conversion, the "Roll Up") debtor-in-possession term loans (the "Roll Up Loans") (such credit facility, together with the New Money DIP Facility, the "Initial DIP Facility") on a cashless dollar-for-dollar basis, in each case, in accordance with and subject to the terms and conditions in the DIP Credit Agreement. On July 26, 2024, the Debtors, the DIP Lenders, and the DIP Administrative Agent entered into that certain Amendment and Restatement of Senior Secured Superpriority Debtor-In-Possession Term Loan Credit Agreement and Reaffirmation of Loan Documents (the "DIP Facility Amendment No. 1" and, together with the Initial DIP Credit Agreement, the "DIP Credit Agreement") pursuant to which the DIP Lenders increased their financing commitments to the Company under additional new money delayed draw term loans in an amount of up to $5 million (the "First Supplemental DIP Facility" and the term loans made thereunder, the "New DIP Loans") available in two advances of $2.5 million each. The Initial DIP Facility together with the First Supplemental DIP Facility, are referred to herein collectively as the "DIP Facility".

The loans made pursuant to the DIP Credit Agreement are secured by substantially all of the assets of the Debtors under the DIP Security Agreement. Borrowings under the DIP Facility will bear interest at either (i) the Base Rate (as defined in the DIP Credit Agreement) plus 10.00% per annum, or (ii) the Adjusted Term SOFR (as defined in the DIP Credit Agreement) plus 11.00% per annum. Interest on the DIP Facility is payable in-kind.

The Debtors agreed, subject to Bankruptcy Court approval, to pay certain fees in connection with the Initial DIP Facility, including (i) an administration fee in an amount equal to $50,000 per annum, payable-in-kind, (ii) a 3% Commitment Premium (as defined in the DIP Credit Agreement), payable in-kind, and (iii) a 3% Exit Premium (as defined in the DIP Credit Agreement), earned upon the repayment or maturity of all or a portion of the DIP Facility, and payable on the repaid or maturing amounts. The Commitment Premium and the Exit Premium do not apply to the New DIP Loans.

The DIP Credit Agreement includes milestones, representations and warranties, covenants applicable to the Debtors, and events of default. If an event of default under the DIP Credit Agreement occurs, the DIP Administrative Agent may, among other things, permanently reduce any remaining commitments and declare the outstanding obligations under the DIP Credit Agreement to be immediately due and payable.

The DIP Credit Agreement has a stated maturity date of October 8, 2024 (the "DIP Stated Maturity Date"). The DIP Credit Agreement will also terminate and all obligations thereunder will become due on the date that is the earliest of the following (i) the DIP Stated Maturity Date, (ii) the consummation of any plan of reorganization under the Chapter 11 Cases, (iii) the consummation of a sale or other disposition of all or substantially all assets of the Debtors, taken as a whole, under section 363 of the Bankruptcy Code and (iv) the date of acceleration following the occurrence of an Event of Default (as defined in the DIP Credit Agreement).

On July 23, 2024, the Bankruptcy Court granted the Company's motion to approve the DIP Facility Amendment No. 1 to provide up to $5.0 million in additional funding to facilitate continued operations until the Company receives required regulatory approvals and is able to emerge from bankruptcy and close the Restructuring Transactions.

Delisting

In connection with the Chapter 11 Cases, on April 1, 2024, the staff of NYSE Regulation announced its determination to commence proceedings to delist the Common Stock from NYSE American, and trading of the Common Stock was suspended immediately. On April 10, 2024, the staff of NYSE Regulation filed a Form 25-NSE with the SEC to report the delisting of the Common Stock from trading on the NYSE American.

The Company intends to file a Form 15 with the SEC to suspend the Company's public reporting obligations with the SEC under Section 15(d) of the Exchange Act.

Confirmed Plan

All creditors entitled to vote on the Prepackaged Plan, and who did vote on the Prepackaged Plan, have voted to accept the Prepackaged Plan. The Debtors communicated with various interested parties and resolved all comments on the proposed Prepackaged Plan without changing the key terms outlined above. As part of that process, the Debtors entered into a term sheet with Gogo Inc. which outlines the principal terms and conditions for a new revolving line of credit in the aggregate principal amount of $20.0 million (the "New Revolving Line of Credit"), and the assumption of certain commercial contracts between the Debtors and Gogo Inc. (and its affiliates). The New Revolving Line of Credit is expected to be undrawn as of the Plan Effective Date.

A hearing on confirmation of the proposed Prepackaged Plan took place before the Bankruptcy Court on June 28, 2024, at which the Bankruptcy Court confirmed the Prepackaged Plan.

Overview

We are a U.S. headquartered, award-winning technical leader, in the 4G and 5G Radio Access Network ("RAN") and broadband access solutions market. We offer a broad range of software defined radios, broadband access products and network management software to enable cost-effective deployment and efficient management of mobile, fixed and hybrid wireless networks. Our customers include leading mobile communications service providers ("CSPs"), large enterprises, military communications integrators and internet service providers ("ISPs") working to deliver high-capability broadband access to numerous markets. Our mission is to disrupt and modernize network total cost of ownership ("TCO") models. We aim to lower costs for customers throughout the product lifecycle, from procurement through commissioning and ongoing operating costs. We have been pioneering wireless technology for over 20 years and are distinguished by our deep customer relationships, innovative product design capabilities and expertise in solving technical challenges at the network edge, where a device or local network interfaces with the Internet or other networks.

In 4G mobile networks, we established ourselves as an expert in network densification by focusing on solving the problems associated with physically locating, installing and commissioning networks consisting of hundreds of thousands of small cells as an alternative and supplement to macro cell-based networks. Software-defined and cost-optimized radio platforms, self-organizing/optimization algorithms and minimum power consumption have been critical to our 4G business and are expected to be even more critical to the deployment and expansion of new 5G networks. As an early leader in 5G OPEN-RAN standards, we have worked to unbundle the monolithic network architectures previously dominated by large incumbent suppliers such as Telefonaktiebolaget LM Ericsson ("Ericsson"), Huawei Technologies Co., Ltd. ("Huawei"), and Nokia Corporation ("Nokia"). As a foundational member of the 5G ecosystem, we work closely with wireless operators, chipset suppliers and infrastructure vendors around the world on 5G developments, trials, pilots and initial 5G deployments.

The Wireless Communications Industry

The wireless industry has evolved from Marconi's 1897 18-mile communication to a tugboat to high-speed mobile broadband. Launched in 2002, 3G cellular technology networks provided connectivity to access the World Wide Web from mobile devices and high-powered smart phones and apps began to change the way we live. Launched in 2010, higher speed 4G networks introduced the concept of mobile broadband, connected enterprise applications to cloud computing and began to modernize the way people communicate, interact and work. Presently, 5G networks, with up to 100 times the speed and as little as 10% of the latency (network edge turnaround time) of 4G networks, are expected to be foundational to the development and expansion of autonomous vehicles, telemedicine, live ultra-high definition video streaming, cloud gaming, edge computing and numerous industrial applications, such as augmented reality and robotics for smart manufacturing, supply chain automation and military and defense applications.

Over the next ten years, we believe that 5G networks will become increasingly common across much of the globe, an expansion that will require substantial investment from stakeholders. Operators will need to invest in spectrum rights, network equipment and deployment well in advance of realization of any increase in revenues from the new capabilities that 5G networks offer. Airspan is working with leading global service providers and enterprises in the mobile and fixed wireless access ("FWA") ecosystems to develop, commercialize and accelerate the availability of Open Standard 5G solutions that enable cost-efficient initial deployment and then, based on such open standards, allow those networks to efficiently adapt and grow in response to the emerging applications that are expected to generate increased revenue streams to recoup such network investments.

Products

We offer a complete range of 4G and 5G network build and network densification products with an expansive portfolio of software and hardware tools for indoor and outdoor, compact femto, pico, micro and macro base stations. Our solutions help network operators monetize the potential of 4G and 5G technologies and use cases and, in addition, allow enterprises to establish their own private networks especially in 5G, where dedicated spectrum has been allocated. The table below summarizes our product categories:

5G Product Family	Description
Air5G 4700	Outdoor Sub-6GHz Radio Unit (RU) supporting 16x16 massive MIMO array, Split 7.2x
Air5G 7200	Outdoor mmWave Macro RDU (Radio Unit (RU) and Distributed Unit (DU)) with an integrated 128x128 antenna array, Split 2
AirSpeed2900	Outdoor Pico cell Sub-6GHz dual sector full gNB
AirSpeed1900	Outdoor Pico cell Sub-6GHz single sector full gNB
AirVelocity 6200	Indoor mmWave RDU (Radio Unit (RU) and Distributed Unit (DU)) with an integrated 64x64 antenna array, Split 2
AirVelocity 1901	Indoor Sub-6 fully integrated gNB

SW Product Family	Description
4G eNb SW	Full SW package including L1, L2, L3 and management and control needed to operate the eNb
5G RU SW	SW to operate the RU. In Split 7.2x consist of the L-PHY
5G DU SW	Includes the H-PHY and L2, running in the gNb or on a server
5G CU SW	Includes the L3, running in the gNb or on a server
Airspan Control Platform (ACP) SW	The management and orchestration SW controlling the system components (HW and SW) for 5G and 4G

4G Product Family	Description
AirHarmony	Outdoor Mini-Macro, 2x 20W Tx power
AirSpeed	Outdoor dual sector/carrier Pico cell up to 10W Tx power
AirVelocity	Enterprise/Residential indoor Small Cell
AirU2700	2T4R CAT-A Radio Unit RU, split 7.2X

Seasonality

We generally have lower sales in the first quarter of the calendar year than the final quarter of the preceding year.

Regulation

In addition to regulations of general application to global business, we are subject to a number of regulatory requirements specific to the wireless communications industry. Our products are subject to rules relating to radio frequency spectrum allocation and authorization of certain radio equipment promulgated by the Federal Communications Commission or the National Telecommunications and Information Administration.

The applicable regulatory agency in each jurisdiction adopts regulations to manage spectrum use, establishes and enforces priorities among competing uses, limits harmful radio frequency interference and promotes policy goals such as broadband deployment. These spectrum regulations regulate allocation, licensing and equipment authorizations. Since our customers purchase devices to operate in specific spectrum bands allocated by the regulatory authorities, our products must meet the technical requirements set forth for such spectrum allocation(s).

In some bands, the operator must seek prior regulatory authority to operate using specified frequencies, and the resulting spectrum license authorizes the licensee, for a limited term, to operate in a spectrum consistent with licensed technical parameters within a specified geographic area. We design and manufacture our products to comply with these technical parameters.

Our products generally are subject to compliance testing prior to approval, and, as a condition of authority in each jurisdiction, we must ensure that our products have the proper labels and documentation specifying such authority. We generally use telecommunications certification bodies to obtain certification for our devices in each jurisdiction in which we intend to market and sell our products.

Competition

We compete in two broad markets: mobile RAN equipment and services and wireless broadband access. We compete with large direct competitors in the RAN market such as Ericsson, Huawei, Nokia, Samsung Group and ZTE Corporation as well as smaller players such as Inseego Corp, JMA Wireless, KMW Co Ltd, and Mavenir. In the broadband market, we have direct competitors as well as competing access technologies. The competing technologies include wireline Digital Subscriber Line (“DSL”), fiber, cable and satellite. Direct wireless broadband competition includes Cambium Networks, Proxim Wireless Corporation, Ruckus Networks, a division of CommScope Inc. and Ubiquiti Inc., and many other smaller companies. In addition, some of the entities to which we currently sell our products may develop the capacity to manufacture their own products.

When competing with the large incumbents for business in 4G networks, we rely on software centric small cell experience to provide densification solutions that fit under our larger end-to-end competitors’ macro cell architectures. Our 4G market has been limited to customers with severe capacity restrictions such as Sprint and Reliance that are difficult to address without massive densification. As 5G technology becomes more prevalent across the markets in which we operate, software and small cell-centric disaggregation of networks via O-RAN standards, instead of large macro-centric networks, allows us to take advantage of our competitive strengths, with increased access to CSPs utilizing 5G disaggregation to drive network buildout and to lower their overall operating costs. While we have an advantage within the O-RAN disaggregation market with both software modules and radio equipment based on our years of end-to-end RAN experience, we will have to continue innovation in access edge solutions, as software-only competitors such as Mavenir begin integration with commercial off-the-shelf radios and the larger incumbents such as Ericsson and Nokia invest time and resources into network disaggregation solutions.

Competing Technologies

Today, broadband connections can be provided with or without voice services by a number of competing access technologies. While the communications transport network and Internet backbone are capable of transporting data at extremely high speeds, data can only be delivered from those parts of the network through the access portion to the end-user as fast as the end-user’s connection to the network will permit. Many traditional access connections that use copper wires are inadequate to address the rapidly expanding bandwidth requirements. To address these requirements, a number of alternative solutions have emerged. Below we have identified those solutions that we believe, for a variety of technological and economic reasons, compete most directly with the broadband wireless solutions we offer. Rural areas generally have fewer copper and wired infrastructures in existence. For this reason, we believe we have a particular competitive edge in rural and developing markets.

The performance and coverage area of our wireless systems are dependent on some factors that are outside our control, including features of the environment such as the amount of clutter (natural terrain features and man-made obstructions) and the available radio frequencies. Any inability to overcome these obstacles may make our technology less competitive in comparison with other technologies and make other technologies less expensive or more suitable. Our business may also compete in the future with products and services based on other wireless technologies and other technologies that have yet to be developed.

Wired Digital Subscriber Lines. Broadband access is provided today by wired technologies using both copper and fiber. Copper is used most often in residential broadband access systems.

DSL technology improves the data transmission rate of existing copper networks. DSL transmission rates and service availability, however, are limited in all networks by both the quality of the available copper, which for many providers is a large percentage of their copper network, and by the maximum transmission distance (approximately five kilometers from the subscriber to the service provider’s switching equipment in many instances) of wired DSL technology. In many instances, a substantial portion of an operator’s copper network is unsuitable for DSL transmission.

Fiber technology allows an operator to deliver video, voice and data capabilities over an optical fiber medium that can deliver very high capacity to end-users. Because of the high costs associated with its deployment, fiber is used primarily for broadband access for businesses. It is most economically deployed in urban and suburban environments where business and residents create very high demand for services over broadband, and end-users can afford the relatively high tariffs charged by operators to provide fiber-based connectivity.

Cable Networks. Two-way cable modems using coaxial cable enable data services to be delivered over a network originally designed to provide television service to residential subscribers. Coaxial cable has greater transmission capacity than copper wires but is often costly to upgrade for two-way data services. The data rate available to each subscriber on a cable link decreases as the number of subscribers using the link increases. Cable coverage, which is not available in many countries, may limit the growth of this segment as a broadband access medium.

Satellite Networks. For a variety of technological and economic reasons, satellite technologies have not presented the most direct competitive challenge to the fixed wireless access systems we offer. We believe that newer Low Earth Orbit ("LEO") systems will eventually find a role in remote access but will be vulnerable to the spread of terrestrial broadband facilities driven in part by the need for very low latency, high speed backhaul for ubiquitous 5G networks.

Customers

Our customers are principally network operators, who provide their customers with fixed, nomadic and portable broadband solutions, as well as backhaul and bridging solutions and mobile access solutions. Our customers today can generally be described as follows:

- Fixed and mobile carriers looking to provide high speed triple-play broadband services to a wide customer base;
- Energy, utility and enterprise and data centric carriers where high-speed connectivity is required between locations with a variety of private networking capabilities;
- Military, defense, air to ground and public safety network operators providing wireless connectivity across a broad range of applications; and
- Wireless ISPs that operate in areas where other carriers choose not to offer broadband access services.

We began shipping our products in 1996.

Our contracts with our customers typically provide for delivery of products and services, including training, radio planning and maintenance we provide. Our contracts sometimes include installation and commissioning, which are generally provided by subcontractors. In addition, we generally also agree to provide warranty for the equipment and software for a limited period of time.

Our contracts are generally non-exclusive and may contain provisions allowing our customers to terminate the agreement without significant penalties. Our contracts also may specify the achievement of shipment, delivery and service commitments. We are generally able to meet these commitments or negotiate extensions with our customers.

Our three largest customers have accounted for a substantial majority of our sales in the two years ended December 31, 2023 and 2022. Our top three customers accounted for 68% and 61% of revenue in 2023 and 2022, respectively. See Note 2 of the notes to the audited financial statements included in this Annual Report.

Sales and Marketing

We sell our systems and solutions through our direct sales force and through independent agents, resellers and original equipment manufacturer ("OEM") partners. Our direct sales force targets network operators, ISPs and enterprises in both developed and developing markets. In certain markets, we also sell through independent agents, resellers, distributors and system integrators who target network operators and other customers. We also sell our products to OEMs who may sell our products under their names.

Our marketing efforts are focused on network operators and ISPs that provide voice and data or data-only communications services to their customers. Through our marketing activities, we provide technical and strategic sales support including in-depth product presentations, network design and analysis, bid preparation, contract negotiation and support, technical manuals, sales tools, pricing, marketing communications, marketing research, trademark administration and other support functions.

A high level of ongoing service and support is critical to our objective of developing long-term customer relationships. To facilitate the deployment of our systems, we offer our customers a wide range of implementation and support services, including spectrum planning and optimization, post-sales support, training, a helpline and a variety of other support services.

Our subcontractors, who have the expertise and ability to professionally install our products, perform most major installations and commissioning. This enables us to efficiently manage fluctuations in the volume of installation work.

As of December 31, 2023, we had 104 full-time employees and contractors worldwide dedicated to sales, marketing and customer service.

Intellectual Property

We rely on a combination of patent, trademark, copyright and trade secret law and confidentiality or license agreements to protect our proprietary rights in products, services, know-how and information. Intellectual property laws afford limited protection. Certain rights held by us and our subsidiaries may provide us with competitive advantages, even though not all of these rights are protected under intellectual property laws. It may be possible for a third party to copy our products and services or otherwise obtain and use our proprietary information without our permission.

Through the development of our products, we have generated a significant patent portfolio. As of December 31, 2023, our development efforts have resulted in 210 separate patents granted (includes U.S. patents and various foreign counterparts), with a further 53 currently pending (includes U.S. patents and foreign counterparts) applications. To improve system performance and reduce costs, we have developed custom integrated circuits that incorporate much of our intellectual property as well as a large library of AI base software modules which are key elements of our wireless solutions.

United States patents are currently granted for a term of 20 years from the date a patent application is filed. Our U.S. patents have in the past given us competitive advantages in the marketplace, including a number of patents for wireless transmission techniques and antenna technologies with a particular emphasis on high-speed mobility and power efficiency.

United States trademark registrations are for a term of ten years and are renewable every ten years as long as the trademarks are used in the regular course of trade. We register our trademarks in a number of other countries where we do business.

Manufacturing

We subcontract our manufacturing to third party subcontract manufacturing service providers. These providers offer full service manufacturing solutions, including assembly, integration, test, prototyping and new product introduction. The following is an overview of where our products are manufactured.

- Most of our 4G and 5G product families are all currently produced with Foxconn in their Vietnam facilities and some in Malaysia with a contract manufacturer.

- We also contract with smaller contract manufacturers for early life prototyping and engineering samples.

Our agreements with our manufacturing subcontractors are non-exclusive and may be terminated by either party generally on six months' notice without significant penalty. Other than component purchase liability as a consequence of authorized forecasts we provide, we do not have any agreements with our manufacturing subcontractors to purchase any minimum volumes. Our manufacturing support activities consist primarily of prototype development, new product introduction, materials planning and procurement, functional test support and quality control. All products are routed to customers via one of our third-party logistics partners.

Some of the key components of our products are purchased from single vendors for which alternative sources are generally not readily available in the short to medium term. If these vendors fail to supply us with components because they do not have them in stock when we need them, if they reduce or eliminate their manufacturing capacity for these components or if they enter into exclusive relationships with other parties which prevents them from selling to us, we could experience and have experienced significant delays in shipping our products while we seek other sources.

Human Capital Resources

Employee Overview

Our employees are instrumental in helping inspire us to achieve our goals. They bring a wide range of talents, experience and perspectives to drive our business. We are an equal opportunity employer, and it is our policy to make employment decisions and opportunities based on merit, qualifications, potential and competency.

As of December 31, 2023, we had 428 full-time equivalent employees based primarily in the United Kingdom, India, Israel and the United States. We also engage numerous consultants and contractors to supplement our permanent workforce. We believe that we generally have good relationships with our employees. None of our employees are subject to a collective bargaining agreement or represented by a labor union, nor have we experienced any work stoppages.

Talent and Human Capital Management

We believe that human capital management is an important component to our continued growth and success, and is critical to our ability to attract, retain and develop talented and skilled employees.

Our human capital is governed by employment regulations in each country in which we operate. We monitor key employment activities, such as hiring, termination and pay practices to ensure compliance with established regulations across the world. Attracting, developing and retaining the best people globally is critical to our long-term success.

Diversity and Inclusion

We believe in attracting, developing and retaining diverse teams. We embrace diversity and inclusion and strive to provide an environment rich with diverse skills, backgrounds and perspectives.

Incentive Plans

The principal purpose of our incentive plans is to increase stockholder value by attracting, retaining and motivating high value personnel through the granting of equity and non-equity-based compensation awards. The incentive plans are designed to motivate individuals to perform to the best of their abilities to achieve our short and long-term objectives.

Corporate Information

We were incorporated under the laws of the State of Delaware on August 20, 2020 under the name New Beginnings Acquisition Corp. On August 13, 2021, we changed our name to Airspan Networks Holdings Inc. Our principal executive offices are located at 777 Yamato Road, Suite 310, Boca Raton, Florida 33431 and our telephone number is (561) 893-8670. Our main operations and product development centers are located in Slough, United Kingdom, Airport City, Israel, Mumbai and Bangalore, India and Tokyo, Japan. Our website address is *www.airspan.com*. We make available, free of charge, our annual reports on Form 10-K, quarterly reports on Form 10-Q and current reports on Form 8-K and amendments to those reports filed or furnished pursuant to Section 13(a) or 15(d) of the Securities Exchange Act of 1934, as amended (the "Exchange Act"), as well as proxy statements, on our website as soon as reasonably practicable after we electronically file such material with, or furnish it to, the Securities and Exchange Commission ("SEC"). The information contained in, or that can be accessed through, our website is not part of, and is not incorporated into this document.

Item 1A. Risk Factors

Our business is subject to numerous risks and uncertainties. The occurrence of one or more of the events or circumstances described in this section "Risk Factors," alone or in combination with other events or circumstances, may materially adversely affect our business, financial condition and operating results. In that event, the trading price of our securities could decline, and you could lose all or part of your investment in our securities. Such risks include, but are not limited to:

Risks Related to the Chapter 11 Cases

As a result of the Chapter 11 Cases, our financial results may be volatile and may not reflect historical trends.

During the Chapter 11 Cases, we expect our financial results to continue to be volatile as restructuring activities and expenses, contract terminations and rejections, and claims assessments significantly impact our consolidated financial statements. As a result, our historical financial performance is likely not indicative of our financial performance after the date of the bankruptcy filing. In addition, when we emerge from the Chapter 11 Cases, the amounts reported in subsequent consolidated financial statements may materially change relative to historical consolidated financial statements, including as a result of revisions to our operating plans pursuant to a plan of reorganization. We also may be required to adopt fresh start accounting, in which case our assets and liabilities will be recorded at fair value as of the fresh start reporting date, which may differ materially from the recorded values of assets and liabilities on our consolidated balance sheets. Our financial results after the application of fresh start accounting also may be different from historical trends.

Emergence from the Chapter 11 Cases requires government approval

The Bankruptcy Court confirmed the Prepackaged Plan on June 28, 2024. In order to emerge from bankruptcy, the transaction contemplated in the RSA and the Prepackaged Plan must be approved by the Committee on Foreign Investment in the United States ("CFIUS") and the Investment Security Unit (the "ISU"), the responsible regulator in the United Kingdom. On July 12, 2024, CFIUS approved the transaction contemplated in the RSA and the Prepackaged Plan. On July 3, 2024, the ISU informed us that the transaction is subject to further review under the United Kingdom's National Security Investment Act 2021 ("NSIA"). Due to the additional time required to address questions from the ISU under the NSIA, on July 23, 2024, the Bankruptcy Court approved the Company's motion to enter into the DIP Facility Amendment No. 1 to provide up to $5.0 million in additional funds to cover operating costs during this process. On October 2, 2024, the ISU informed the Company that no further action would be taken in relation to the call-in notice given under the NSIA. With this notice, the Company has received all required governmental approvals necessary to emerge from bankruptcy and close the Restructuring Transactions.

Risks Related to Our Business and Industry

We have incurred losses and may continue to incur substantial losses and negative operating cash flows and may not succeed in achieving or maintaining profitability in the future.

We have incurred net losses and negative cash flows since incorporation, and as of December 31, 2023, we had an accumulated deficit of $930.1 million. We anticipate that we will continue to experience negative cash flows and net losses at least through the first quarter of 2025. Our operating losses have been due in part to the commitment of significant resources to our research and development and sales and marketing departments as well as competitive pressures. We expect to continue to devote resources to these areas and, as a result, we will need to increase our quarterly revenues or further decrease our operating expenses to achieve and maintain profitability. We cannot be certain that we will achieve profitability. If we do achieve profitability, we cannot be certain that we can sustain or increase profitability on a quarterly or annual basis in the future. Continuous cash outflows can lead to the need for new financing, which may not be available on favorable terms, or at all.

Any reduction in expenditures by communications service providers could have a negative impact on our results of operations.

Our products are sold to telecommunications carriers, service providers and telecommunications network operators. A decline in our customers' capital spending may reduce our sales, increase the need for inventory write-offs and increase our losses and our requirements for additional working capital, which may not be readily available to us. This could result in downward pressure on the price of our products, all of which would have a material adverse effect on our results of operations and stock price. Further, the number of carriers and service providers that are our potential customers may not grow or may decline as a result of, among other things, the substantial capital requirements needed to establish networks and the limited number of licenses granted in each country.

The introduction of new products and technology, and in particular 5G products, and managing the transition from legacy products, is key to our success, and if we fail to predict and respond to emerging technological trends and network operators' changing needs, we may be unable to remain competitive.

The wireless broadband market is generally characterized by rapidly changing technology, changing needs of network operators, evolving regulations and industry standards and frequent introductions of new products and services. Currently, the race to introduce 5G products and technology is driving rapid changes in our industry. Historically, new product introductions have been a key driver of our revenue growth. To succeed, we must effectively anticipate and adapt in a timely manner to network operator requirements and continue to develop or acquire new products and features that meet market demands, technology trends and evolving regulatory requirements and industry standards. Our ability to keep pace with technological developments, such as 5G and LTE, satisfy increasing network operator requirements, and achieve product acceptance depends upon our ability to enhance our current products and develop and introduce or otherwise acquire the rights to new products on a timely basis and at competitive prices. The process of developing new technology is complex and uncertain, and the development of new products and enhancements typically requires significant upfront investment and commitment of resources, which may not result in material improvements to existing products or result in marketable new products or cost savings or revenues for an extended period of time, if at all. We are currently investing in the development of products and technology for the 5G standard once it is generally adopted in our target markets. There can be no assurance we will successfully address the new 5G standard in a timely manner or that our products will achieve market acceptance. Network operators have delayed, and may in the future delay, purchases of our products while awaiting release of new products or product enhancements. In addition, the introduction of new or enhanced products requires that we carefully manage the transition from older products to minimize disruption in customer ordering practices. If we fail to anticipate industry trends and evolving regulations by developing or acquiring rights to new products or product enhancements and timely and effectively introducing such new products and enhancements, or network operators do not perceive our products to have compelling technological advantages, our business would be materially adversely affected.

Competition from larger, better-capitalized or emerging competitors could result in price reductions, reduced gross margins and loss of or diminished growth of market share.

We compete in a rapidly evolving, highly competitive and fragmented market. We now compete with companies that are producing both mobile and fixed wireless communications systems, wired DSL, cable networks, fiber optic cable, certain satellite technologies and other new entrants to this industry, as well as traditional communications companies. General anticipated increases in capital spending on 5G applications may result in new competitors entering the markets in which we sell our products. Competitors vary in size and resources and in products and services offered. With respect to the wireless solutions for 4G and 5G networks we offer today, we believe we compete directly with Altiostar, Cambium, Casa, Ciena, Ericsson, Huawei, KMW, Mavenir, Nokia, Samsung, Sercom and ZTE Corporation, and with a number of smaller privately-held companies. In addition, some of the entities to which we currently sell our products may develop the capacity to manufacture their own products.

Many of our competitors are substantially larger than us and have significantly greater financial, sales and marketing, technical, manufacturing and other resources as well as more established distribution channels and greater name recognition. These competitors may be able to respond more rapidly to new or emerging technologies and changes in customer requirements than we can and can devote greater resources to attempting to influence the composition of future technological standards. They may also be able to devote greater resources to the development, promotion, sale and financing of their products than we can. Furthermore, some of our competitors have made or may make strategic acquisitions or establish cooperative relationships among themselves or with third parties to increase their ability to gain customer market share rapidly. These competitors may enter our existing or future markets with systems that may be less expensive, provide higher performance or contain additional features. In addition, large customers are sometimes reluctant to base an important line of business on equipment purchased from a smaller vendor such as us. In addition, both larger and smaller communications service providers may also decide to wait to see how a new technology develops before committing any significant resources to deploying equipment from a particular supplier. We believe this tendency to “wait and see” with respect to new technology affects the consumer market, resulting in increased customer caution on purchases of new technology.

We expect our competitors to continue to improve the performance of their current products and to introduce new products or new technologies that may supplant or provide lower-cost alternatives to our systems. This and other factors could result in lower revenues or a loss of market share, which could cause our stock price to fall.

We currently depend on a few key customers for a substantial percentage of our sales. A loss of one or more of those customers could cause a significant decrease in our net revenue.

We currently derive, and expect to continue to derive, a majority of our revenues from fewer than five customers.

In 2023 and 2022, approximately 68% and 61%, respectively, of our revenues were derived from our top three customers by revenue. We believe that there are certain economies of scale inherent in our business. Accordingly, if we lose one or more significant customers and are unable to replace the revenue previously generated by those customers, our gross profit margins, profitability and efforts to preserve cash resources could be materially negatively affected.

The amount of revenue we derive from a specific customer is likely to vary from period to period, and a major customer in one period may not produce significant additional revenue in a subsequent period. We anticipate that our operating results will continue to depend on sales to a relatively small number of key customers in the foreseeable future. In general, our contracts with our larger customers often involve major deployments that require several months to fulfill, so our results may depend on the same major customers for consecutive quarters. We cannot assure you that, once a contract is fulfilled, the customer will purchase new products or services from us. We must, therefore, continually seek new customers in order to increase our revenue, and there can be no assurance that we will be successful in doing so.

Many of our customers execute short-term purchase orders or contracts that allow our customers to terminate the agreement without significant penalties.

Our contracts and purchase orders are separately negotiated with each of our customers and the terms vary widely. A majority of our customers execute only short-term purchase orders for a single system or a small number of systems at one time instead of long-term contracts for large-scale deployment of our systems. These contracts and purchase orders do not ensure that our customers will purchase any additional products beyond those specifically listed in the order.

Moreover, since we often believe that these purchase orders may represent the early portion of longer-term customer programs, we often expend significant financial, personnel and operational resources to fulfill these orders. If our customers fail to purchase additional products to fulfill their programs, we may be unable to recover the costs we incur and our margins could suffer.

In addition, our typical contracts are generally non-exclusive and contain provisions allowing our customers to terminate the agreement without significant penalties. Our contracts also may require certain shipment, delivery and installation commitments on our part. If we fail to meet these commitments, our customer contracts typically permit the customer to terminate the contract or impose monetary penalties on us.

Our sales cycle is typically long and unpredictable, making it difficult to accurately predict inventory requirements, forecast revenues and control expenses.

Our sales cycle can range from three to 18 months and varies by customer. The length of the sales cycle with a particular customer may be influenced by a number of factors, including the commitment of significant cash and other resources associated with the purchase, lengthy testing and evaluations, and regulatory and licensing requirements on the part of the customer. In addition, the emerging and evolving nature of the communication access market may cause prospective customers to delay their purchase decisions as they evaluate new and/or competing technologies, or wait for new products or technologies to come to market. We expect that our sales cycles will continue to be long and unpredictable, and, as the average order size for our products increases, our customers' processes for approving purchases may become more complex and lead to an even longer sales cycle. Accordingly, it is difficult for us to anticipate the quarter in which particular sales may occur, to determine product shipment schedules and to provide our manufacturers and suppliers with accurate lead-time to ensure that they have sufficient inventory on hand to meet our orders. Therefore, our sales cycle impairs our ability to recognize and forecast revenues and control expenses.

We make estimates relating to customer demand and errors in our estimates may have negative effects on our inventory levels, revenues and results of operations.

We have historically been required to place firm orders or binding forecasts for products and components with our suppliers to ensure that we are able to meet our customers' demands. These commitments to our suppliers may be placed up to six months prior to the anticipated delivery date based on our existing customer purchase commitments and our forecasts of future customer demand. Our sales process requires us to make multiple forecast assumptions relating to expected customer demand, each of which may introduce error into our estimates, causing excess inventory to accumulate or a lack of product supply when needed. If we overestimate customer demand, we may allocate resources to manufacturing products that we may not be able to sell when we expect or at all. As a result, we have sometimes had excess inventory, which has increased our net losses. Conversely, if we underestimate customer demand or if insufficient manufacturing capacity were available, we may lose revenue opportunities and market share and may damage our customer relationships.

Our results of operations may be adversely affected by fluctuations in currency exchange rates and tax rates and changes in tax laws in the jurisdictions in which we operate.

We conduct a majority of our business operations outside the United States. In 2023 and 2022, our international sales (sales to customers located outside the United States which includes a small percentage of United States customers where the final destination of the equipment is outside of the United States) accounted for approximately 78% and 61%, respectively, of our total revenue. Our operations are subject to international business risks, including the need to convert currencies received for our products into currencies in which we purchase raw materials or pay for services, which could result in a gain or loss depending on fluctuations in exchange rates. We transact business in many foreign currencies, including New Israeli Shekels, British pounds and Japanese yen. We translate our local currency financial results into U.S. dollars based on average exchange rates prevailing during the reporting period or the exchange rate at the end of that period. During times of a strengthening U.S. dollar, our reported international sales and earnings may be reduced because the local currency may translate into fewer U.S. dollars. Because of our global operations, we are exposed to fluctuations in global currency rates which may result in gains or losses on our financial statements.

We are subject to income taxation in the U.S. (federal and state) and numerous international jurisdictions. Tax laws, regulations, and administrative practices in various jurisdictions may be subject to significant change, with or without notice, due to economic, political, and other conditions, and significant judgment is required in evaluating and estimating our provision and accruals for these taxes. In particular, governmental agencies in domestic and international jurisdictions in which we and our affiliates do business, as well as the Organization for Economic Cooperation and Development, have recently focused on issues related to the taxation of multinational corporations. One example is in the area of "base erosion and profit shifting", where profits are claimed to be earned for tax purposes in low-tax jurisdictions, or payments are made between affiliates from a jurisdiction with high tax rates to a jurisdiction with lower tax rates. There are many transactions that occur during the ordinary course of business for which the ultimate tax determination is uncertain. In addition, our effective tax rates could be affected by numerous factors, such as intercompany transactions, the relative amount of our foreign earnings, including earnings being lower than anticipated in jurisdictions where we are subject to lower statutory rates and higher than anticipated in jurisdictions where we are subject to higher statutory rates, the applicability of special tax regimes, losses incurred in jurisdictions in which we are not able to realize the related tax benefit, changes in foreign currency exchange rates, entry into new businesses and geographies, changes to our existing businesses and operations, acquisitions (including integrations) and investments and how they are financed, changes in our stock price, changes in our deferred tax assets and liabilities and their valuation, and changes in the relevant tax, accounting, and other laws, regulations, administrative practices, principles, and interpretations.

We are also currently subject to audit in various jurisdictions, and these jurisdictions may assess additional income tax liabilities against us. Developments in an audit, litigation, or the relevant laws, regulations, administrative practices, principles, and interpretations could have a material effect on our operating results or cash flows in the period or periods for which that development occurs, as well as for prior and subsequent periods.

In addition, we have recorded valuation allowances which result from our analysis of positive and negative evidence supporting the realization of tax benefits. Negative evidence includes a cumulative history of pre-tax operating losses in specific tax jurisdictions. Changes in valuation allowances have resulted in material fluctuations in our effective tax rate. Economic conditions may dictate the continued imposition of current valuation allowances and, potentially, the establishment of new valuation allowances and releases of existing valuation allowances. While significant valuation allowances remain, our effective tax rate will likely continue to experience significant fluctuations.

We rely on third-party manufacturers, which subjects us to risk of product delivery delays and reduced control over product costs and quality.

We outsource the manufacturing of our products to third-party manufacturers. Purchases from these third-party manufacturers account for the most significant portion of our cost of revenues. Our reliance on third-party manufacturers reduces our control over the manufacturing process, including reduced control over quality, product costs and product supply and timing. From time to time, we have experienced and may in the future experience delays in shipments or issues concerning product quality from our third-party manufacturers. If any of our third-party manufacturers suffer interruptions, delays or disruptions in supplying our products, including by reason of natural disasters, work stoppages or capacity constraints, our ability to ship products to distributors and network operators would be delayed. Additionally, if any of our third-party manufacturers experience quality control problems in their manufacturing operations and our products do not meet network operators' requirements, we could be required to cover the repair or replacement of any defective products. These delays or product quality issues could have an immediate and material adverse effect on our ability to fulfill orders and could have a negative impact on our operating results. In addition, such delays or issues with product quality could harm our reputation and our relationship with our channel partners.

Our agreements do not typically obligate our third-party manufacturers to supply products to us in specific quantities or for an extended term, which could result in short notice to us of supply shortages and increases in the prices we are charged for manufacturing services. We believe that our orders may not represent a material portion of the total orders of our primary third-party manufacturers, and, as a result, fulfilling our orders may not be prioritized in the event they are constrained in their abilities or resources to fulfill all of their customer obligations in a timely manner. Although we provide demand forecasts to some of our third-party manufacturers, such forecasts are not generally binding and if we overestimate our requirements, some of our third-party manufacturers may assess charges, or we may have liabilities for excess inventory, each of which could negatively affect our gross margins. Conversely, because lead times for required materials and components vary significantly and depend on factors such as the specific supplier, contract terms and the demand for each component at a given time, if we underestimate our requirements, our third-party manufacturer may have inadequate materials and components required to produce our products. This could result in an interruption of the manufacturing of our products, delays in shipments and deferral or loss of revenues. For example, as a result of increased global demand for some components used in our products, particularly chipsets, some of our third-party manufacturers have experienced capacity shortages and have responded by allocating existing supply among their customers, including us. This capacity shortage coupled with an increase in demand for our affected products has resulted in supply shortages that have caused increased lead times for some of our products. We may suffer delays introducing new products to the market and in sales of existing products as a result of parts unavailability or shortages, resulting in loss or delay of revenue.

If our third-party manufacturers experience financial, operational, manufacturing capacity or other difficulties, or experience shortages in required components, or if they are otherwise unable or unwilling to continue to manufacture our products in required volumes or at all, our supply may be disrupted, and we may be required to seek alternate manufacturers. It would be time-consuming and costly, and could be impracticable, to begin to use new manufacturers and such changes could cause significant interruptions in supply and could have an adverse impact on our ability to meet our scheduled product deliveries and may subsequently lead to the loss of sales, delayed revenues or an increase in our costs, which could materially and adversely affect our business and operating results.

The inability of our supply chain to deliver certain key components could materially adversely affect our business, financial condition and results of operations.

Our products contain a significant number of components that we source globally, including from Vietnam and Malaysia. If our supply chain fails to deliver products to us in sufficient quality and quantity on a timely basis, we will be challenged to meet our customer order delivery timelines and could incur significant additional expenses for expedited freight and other related costs. Our supply chain has been, and may continue to be, adversely impacted by events outside of our control, including macroeconomic events, trade restrictions, economic recessions or natural occurrences. Certain of our customer contracts contain penalties for late or incomplete deliveries. These supply chain disruptions and delays may, in turn, cause us to be unable to make timely or complete deliveries to our customers, which may expose us to those penalties. Further, supply chain disruptions could result in longer lead times, inventory supply challenges and further increased costs, which could harm our ability to compete for future business. Accordingly, we remain subject to significant risks of supply chain disruptions or shortages, which could materially adversely affect our business, financial condition and results of operations.

We must often establish and demonstrate the benefits of new and innovative offerings to customers, which may take time and significant efforts that may not ultimately prove successful.

Many of our new and innovative products are complex and are focused on creating new revenue streams and/or new ways to create cost efficiencies. In many cases, it is necessary for us to educate existing and potential customers about the benefits and value of such new and innovative products, with no assurance that the customer will ultimately purchase them. The need to educate our customers increases the difficulty and time necessary to complete transactions, makes it more difficult to efficiently deploy limited resources, and creates risk that we will have invested in an opportunity that ultimately does not result in a sale. If we are unable to establish and demonstrate to customers the benefits and value of our new and innovative products and convert these efforts into sales, our business, results of operations, financial condition, cash flows and prospects will be adversely affected.

Our ability to sell our products is highly dependent on the quality of our support and services offerings, and our failure to offer high-quality support and services could have a material adverse effect on our business, operating results and financial condition.

Network operators rely on our products for critical applications and, as such, high-quality support is critical for the successful marketing and sale of our products. If we or our channel partners do not provide adequate support to network operators in deploying our products or in resolving post-deployment issues quickly, our reputation may be harmed and our ability to sell our products could be materially and adversely affected.

We may not be able to detect errors or defects in our solutions until after full deployment and product liability claims by customers could result in substantial costs.

Our solutions are sophisticated and are designed to be deployed in large and complex mobile networks that require a very high degree of reliability. Because of the nature of our solutions, they can only be fully tested when substantially deployed in very large networks with high volumes of subscriber traffic. Some of our customers have only recently begun to commercially deploy our solutions and they may discover errors or defects in the software or hardware, or the solutions may not operate as expected. Because we may not be able to detect these problems until full deployment, any errors or defects in our solutions could affect the functionality of the networks in which they are deployed, given the use of our solutions in business-critical applications. As a result, the time it may take us to rectify errors can be critical to our customers.

Because the networks into which wireless service providers deploy our solutions require a very high degree of reliability, the consequences of an adverse effect on their networks, including any type of communications outage, can be very significant and costly. If any network problems were caused, or perceived to be caused, by errors or defects in our solutions, our reputation and the reputation of our solutions could be significantly damaged with respect to that customer and other customers. Such problems could lead to a loss of that customer or other customers.

If one of our solutions fails, we could also experience: payment of liquidated damages for performance failures; loss of, or delay in, revenue recognition; increased service, support, warranty, product replacement and product liability insurance costs, as well as a diversion of development resources; and costly and time-consuming legal actions by our customers, which could result in significant damages awards against us. Any of these events could have a material adverse impact on our business, results of operations, financial condition, cash flows and prospects.

Our international sales may be difficult and costly as a result of the political, economic and regulatory risks in those regions.

Sales to customers based outside the United States have historically accounted for a majority of our revenues. In 2023 and 2022, our international sales (sales to customers located outside the United States which includes a small percentage of United States customers where the final destination of the equipment is outside of the United States) accounted for approximately 78% and 61%, respectively, of our total revenue. In many international markets, long-standing relationships between potential customers and their local suppliers and protective regulations, including local content requirements and type approvals, create barriers to entry. In addition, pursuing international opportunities may require significant investments for an extended period before returns on such investments, if any, are realized and such investments may result in expenses growing at a faster rate than revenues. The following risks inherent in international business could reduce the international demand for our products, decrease the prices at which we can sell our products internationally or disrupt our international operations, which could adversely affect our operations:

- the imposition of tariffs, duties, price controls or other restrictions on foreign currencies or trade barriers imposed by foreign countries;
- import or export controls, including licensing or product-certification requirements;
- unexpected changes in government policies or regulatory requirements in the United States or by foreign governments and delays in receiving licenses to operate;
- political instability and acts of war or terrorism;
- economic instability, including the impact of economic recessions;
- difficulty in staffing and managing geographically diverse operations;
- any limitation on our ability to enforce intellectual property rights or agreements in regions where the judicial legal systems may be less developed or less protective of intellectual property or contractual rights;
- capital and exchange control programs;
- challenges caused by distance, language and cultural differences;
- fluctuations in currency exchange rates;
- labor unrest;
- restrictions on the repatriation of cash;
- the nationalization of local industry; and
- potentially adverse tax consequences.

Our operations in Israel may be disrupted by political and military tensions in Israel and the Middle East.

We conduct various activities in Israel, including research and development; design; and raw material procurement in Israel. Our operations could be negatively affected by the political and military tensions in Israel and the Middle East.

Israel has been involved in a number of armed conflicts with its neighbors since 1948 and a state of hostility, varying in degree and intensity, has led to security and economic problems in Israel, most recently in light of the attack on Israel by Hamas on October 7, 2023. Conditions in Israel could, in the future, disrupt the development, manufacture and/or distribution of our products.

If we lose Glenn Laxdal, our Chief Executive Officer, or any of our other executive officers, we may encounter difficulty replacing their expertise, which could impair our ability to implement our business plan successfully.

We believe that our ability to implement our business strategy and our future success depends on the continued employment of our senior management team, in particular our chief executive officer, Glenn Laxdal. Our senior management team, who have extensive experience in our industry and are vital to maintaining some of our major customer relationships, may be difficult to replace. The loss of the technical knowledge and management and industry expertise of these key employees could make it difficult for us to execute our business plan effectively, could result in delays in new products being developed, could result in lost customers, and could cause a diversion of resources while we seek replacements.

A material defect in our products that either delays the commencement of services or affects customer networks could seriously harm our credibility and our business, and we may not have sufficient insurance to cover any potential liability.

Wireless network products are highly complex and frequently contain undetected software or hardware errors when first introduced or as new versions are released. We have detected and are likely to continue to detect errors and product defects in connection with new product releases and product upgrades. In the past, some of our products have contained defects that delayed the commencement of service by our customers.

If our hardware or software contains undetected errors, we could experience:

- delayed or lost revenues and reduced market share due to adverse customer reactions;
- higher warranty costs and other costs and expenses due to the need to provide additional products and services to a customer at a reduced charge or at no charge;
- claims for substantial damages against us, regardless of our responsibility for any failure, which may lead to increased insurance costs;
- diversion of research and development resources to fix errors in the field;
- negative publicity regarding us and our products, which could adversely affect our ability to attract new customers;
- increased insurance costs; and
- diversion of management and development time and resources.

Our general liability insurance coverage may not continue to be available on reasonable terms or in sufficient amounts to cover one or more large claims or our insurer may disclaim coverage as to any future claim. In addition, our products are often integrated with other network components. Incompatibilities between our products and these components could result in material harm to the service provider or its subscribers. These problems could adversely affect our cash position or our reputation and competitive position.

The mobile network industry investment levels fluctuate and are affected by many factors, including the economic environment and decisions made by wireless service providers and other customers regarding deployment of technology and their timing of purchases, and a downturn in investment levels could have a material adverse effect on our business, financial condition, results of operations and prospects.

The mobile network industry has experienced downturns in which wireless service providers and other customers substantially reduced their capital spending on new equipment. With the advent of 5G and the growth of private networks, we expect this market to grow in the coming years; however, the uncertainty surrounding global economic growth and the geopolitical situation may materially harm actual market conditions. Moreover, market conditions are subject to substantial fluctuation and could vary geographically and across technologies. Even if global conditions improve, conditions in the specific industry segments in which we participate may be weaker than in other segments. In that case, our revenue and operating results may be adversely affected.

If capital expenditures by wireless service providers and other customers are weaker than we anticipate, our revenues, operating results and profitability may be adversely affected. The level of demand from operators and other customers who buy our products and services can vary over short periods of time, including from month to month. Due to this uncertainty, accurately forecasting revenues, results, and cash flow remains difficult.

Risks associated with ongoing inflation and increasing oil and gas prices could adversely affect our business, financial condition and results of operations.

Inflation, which increased significantly during 2022 and 2023, has adversely affected us by increasing the costs of materials and labor needed to operate our business and could continue to adversely affect us in future periods. In addition the increase in oil and gas prices has adversely affected us with increased costs of transportation, heating premises and higher prices from our suppliers. We have increased certain of the sales prices of our products and services in response to these increased costs and, in the event inflation and oil and gas prices continue to increase, we may seek to further increase our sales prices in order to maintain satisfactory margins. However, such increases may result in customer pushback or attrition and be difficult or impossible in future periods, all of which may have an adverse effect on our business, financial condition and results of operations. Additionally, actions by governments to stimulate the economy may increase the risk of significant inflation, which may also have an adverse impact on our business or financial results.

Our business and prospects depend on the strength of our brand. Failure to maintain and enhance our brand would harm our ability to increase sales by expanding our network of channel partners as well as the number of network operators who purchase our products.

Maintaining and enhancing our brand is critical to expanding our base of channel partners and the number of network operators who purchase our products. Maintaining and enhancing our brand will depend largely on our ability to continue to develop products and solutions that provide the high quality at attractive economics sought by network operators. If we fail to promote, maintain and protect our brand successfully, our ability to sustain and expand our business and enter new markets will suffer. Our brand may be impaired by a number of factors, including product failure and counterfeiting. If we fail to maintain and enhance our brand, or if we need to incur unanticipated expenses to establish the brand in new markets, our operating results would be negatively affected.

There is substantial doubt about our ability to continue as a going concern and we need to raise additional funding to meet our obligations. We may not secure funding on a timely basis or on acceptable terms to satisfy our debt covenants or to attain profitable operations.

We have not yet established an ongoing source of revenue sufficient to cover operating costs and allow us to continue as a going concern. Our ability to continue as a going concern is dependent on obtaining adequate capital to fund operating losses until we become profitable. Our ability to achieve the foregoing, which may be necessary to permit the realization of assets and satisfaction of liabilities in the ordinary course of business, is uncertain and raises substantial doubt about our ability to continue as a going concern.

We may not secure funding to meet our obligations on a timely basis to attain profitable operations. Any additional liquidity we may need in order to meet our obligations on a timely basis or to attain profitable operations may not be available on terms that are acceptable to us, or at all.

Risks Related to Our Intellectual Property

We may not have adequate protection for our intellectual property, which may make it easier for others to misappropriate our technology and enable our competitors to sell competing products at lower prices and harm our business.

Our success has historically relied in part on proprietary technology. We have used a combination of patent, copyright, trademark and trade secret laws and contractual restrictions on disclosure to protect our intellectual property rights associated with our products. Despite our efforts to protect our proprietary rights, we cannot be certain that the steps we have taken will prevent misappropriation of our technology, and we may not be able to detect unauthorized use or take appropriate steps to enforce our intellectual property rights. The laws of some foreign countries, particularly in Asia, do not protect our proprietary rights to the same extent as the laws of the United States and the United Kingdom, and we may encounter substantial infringement problems in those countries. In addition, we do not file for patent protection in every country where we conduct business. In some countries where we do file for patent protection, we may choose not to maintain patent protection. In addition, we may not file for or maintain patent protection in a country from which we derive significant revenue. In instances where we have licensed intellectual property from third parties, we may have limited rights to institute actions against third parties for infringement of the licensed intellectual property or to defend any suit that challenges the validity of the licensed intellectual property. If we fail to protect adequately our intellectual property rights, or fail to do so under applicable law, it would be easier for our competitors to copy our products and sell competing products at lower prices, which would harm our business.

Infringement claims are common in our industry and third parties, including competitors, have and could in the future assert infringement claims against us or our customers that we are obligated to indemnify.

Our industry is highly competitive and our technologies are complex. Companies file patent applications and obtain patents covering these technologies frequently and maintain programs to protect their intellectual property portfolios. In addition, patent holding companies (including "non-practicing entities") regularly bring claims against telecommunication equipment companies, often attempting to extract royalty, licensing or other settlements.

Our solutions are technically complex and compete with the products and solutions of significantly larger companies. Our likelihood of being subject to infringement claims may increase as a result of our real or perceived success, as the number of competitors in our industry grows and as we add functionality to our solutions. We have previously received and may in the future receive communications from third parties alleging that we are or may be infringing their intellectual property rights. The visibility we receive from being a public company may result in a greater number of such allegations.

We have also agreed, and expect to continue to agree, to indemnify our customers for certain expenses or liabilities resulting from claimed infringement of intellectual property rights of third parties with respect to our solutions and software. We have received indemnity demands from customers in the past and may receive such other claims in the future. In the case of infringement claims against these customers, we could be required to indemnify them for losses resulting from such claims or to refund license fees they have paid to us. If a customer asserts a claim for indemnification against us, we could incur significant costs and reputational harm disputing it. If we do not succeed in disputing it, we could face substantial liability, particularly as these liabilities do not typically have caps or specific limits and our insurance coverage relating to any such liabilities generally would be very limited.

Regardless of the merit of third-party claims that we or our customers infringe their rights, these claims could be time consuming and costly to defend, divert management's attention and resources, require us to make costly or difficult changes to our designs, cause us to cease producing, licensing or using software or solutions, require us to pay damages for past infringement, potentially including treble damages, or enter into royalty or licensing agreements, which may not be available on reasonable terms or at all, or any combination of, or all of, these actions.

We may be subject to damages resulting from claims that our employees or contractors have wrongfully used or disclosed alleged trade secrets of their former employees or other parties.

We could be subject to claims that we, or our employees or contractors, have inadvertently or otherwise used or disclosed trade secrets or other proprietary information of our competitors or other parties. Litigation may be necessary to defend against these claims. If we fail in defending against such claims, a court could order us to pay substantial damages and prohibit us from using technologies or features that are important to our products, if such technologies or features are found to incorporate or be derived from the trade secrets or other proprietary information of these parties. In addition, we may lose valuable intellectual property rights or personnel. A loss of key personnel or their work product could hamper or prevent our ability to develop, market and support potential products or enhancements, which could materially and adversely affect our business. Even if we are successful in defending against these claims, such litigation could result in substantial costs and be a distraction to management.

We use open-source software in our products that may subject our firmware to general release or require us to re-engineer our products and the firmware contained therein, which may cause harm to our business.

We incorporate open-source software into our products. Use and distribution of open-source software may entail greater risks than use of third-party commercial software, as open-source licensors generally do not provide warranties or other contractual protections regarding infringement claims or the quality of the software code. Some open-source licenses contain requirements that we make available source code for modifications or derivative works we create based upon the open-source software and that we license such modifications or derivative works under the terms of a particular open-source license or other license granting third parties certain rights of further use. If we combine our proprietary firmware or other software with open-source software in a certain manner, we could, under certain of the open-source licenses, be required to release our proprietary source code publicly or license such source code on unfavorable terms or at no cost. Open-source license terms relating to the disclosure of source code in modifications or derivative works to the open-source software are often ambiguous and few if any courts in jurisdictions applicable to us have interpreted such terms. As a result, many of the risks associated with usage of open-source software cannot be eliminated, and could, if not properly addressed, negatively affect our business.

If we were found to have inappropriately used open source software, we may be required to release our proprietary source code, re-engineer our firmware or other software, discontinue the sale of our products in the event re-engineering cannot be accomplished on a timely basis or take other remedial action that may divert resources away from our development efforts, any of which could adversely increase our expenses and delay our ability to release our products for sale. We could also be subject to similar conditions or restrictions should there be any changes in the licensing terms of the open-source software incorporated into our products.

Risks Related to Laws and Regulations

Changes in telecommunications regulation or delays in receiving licenses could adversely affect many of our customers and may lead to lower sales.

Many of our customers are subject to extensive regulation as communications service providers, including with respect to the availability of radio frequencies for two-way broadband communications. Each country has different regulations and regulatory processes for wireless communications equipment and for the uses of radio frequencies. Some of our products operate in license-exempt bands, while others operate in licensed bands in different jurisdictions. In addition, changes in laws or regulations that adversely affect existing and potential customers could lead them to delay, reduce or cancel expenditures on communications access systems, which actions would harm our business. In the past, anticipated customer orders have been postponed because of regulatory issues in various countries. The resolution of those issues can be lengthy, and the outcome can be unpredictable. Some of the orders we receive from customers are contingent upon their receipt of licenses from regulators, the timing of which can often be uncertain. Depending on the jurisdiction, the receipt of licenses by our customers may occur, if at all, a year or more after they initially seek those licenses.

At present there are few laws or regulations that specifically address our business of providing communications access equipment. However, future regulation may include access or settlement charges or tariffs that could impose economic burdens on our customers and our company. We are unable to predict the impact, if any, that future legislation, judicial decisions or regulations in the countries in which we do business will have on our business, operating results and financial condition.

If we were not able to satisfy data protection, security, privacy and other government- and industry-specific requirements or regulations, our business, results of operations and financial condition could be harmed.

Personal privacy, data protection, information security and telecommunications-related laws and regulations have been widely adopted in the United States, Europe and other jurisdictions where we offer our products. The regulatory frameworks for these matters, including privacy, data protection and information security matters, is rapidly evolving and is likely to remain uncertain for the foreseeable future. We expect that there will continue to be new proposed laws, regulations and industry standards concerning privacy, data protection, information security and telecommunications services in the United States, the European Union and other jurisdictions in which we operate or may operate, and we cannot yet determine the impact such future laws, regulations and standards may have on our business. For example, the European Commission adopted the General Data Protection Regulation (the “GDPR”), effective in May 2018, that supersedes prior EU data protection legislation, imposes more stringent EU data protection requirements and imposes greater penalties for noncompliance. Additionally, California enacted the California Consumer Privacy Act of 2018 (the “CCPA”), which took effect on January 1, 2020, and broadly defines personal information, gives California residents expanded privacy rights and protections and provides for civil penalties for violations. Additional states as well as other countries around the world also have or are in the process of enacting or amending data protection, security, and privacy regulations. We also expect that existing laws, regulations and standards may be interpreted in new manners in the future. Future laws, regulations, standards and other obligations, and changes in the interpretation of existing laws, regulations, standards and other obligations could require us to modify our products, restrict our business operations, increase our costs and impair our ability to maintain and grow our channel partner base and increase our revenues. The cost of compliance with, and other burdens imposed by, the GDPR, CCPA and other new privacy laws may limit the use and adoption of our products and services and could have an adverse impact on our business, results of operations and financial condition.

Although we work to comply with applicable privacy and data security laws and regulations, industry standards, contractual obligations and other legal obligations, those laws, regulations, standards and obligations are evolving and may be modified, interpreted and applied in an inconsistent manner from one jurisdiction to another, and may conflict with one another. As such, we cannot assure ongoing compliance with all such laws, regulations, standards and obligations. Any failure or perceived failure by us to comply with applicable laws, regulations, standards or obligations, or any actual or suspected security incident, whether or not resulting in unauthorized access to, or acquisition, release or transfer of personally identifiable information or other data, may result in governmental enforcement actions and prosecutions, private litigation, fines and penalties or adverse publicity, and could cause channel partners to lose trust in us, which could have an adverse effect on our reputation and business.

Regulations affecting broadband infrastructure could damage demand for our products.

Laws and regulations governing the Internet are emerging but remain largely unsettled, even in the areas where there has been some legislative action. Regulations may focus on, among other things, assessing access or settlement charges, or imposing tariffs or regulations based on the characteristics and quality of products, either of which could restrict our business or increase our cost of doing business. Government regulatory policies are likely to continue to have a major impact on the pricing of existing and new network services and, therefore, are expected to affect demand for those services and the communications products, including our products, supporting those services. There will likely be future government regulatory policies relating to migration to the cloud as these technologies become more prevalent in the U.S. and globally.

Any changes to existing laws or the adoption of new regulations by federal or state regulatory authorities or any legal challenges to existing laws or regulations affecting Internet Protocol ("IP") networks could materially adversely affect the market for our products. Moreover, customers may require us, or we may otherwise deem it necessary or advisable, to alter our products to address actual or anticipated changes in the regulatory environment. Our inability to alter our products or address any regulatory changes could have a material adverse effect on our business, financial condition, results of operations and prospects.

We are subject to governmental export and import controls that could impair our ability to compete in international markets and subject us to liability if we are not in compliance with applicable laws.

Our technology and products are subject to export control and import laws and regulations, including the U.S. Export Administration Regulations, U.S. customs regulations, the economic and trade sanctions regulations administered by the U.S. Treasury Department's Office of Foreign Assets Controls, and applicable U.K. export and import laws and regulations. Exports, re-exports and transfers of our products and technology must be made in compliance with these laws and regulations. U.S. and U.K. export control laws and economic sanctions include a prohibition on the shipment of certain products and technology to embargoed or sanctioned countries, governments and persons. We take precautions to prevent our products and technology from being shipped to, downloaded by or otherwise transferred to applicable sanctions targets, but our products could be shipped to those targets by our channel partners despite such precautions. If our products are shipped to or downloaded by sanctioned targets in the future in violation of applicable export laws, we could be subject to government investigations, penalties and reputational harm. Certain of our products incorporate encryption technology and may be exported, re-exported or transferred only with the required applicable export license from the U.S. or the U.K. or through an export license exception.

If we fail to comply with applicable export and import regulations, customs and trade regulations, and economic sanctions and other laws, we could be subject to substantial civil and criminal penalties, including fines and incarceration for responsible employees and managers, and the possible loss of export or import privileges as well as harm our reputation and indirectly have a material adverse effect on our business, operating results and financial condition. In addition, if our channel partners fail to comply with applicable export and import regulations, customs regulations, and economic and sanctions and other laws in connection with our products and technology, then we may also be adversely affected, through reputational harm and penalties. Obtaining the necessary export license for a particular sale may be time-consuming, may result in the delay or loss of sales opportunities and approval is not guaranteed.

Failure to comply with the U.S. Foreign Corrupt Practices Act ("FCPA"), the U.K. Bribery Act 2010 ("Bribery Act") and similar laws associated with our activities outside the United States could subject us to penalties and other adverse consequences.

As a substantial portion of our revenue is, and we expect will continue to be, from jurisdictions outside of the United States, we face significant risks if we fail to comply with the FCPA, the Bribery Act and other laws that prohibit improper payments or offers of payment to governments and their officials and political parties by us and other business entities for the purpose of obtaining or retaining business. In many countries, particularly in countries with developing economies, some of which represent significant markets for us, it may be a local custom that businesses operating in such countries engage in business practices that are prohibited by the FCPA, the Bribery Act or other laws and regulations. Our management may not be effective at preventing all potential FCPA, Bribery Act or other violations. We also cannot guarantee the compliance by our channel partners, resellers, suppliers and agents with applicable U.S. laws, including the FCPA, the Bribery Act or other applicable non-U.S. laws. Therefore, there can be no assurance that none of our employees or agents will take actions in violation of applicable laws, for which we may be ultimately held responsible. As a result of our focus on managing our growth, our development of infrastructure designed to identify FCPA and Bribery Act matters and monitor compliance is at an early stage. Any violation of the FCPA or the Bribery Act could result in severe criminal or civil sanctions, which could have a material and adverse effect on our reputation, business, operating results and financial condition.

Our ability to use our net operating loss carryforwards and certain other tax attributes may be limited.

As of December 31, 2023, we had $32.0 million of U.S. federal and $32.0 million of state net operating loss carryforwards available to reduce future taxable income. Of the $32.0 million in U.S. federal operating loss carryforwards, $9.9 million will be carried forward indefinitely for U.S. federal tax purposes and $22.0 million will expire between 2024 and 2039. The $32.0 million in state operating loss carryforwards will expire between 2024 and 2044. It is possible that we will not generate taxable income in time to use these net operating loss carryforwards before their expiration or at all. In addition, the federal and state net operating loss carryforwards and certain tax credits may be subject to significant limitations under Section 382 and Section 383 of the Internal Revenue Code of 1986, as amended (the "Code"), respectively, and similar provisions of state law. Under those sections of the Code, if a corporation undergoes an "ownership change," the corporation's ability to use its pre-change net operating loss carryforwards and other pre-change attributes to offset its post-change income or tax may be limited. In general, an "ownership change" will occur if there is a cumulative change in our ownership by "5-percent shareholders" that exceeds 50 percentage points over a rolling three-year period. Similar rules may apply under state tax laws. To the extent we are not able to offset future taxable income with our net operating losses, our cash flows may be adversely affected.

General Risk Factors

Our business is subject to the risks of earthquakes, fires, floods, military actions and other natural catastrophic events, global pandemics and interruptions by man-made problems, such as terrorism. Material disruptions of our business or information systems resulting from these events could adversely affect our operating results.

A significant natural disaster, such as an earthquake, fire, flood, hurricane or significant power outage or other similar events, such as infectious disease outbreaks or pandemic events, such as the COVID-19 pandemic, could have an adverse effect on our business and operating results. Natural disasters, acts of terrorism or war could cause disruptions in our operations, our or our customers' or channel partners' businesses, our suppliers' or the economy as a whole. We also rely on information technology systems to communicate among our workforce and with third parties. Any disruption to our communications, whether caused by a natural disaster or by manmade problems, such as power disruptions, could adversely affect our business. To the extent that any such disruptions result in delays or cancellations of orders or impede our suppliers' ability to timely deliver product components, or the deployment of our products, our business, operating results and financial condition would be adversely affected.

Interruption or failure of our information technology and communications systems could impact our ability to effectively provide our products and services.

We utilize data connectivity to monitor performance and timely capture opportunities to enhance performance and functionality. The availability and effectiveness of our services depend on the continued operation of information technology and communications systems. Our systems will be vulnerable to damage or interruption from, among others, physical theft, fire, terrorist attacks, natural disasters, power loss, war, telecommunications failures, viruses, denial or degradation of service attacks, ransomware, social engineering schemes, insider theft or misuse or other attempts to harm our systems, and we have previously experienced denial or degradation of service attacks and ransomware attacks. We utilize reputable third-party service providers or vendors, and these providers could also be vulnerable to harms similar to those that could damage our systems, including sabotage and intentional acts of vandalism causing potential disruptions. Some of our systems are not fully redundant, and our disaster recovery planning cannot account for all eventualities. Any problems with our third-party providers could result in lengthy interruptions in our business. In addition, our services and functionality are highly technical and complex technology which may contain errors or vulnerabilities that could result in interruptions in our business or the failure of our systems.

We are subject to cybersecurity risks to operational systems, security systems, infrastructure, integrated software in our 4G and 5G products and customer data processed by us or third-party vendors or suppliers and any material failure, weakness, interruption, cyber event, incident or breach of security could prevent us from effectively operating our business.

We are at risk for interruptions, outages and breaches of: operational systems, including business, financial, accounting, product development, data processing or production processes, owned by us or our third-party vendors or suppliers; facility security systems, owned by us or our third-party vendors or suppliers; in-product technology owned by us or our third-party vendors or suppliers; the integrated software in our products; or customer data that we process or our third-party vendors or suppliers process on our behalf. Such cyber incidents have previously and in the future could materially disrupt operational systems; result in loss of intellectual property, trade secrets or other proprietary or competitively sensitive information; compromise certain information of customers, employees, suppliers, drivers or others; jeopardize the security of our facilities; or affect the performance of in-product technology and the integrated software in our products. A cyber incident could be caused by disasters, insiders (through inadvertence or with malicious intent) or malicious third parties (including nation-states or nation-state supported actors) using sophisticated, targeted methods to circumvent firewalls, encryption and other security defenses, including hacking, fraud, trickery or other forms of deception. The techniques used by cyber attackers change frequently and may be difficult to detect for long periods of time. Although we maintain information technology measures designed to protect ourselves against intellectual property theft, data breaches and other cyber incidents, such measures have not successfully detected or prevented all previous cyber incidents and will require updates and improvements, and we cannot guarantee that such measures will be adequate to detect, prevent or mitigate future cyber incidents.

For example, in December 2021, we experienced a ransomware incident that impacted the availability of certain systems within our computer network. In response to this incident, we secured digital assets within our computer systems, immediately commenced an investigation with assistance from an outside cybersecurity firm and were able to successfully restore our systems, without paying a ransom, after working to get the systems back up as quickly as possible. Despite these actions, we experienced some delays and disruptions to our business, primarily with respect to employee access to business applications and e-mail service. In addition, in January 2022, we experienced a denial-of-service attack on our e-mail service. We were able to restore e-mail service after working to do so as quickly as possible. In connection with these incidents, we have incurred certain incremental one-time costs of $0.1 million related to consultants, experts and data recovery efforts, net of insurance recoveries, and expect to incur additional costs related to cybersecurity protections in the future. Although we have not been the subject of any legal proceedings involving these incidents, it is possible that we could be the subject of claims from persons alleging that they suffered damages from these incidents. We also are in the process of implementing a variety of measures to further enhance our cybersecurity protections and minimize the impact of any future attack. However, cyber threats are constantly evolving, and there can be no guarantee that a future cyber event will not occur.

In addition, the implementation, maintenance, segregation and improvement of these systems requires significant management time, support and cost. Moreover, there are inherent risks associated with developing, improving, expanding and updating current systems, including the disruption of our data management, procurement, production execution, finance, supply chain and sales and service processes. These risks may affect our ability to manage our data and inventory, procure parts or supplies or produce, sell, deliver and service our products, adequately protect our intellectual property or achieve and maintain compliance with, or realize available benefits under, applicable laws, regulations and contracts. We cannot be sure that the systems upon which we rely, including those of our third-party vendors or suppliers, will be effectively implemented, maintained or expanded as planned. If we do not successfully implement, maintain or expand these systems as planned, our operations may be disrupted, our ability to accurately and timely report our financial results could be impaired, and deficiencies may arise in our internal control over financial reporting, which may impact our ability to certify our financial results.

Moreover, our proprietary information or intellectual property has previously and in the future could be compromised or misappropriated and our reputation may be adversely affected. For example, through our investigation of the December 2021 incident referenced above, we discovered that the individuals responsible for this incident acquired certain files from our servers. If our systems do not operate as we expect them to, we have previously been and may in the future be required to expend significant resources to make corrections or find alternative sources for performing these functions.

A significant cyber incident could harm our reputation, cause us to breach our contracts with other parties or subject us to regulatory actions or litigation, any of which could materially affect our business, prospects, financial condition and operating results. In addition, our insurance coverage for cyber-attacks may not be sufficient to cover all the losses we may experience as a result of a cyber-incident.

We may identify material weaknesses in the future, or fail to maintain an effective system of internal control over financial reporting, which may result in material misstatements of our consolidated financial statements or cause us to fail to meet our periodic reporting obligations.

In connection with the audit of our consolidated financial statements as of and for the year ended December 31, 2021, we identified a material weakness in our internal control over financial reporting related to the cut-off of revenue recognition on products shipped to customers, which was remediated as of December 31, 2022.

However, if in the future we were to conclude that our internal controls over financial reporting are not effective, we cannot be certain as to the timing of completion of our evaluation, testing and remediation actions or their effect on our operations because there is presently no precedent available by which to measure compliance adequacy. As a consequence, we may not be able to complete any necessary remediation process in time to meet our deadline for compliance with Section 404 of the Sarbanes-Oxley Act. Also, there can be no assurance that we will not identify one or more material weaknesses in our internal controls in connection with evaluating our compliance with Section 404 of the Sarbanes-Oxley Act. The presence of material weaknesses could result in financial statement errors which, in turn, could require us to restate our operating results.

If we are unable to conclude that we have effective internal controls over financial reporting, investors may lose confidence in our operating results, our stock price could decline and we may be subject to litigation or regulatory enforcement actions. In addition, if we are unable to meet the requirements of Section 404 of the Sarbanes-Oxley Act, we may not be able to maintain listing on the NYSE American.

Item 1B. Unresolved Staff Comments

None.

Item 1C. Cybersecurity.

Cybersecurity Risk Management and Strategy

Information about cybersecurity risks and our risk management processes is collected, analyzed and considered as part of our overall enterprise risk management program, which we endeavor to align with industry standards. We have key Company policies and practices that directly or indirectly relate to cybersecurity matters, including policies and practices relating to antivirus protection, remote access, multifactor authentication, restricted access based upon business need and confidentiality of information, as well as procedures designed to reduce phishing, increase employee awareness of phishing attempts and other activities. The key elements of our efforts to identify, prevent, mitigate, and remediate cybersecurity risks and incidents through our cybersecurity risk management program include:

- We collect and analyze information about cybersecurity risks as part of our risk management program and monitor and discuss public alerts, threat levels, trends and remediation.

- All employees receive periodic cybersecurity training designed to educate concerning the recognition of cybersecurity threats.

- Employees are obligated under the terms of our IT Appropriate Use Policy to protect IT assets from attack and to maintain proper control of access to IT systems and passwords.

- We use various security tools, including internal reporting and monitoring, to identify vulnerabilities in our products and systems. We use industry leading products and services within our IT environment to optimize security and under vendor contracts.

- Regular system updates and patching are done to protect our hardware and software against security vulnerabilities.

- In certain limited situations we allow third party suppliers to access certain areas of our systems. In such cases third party access is strictly minimized and supervised to optimize security and control.

- We have controls and procedures in place for prompt escalation of cybersecurity incidents and periodically evaluate and update contingency planning, including capability to recover in the event that a portion of our information resources were to be unavailable due to a cybersecurity incident.

- We conduct penetration testing to test our defenses and monitor threat levels.

- We partner with a third-party security consultant to review our incident response process and ensure our programs align with industry standards.

Risk Assessment

We experience cyber-attacks and other attempts to gain unauthorized access to our systems on a regular basis, and we anticipate continuing to be subject to such attempts. Despite our implementation of security measures, (i) our products and services, and (ii) the servers, data centers, and cloud-based solutions on which our and third-party data is stored, are vulnerable to cyber-attacks, data breaches, malware, and disruptions from unauthorized access, tampering or other theft or misuse, including by employees, malicious actors or inadvertent error. We face certain ongoing risks from cybersecurity threats that, if realized, are reasonably likely to materially affect us, including our operations, business strategy, results of operations, or financial condition.

Cybersecurity Governance

Cybersecurity risk is part of management's risk oversight, although periodic reports are made to the Board of Directors of management's implementation and monitoring of our cybersecurity risks programs. Our Board of Directors addresses our cybersecurity risk management as part of its general oversight function. Management will update the Board, as necessary, regarding any significant cybersecurity incidents should they occur, so that decisions regarding public disclosure and reporting of such incidents can be made by management and the Board in a timely manner.

Our information technology team, which has overall responsibility for cybersecurity, is led by our Vice President, Global IT, who, has a Masters Degree in Philosophy, Politics and Economics from Oxford University and 32 years of experience in information technology management, and who reports to our Senior Vice President and CFO. Our cybersecurity management team draws from expertise in our information technology, information security, finance, legal, impacted product teams or product management personnel and other departments as needed. This team is responsible for assessing and managing our material risks from cybersecurity threats and our overall cybersecurity risk management program and supervises both our internal cybersecurity personnel and any retained external cybersecurity consultants.

Item 2. Properties

Our corporate headquarters are located in Boca Raton, Florida. This office consists of approximately 5,400 square feet of space leased pursuant to a lease that will expire in December 2024.

Our main operations and product development centers are located in: Slough, United Kingdom; Airport City, Israel; Mumbai and Bangalore, India; and Tokyo, Japan. In Slough, United Kingdom, we lease one facility of approximately 14,330 square feet pursuant to a lease that will expire in 2025. In Airport City, Israel, we lease one facility of approximately 49,213 square feet pursuant to a lease that will expire in December 2024. In Mumbai, India, we lease one facility of approximately 5,513 square feet pursuant to a lease that will expire in 2026. In Tokyo, Japan, we lease one facility of approximately 1,940 square feet pursuant to a lease that will expire in December 2024. In Bangalore, India, we lease one facility of approximately 7,500 square feet pursuant to a lease that will expire in 2025.

We believe that our facilities are adequate for our current needs. We periodically review our facility requirements and may acquire new facilities, or modify, update, consolidate, dispose of or sublet existing facilities, based on evolving business needs.

Item 3. Legal Proceedings.

Reference is made to Note 18 – Commitments and Contingencies in the notes to the audited consolidated financial statements contained elsewhere in this Annual Report on Form 10-K for information regarding certain litigation to which we are a party.

Item 4. Mine Safety Disclosures.

Not applicable.

PART II

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

Market Information

During 2023, shares of our Common Stock were traded on the NYSE American under the symbol “MIMO.” In connection with the Chapter 11 Cases, on April 1, 2024, the staff of NYSE Regulation announced its determination to commence proceedings to delist the Common Stock from NYSE American, and trading of the Common Stock was suspended immediately. On April 10, 2024, the staff of NYSE Regulation filed a Form 25-NSE with the SEC to report the delisting of the Common Stock from trading on the NYSE American. The Common Stock began trading on the Expert Market of the OTC on April 2, 2024 under the symbol “MIMOQ.”

Holders of Record

On July 23, 2024, there were 39 holders of record of our Common Stock.

Dividends

We have not paid any cash dividends on our Common Stock to date. The payment of cash dividends in the future will be dependent upon our revenues and earnings, if any, capital requirements and general financial condition. The payment of any cash dividends will be within the discretion of our Board.

Recent Sales of Unregistered Securities

None, other than as set forth in our Quarterly Reports on Form 10-Q and our Current Reports on Form 8-K.

Securities Authorized for Issuance Under Equity Compensation Plans

Information regarding our equity compensation plans as of December 31, 2023 is disclosed in Item 12 “Security Ownership of Certain Beneficial Owners and Management and Related Stockholder Matters” of this Annual Report on Form 10-K.

Repurchases

None.

Item 6. [Reserved]

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

Forward-Looking Statements and Risk Factors

See the discussion of forward-looking statements and risk factors in Part I Item 1 and Item 1A of this report.

The following discussion and analysis of our financial condition and results of operations constitutes management’s review of the factors that affected our financial and operating performance for the years ended December 31, 2023 and 2022. This discussion should be read in conjunction with the consolidated financial statements and notes thereto contained elsewhere in this report.

Overview

We offer a complete range of 4G and 5G network build and network densification products with an expansive portfolio of software and hardware tools for indoor and outdoor, compact femto, pico, micro and macro base stations, as well as an industry leading 802.11ac and 802.11ax fixed wireless access and backhaul solution portfolio for point-to-point and point-to-multipoint applications. Our solutions help network operators monetize the potential of 4G and 5G technologies and use cases and, in addition, allow enterprises to establish their own private networks especially in 5G, where dedicated spectrum has been allocated. We have developed differentiated RAN software and hardware products to help operators get the maximum capacity and coverage in the following ways:

- Very high-performance wireless network technology for both access and backhaul components of the network.

- Energy efficient and integrated form factors, enabling cost effective deployment of RAN technology that are able to avoid zoning and site acquisition constraints, which translate into a quicker time-to-market for our customers.

- Easy to use, affordable and comprehensive core network elements to support 4G, 5G and fixed wireless services.

- Sophisticated provisioning and orchestration software for both backhaul and RAN for 4G and 5G access and the core network that can also integrate a wide range of access.

- Fully virtualized cloud native modular software and hardware solutions that adhere to open standards allowing our operator customers to fundamentally shift the dynamics of the value and supply chains of the wireless industry. This decreases vendor lock-in and as a result lowers total cost of ownership typical of traditional incumbent competitors.

The market for our wireless systems includes leading mobile CSPs, large enterprises, military communications integrators and ISPs. Our strategy applies the same network technology across all addressable sectors.

Our main operations are in: Slough, United Kingdom; Mumbai and Bangalore, India; Tokyo, Japan; Airport City, Israel; and our corporate headquarters is in Boca Raton, Florida.

Recent Developments

Chapter 11 Cases

On March 31, 2024, the Debtors filed bankruptcy petitions under chapter 11 of title 11 of the United States Code, 11 U.S.C. §§ 101-1532 in the Bankruptcy Court. The Bankruptcy Court confirmed the Company's Prepackaged Plan on June 28, 2024.

Restructuring Support Agreement

On March 29, 2024, the Company entered into a Restructuring Support Agreement (including all exhibits thereto, collectively, the "RSA") with (i) certain of its affiliates and subsidiaries (as set forth in the RSA, and together with the Company, the "Company Parties"); (ii) certain Consenting Senior Secured Creditors, (iii) certain Consenting Subordinated Term Loan Lenders and (iv) certain Consenting Subordinated Convertible Noteholder (as each such term is defined in the RSA, and collectively, other than the Company Parties, the "Consenting Stakeholders").

As set forth in the RSA, the Company and the Consenting Stakeholders have agreed to the principal terms of a restructuring of the Company (the "Restructuring") through the filing of the Prepackaged Plan in the Bankruptcy Court. Although the Company intends to pursue the Restructuring in accordance with the terms set forth in the RSA, there can be no assurance that the Company will be successful in completing the Restructuring, whether on the same or different terms than those provided in the RSA and the Prepackaged Plan.

The material terms of the Prepackaged Plan are set forth in the restructuring term sheet attached to the RSA (the "Term Sheet", and the transactions described therein, the "Restructuring Transactions"), which terms include, among other things:

- trade claims will be paid in the ordinary course of business during and after the Chapter 11 Cases (as hereinafter defined);
- in the bankruptcy cases, the Consenting Senior Secured Creditors committed to provide a senior secured debtor-in-possession financing facility (the "Initial DIP Facility") which consists of $16.5 million in new money DIP loans and $37.3 million in amounts "rolled up" from certain prepetition bridge facilities, on the terms set forth in the DIP Documents (as that term is defined in the RSA). The new money portion of the Initial DIP Facility became available in two draws, an initial draw of $7.5 million and a second draw of $9.0 million. The Initial DIP Facility as described in the Term Sheet is fully drawn. The Initial DIP Facility was approved by the Bankruptcy Court on a final basis on April 19, 2024.
- on the effective date of the Restructuring Transactions (the "Plan Effective Date"), Airspan (as reorganized, "Reorganized Airspan") will issue a single class of common equity interests ("New Common Equity") to certain of its creditors as follows: (a) 94.375% pro rata to the Senior Secured Creditors, and (b) 5.625% pro rata to the Subordinated Term Loan Lenders and Subordinated Convertible Noteholders, subject to dilution on account of the management incentive plan (addressed below), the New Money Common Equity (as hereinafter defined), the New Existing Common Equity Warrants (as hereinafter defined), the DIP Facility Amendment No. 1 (as hereinafter defined), and certain other fees, premiums, and/or other terms as set forth in the RSA;
- on the Plan Effective Date, the Company will consummate a new-money equity capital raise in an amount up to $95 million in aggregate (the "New Money Common Equity"), up to $90 million of which will be offered for ratable participation by holders of senior secured claims, and the remaining $5 million of which will be offered for ratable participation by holders of subordinated claims, and subject to other terms as set forth in the RSA. Certain of the Consenting Senior Secured Creditors have agreed to backstop the New Money Common Equity in an amount equal to at least (a) the amount sufficient to repay the Initial DIP Facility, plus (b) $22.0 million.
- on the Plan Effective Date, Reorganized Airspan will issue new warrants ("New Warrants"), consisting of and exercisable into (i) up to 3% of New Common Equity to holders of our existing common stock (the "Existing Common Stock Interest"), and (ii) 6.25% of New Common Equity to holders of subordinated claims on a pro rata basis, subject to other terms as set forth in the RSA;
- on the Plan Effective Date, and in exchange for granting third-party releases and providing certain other consideration, Existing Common Stock Interest will be cancelled and eligible holders of Existing Common Stock Interest, subject to certain limitations set forth in the Plan, will be entitled to: (i) receive their pro rata share of $450,000 cash (the "Equity Cash Pool"), or (ii) elect to receive New Warrants, provided that if more than 150 record holders of Existing Common Stock Interest make such election, no New Warrants shall be issued to holders of Existing Common Stock Interest and all eligible holders of Existing Common Stock Interest will receive their pro rata share of the Equity Cash Pool;
- following the Plan Effective Date, Reorganized Airspan may establish a customary management equity incentive plan; and
- on the Plan Effective Date, there will be no recovery for holders of other equity interests in the Company;

In accordance with the RSA, the Consenting Stakeholders agreed, among other things, to:

- subject to receipt of the Disclosure Statement (as defined in the RSA), vote to accept the Plan;
- grant and not opt out of the releases contemplated by the Plan;
- refrain from taking any action that would delay or impede consummation of the Plan; and
- support and effectuate the documentation within the timeframes contemplated by the RSA.

In accordance with the RSA, the Company Parties agreed, among other things, to:

- support the Restructuring Transactions, act in good faith, and use commercially reasonable efforts to take all actions, to the extent practicable and subject to the terms of the RSA, and reasonably requested or necessary to implement and consummate the Restructuring Transactions in accordance with the terms, conditions, and applicable deadlines set forth in the RSA, as applicable;

- take all commercially reasonable actions to obtain and/or support the Company Parties in obtaining necessary or advisable regulatory or third-party approvals and providing notices in respect of regulatory and licensing requirements, as applicable, in connection with the Restructuring Transactions, including by providing all information reasonably requested by the Company Parties;

- negotiate in good faith and use commercially reasonable efforts to execute (where applicable) and implement the definitive documents (as set forth in the RSA) and any other agreements required to effectuate and consummate the Restructuring Transactions as contemplated by the RSA;

- support, and not directly or indirectly object to, delay, impede, or take any other action to interfere with, confirmation or consummation of the Plan;

- support, and not directly or indirectly object to, delay, impede, or take any other action to interfere with, any motion or other pleading or document filed by a Debtor in the Bankruptcy Court or any other court that is consistent in all respects with the RSA and the Restructuring Transactions; and

- take or cause to be taken all corporate actions and provide all authorizations reasonably necessary in furtherance of the Restructuring Transactions as are within the authority of such Consenting Stakeholders.

Pursuant to the RSA, the Company commenced the solicitation of votes on the Prepackaged Plan (the "Solicitation") on March 30, 2024. In connection with the Solicitation, the Plan and Disclosure Statement were distributed to certain creditors of the Company that are entitled to vote on the Plan.

The RSA may be mutually terminated by the Required Consenting Senior Secured Creditors and each Company Party. The RSA will automatically terminate upon the earlier of the Plan Effective Date or 180 days after the date on which the Company Parties commenced their Chapter 11 Cases (the "Outside Date"); provided, that if the Plan Effective Date shall not have occurred by the Outside Date solely as a result of the failure to receive all necessary or advisable regulatory approvals by the Outside Date, the Outside Date shall automatically extend to the earlier of three business days following the receipt of all necessary or advisable regulatory approvals or 210 days after the date on which the Company Parties commenced their Chapter 11 Cases. Moreover, the Required Consenting Senior Secured Creditors, the Required Consenting Subordinated Creditors and the Company Parties each have termination rights if certain conditions are not met.

DIP Credit Facility

In connection with the Chapter 11 Cases, the Debtors entered into a Senior Secured Superpriority Debtor-in-Possession Term Loan Credit Agreement, dated April 8, 2024 (the "Initial DIP Credit Agreement"), with DBFIP ANI LLC, as administrative and collateral agent (the "DIP Administrative Agent"), and the lenders from time to time party thereto (collectively, the "DIP Lenders"), and a Security Agreement, dated April 8, 2024 (the "DIP Security Agreement"), with DBFIP ANI LLC, as collateral agent. The DIP Lenders are also (i) holders or affiliates, partners or investors of holders under the Company's senior secured convertible notes sold pursuant to the Senior Secured Convertible Note Purchase and Guarantee Agreement, dated as of July 30, 2021 (as amended, restated, amended and restated, supplemented, modified or replaced, extended or refinanced from time to time), by and among the Company, certain of its subsidiaries as guarantors, the purchasers party thereto and DBFIP ANI LLC, as collateral agent and administrative agent, and (ii) lenders pursuant to the Sixth Amended and Restated Credit Agreement, dated as of March 7, 2024 (as amended, restated, amended and restated, supplemented, modified or replaced, extended or refinanced from time to time) (the "Prepetition Credit Agreement"), by and among Airspan Networks Inc., the Company, certain subsidiaries of the Company, the lenders party thereto and DBFIP ANI LLC, as collateral agent and administrative agent.

Under the Initial DIP Credit Agreement, the DIP Lenders provided term loans to the Borrowers in an original principal amount of $53,848,837, plus certain fees as described below. The DIP Lenders made new financing commitments to the Company under a new money delayed draw term loan facility (the “New Money DIP Facility”) in an aggregate principal amount of up to $16,500,000, all of which has been funded. The Initial DIP Credit Agreement also provides for a credit facility pursuant to which $37,348,837 of outstanding indebtedness under the Fortress Credit Agreement was automatically deemed substituted and exchanged for, and converted, into (such conversion, the “Roll Up”) debtor-in-possession term loans (the “Roll Up Loans”) (such credit facility, together with the New Money DIP Facility, the “Initial DIP Facility”) on a cashless dollar-for-dollar basis, in each case, in accordance with and subject to the terms and conditions in the DIP Credit Agreement. On July 26, 2024, the Debtors, the DIP Lenders, and the DIP Administrative Agent entered into that certain Amendment and Restatement of Senior Secured Superpriority Debtor-In-Possession Term Loan Credit Agreement and Reaffirmation of Loan Documents (the “DIP Facility Amendment No. 1” and together with the Initial DIP Credit Agreement, the “DIP Credit Agreement”) pursuant to which the DIP Lenders increased their financing commitments to the Company under additional new money delayed draw term loans in an amount of up to $5 million (the “First Supplemental DIP Facility” and the term loans made thereunder, the “New DIP Loans”) available in two advances of $2.5 million each. The Initial DIP Facility together with the First Supplemental DIP Facility, are referred to herein collectively as the “DIP Facility”.

The loans made pursuant to the DIP Credit Agreement are secured by substantially all of the assets of the Debtors under the DIP Security Agreement. Borrowings under the DIP Facility will bear interest at either (i) the Base Rate (as defined in the DIP Credit Agreement) plus 10.00% per annum, or (ii) the Adjusted Term SOFR (as defined in the DIP Credit Agreement) plus 11.00% per annum. Interest on the DIP Facility is payable in-kind.

The Debtors agreed, subject to Bankruptcy Court approval, to pay certain fees, in connection with the Initial DIP Facility, including (i) an administration fee in an amount equal to $50,000 per annum, payable-in-kind, (ii) a 3% Commitment Premium (as defined in the DIP Credit Agreement), payable in-kind, and (iii) a 3% Exit Premium (as defined in the DIP Credit Agreement), earned upon the repayment or maturity of all or a portion of the DIP Facility, and payable on the repaid or maturing amounts. The Commitment Premium and the Exit Premium do not apply to the New DIP Loans.

The DIP Credit Agreement includes milestones, representations and warranties, covenants applicable to the Debtors, and events of default. If an event of default under the DIP Credit Agreement occurs, the DIP Administrative Agent may, among other things, permanently reduce any remaining commitments and declare the outstanding obligations under the DIP Credit Agreement to be immediately due and payable.

The DIP Credit Agreement has a stated maturity date of October 8, 2024 (the “DIP Stated Maturity Date”). The DIP Credit Agreement will also terminate and all obligations thereunder will become due on the date that is the earliest of the following (i) the DIP Stated Maturity Date, (ii) the consummation of any plan of reorganization under the Chapter 11 Cases, (iii) the consummation of a sale or other disposition of all or substantially all assets of the Debtors, taken as a whole, under section 363 of the Bankruptcy Code and (iv) the date of acceleration following the occurrence of an Event of Default (as defined in the DIP Credit Agreement).

On July 23, 2024, the Bankruptcy Court granted the Company’s motion to approve the DIP Facility Amendment No. 1 to provide up to $5.0 million in additional funding to facilitate continued operations until the Company receives required regulatory approvals and is able to emerge from bankruptcy and close the Restructuring Transactions.

Delisting

In connection with the Chapter 11 Cases, on April 1, 2024, the staff of NYSE Regulation announced its determination to commence proceedings to delist the Common Stock from NYSE American, and trading of the Common Stock was suspended immediately. On April 10, 2024, the staff of NYSE Regulation filed a Form 25-NSE with the SEC to report the delisting of the Common Stock from trading on the NYSE American.

The Company intends to file a Form 15 with the SEC to suspend the Company’s public reporting obligations with the SEC under Section 15(d) of the Exchange Act.

Confirmed Plan

All creditors entitled to vote on the Prepackaged Plan, and who did vote on the Prepackaged Plan, have voted to accept the Prepackaged Plan. The Debtors communicated with various interested parties and resolved all comments on the proposed Prepackaged Plan without changing the key terms outlined above. As part of that process, the Debtors entered into a term sheet with Gogo Inc. which outlines the principal terms and conditions for a new revolving line of credit in the aggregate principal amount of $20.0 million (the “New Revolving Line of Credit”), and the assumption of certain commercial contracts between the Debtors and Gogo Inc. (and its affiliates). The New Revolving Line of Credit is expected to be undrawn as of the Plan Effective Date.

A hearing on confirmation of the proposed Prepackaged Plan took place before the Bankruptcy Court on June 28, 2024, at which the Bankruptcy Court confirmed the Prepackaged Plan.

Gogo Agreements

On or about April 12, 2024, Gogo Business Aviation LLC ("Gogo") notified the Company of its assertion that the Company was allegedly in default under certain contracts with Gogo (the "Existing Gogo Contracts"), which the Company disputes. Following negotiations, and without any admission or acknowledgment from Legacy Airspan as to the accuracy or validity of any purported default or event of default under the Existing Gogo Contracts, Legacy Airspan and Gogo resolved the dispute by entering into a Waiver and Omnibus Amendment to Airspan/Gogo Agreements dated as of June 27, 2024 (the "Gogo Agreement") with respect to the Existing Gogo Contracts. Under the Gogo Agreement, Gogo agreed to waive its existing alleged claims under the Existing Gogo Contracts, conditional upon certain specified events not occurring after the Plan Effective Date. Additionally, the parties agreed to modify certain terms of the Existing Gogo Contracts, including certain reporting obligations, observation rights, and performance dates. The amendments and conditional waivers under the Gogo Agreement are not effective until the Plan Effective Date.

March 2024 Fortress Amendments

On March 7, 2024, the Company, Legacy Airspan and certain of our subsidiaries who are party to the Fortress Credit Agreement entered into a Limited Waiver and Consent, Sixth Amendment and Restatement of Credit Agreement and Reaffirmation of Loan Documents relating to the Fortress Credit Agreement with Fortress the "March 2024 Fortress Credit Amendment") to, among other things, amend and restate the Fortress Credit Agreement, extend the waiver of certain potential prospective events of default under the March 2024 Fortress Credit Amendment, establish new term delayed draw term loan commitments in the aggregate amount of $18 million, and extend the forbearance by the lenders party to the March 2024 Fortress Credit Amendment from exercising their rights and remedies as a result of certain existing and potential prospective events of default under the March 2024 Fortress Credit Amendment in a limited manner. On March 7, 2024, the Company, Legacy Airspan, and certain of our subsidiaries who are party to the Fortress Senior Secured Convertible Note Purchase and Guarantee Agreement (the "Fortress Convertible Note Agreement") entered into a Limited Waiver and Consent, Seventh Amendment to Senior Secured Convertible Note Purchase and Guarantee Agreement and Reaffirmation of Note Documents (the "March 2024 Fortress Convertible Note Agreement Amendment") to, among other things, extend the waiver of certain existing and potential prospective events of default under the Fortress Convertible Note Agreement in the limited manner set forth therein, and (ii) extend the forbearance by the purchasers party to the March 2024 Fortress Convertible Note Agreement Amendment from exercising their rights and remedies as a result of certain existing and prospective events of default under the Fortress Convertible Note Agreement in the limited manner set forth therein. To effect the March 2024 Fortress Credit Amendment and the March 2024 Fortress Convertible Note Agreement Amendment, the Company incurred capitalized fees of approximately $3.6 million.

On March 25, 2024, the Company, Legacy Airspan and certain of our subsidiaries who are party to the Fortress Credit Agreement entered into an Amendment No. 1 to Limited Waiver and Consent, Sixth Amendment and Restatement of Credit Agreement and Reaffirmation of Loan Documents (the "March 25, 2024 Fortress Credit Amendment) to, among other things, extend the forbearance by the lenders party to the March 25, 2024 Fortress Credit Amendment from exercising their rights and remedies as a result of certain events of default. On March 25, 2024, the Company, Legacy Airspan, and certain of our subsidiaries who are party to the Fortress Convertible Note Agreement entered into Amendment No. 1 to Limited Waiver and Consent, Seventh Amendment to Senior Secured Convertible Note Purchase and Guarantee Agreement and Reaffirmation of Note Documents (the "March 25, 2024 Fortress Convertible Note Agreement Amendment") to, among other things, extend the forbearance by the purchasers party to the March 25, 2024 Fortress Convertible Note Agreement Amendment from exercising their rights and remedies as a result of certain events of default.

February 2024 Fortress Amendments

On February 28, 2024, the Company, Legacy Airspan and certain of our subsidiaries who are party to the Fortress Credit Agreement entered into a Limited Waiver and Consent, Fifth Amendment and Restatement of Credit Agreement and Reaffirmation of Loan Documents relating to the Fortress Credit Agreement with Fortress the "February 2024 Fortress Credit Amendment") to, among other things, amend and restate the Fortress Credit Agreement, extend the waiver of certain potential prospective events of default under the February 2024 Fortress Credit Amendment, establish new term delayed draw term loan commitments in the aggregate amount of $750,000, and establish the forbearance by the lenders party to the February 2024 Fortress Credit Amendment from exercising their rights and remedies as a result of certain potential prospective events of default under the February 2024 Fortress Credit Amendment in a limited manner. On February 28, 2024, the Company, Legacy Airspan, and certain of our subsidiaries who are party to the Fortress Convertible Note Agreement entered into a Limited Waiver and Consent, Sixth Amendment to Senior Secured Convertible Note Purchase and Guarantee Agreement and Reaffirmation of Note Documents (the "February 2024 Fortress Convertible Note Agreement Amendment") to, among other things, extend the waiver of certain potential prospective events of default under the Fortress Convertible Note Agreement in the limited manner set forth therein, and (ii) establish the forbearance by the purchasers party to the February 2024 Fortress Convertible Note Agreement Amendment from exercising their rights and remedies as a result of certain prospective events of default under the Fortress Convertible Note Agreement in the limited manner set forth therein. To effect the February 2024 Fortress Credit Amendment and the February 2024 Fortress Convertible Note Agreement Amendment, the Company incurred capitalized fees of approximately $300,000.

December 2023 Fortress Amendments

On December 22, 2023, the Company, Legacy Airspan and certain of our subsidiaries who are party to the Fortress Credit Agreement entered into a Limited Waiver and Consent, Fourth Amendment and Restatement of Credit Agreement and Reaffirmation of Loan Documents relating to the Fortress Credit Agreement with Fortress (the "December 2023 Fortress Credit Amendment") to, among other things, amend and restate the Fortress Credit Agreement, effect a limited waiver of certain existing and potential prospective events of default under the Fortress Credit Agreement, establish new delayed draw term loan commitments in the amount of $10.0 million, defer the due date of certain cash payments of principal and interest under the Fortress Credit Agreement, and establish certain new covenants. On December 22, 2023, the Company, Legacy Airspan and certain of our subsidiaries who are party to the Fortress Convertible Agreement entered into a Limited Waiver and Consent, Fifth Amendment to Senior Secured Convertible Note Purchase and Guarantee Agreement and Reaffirmation of Note Documents relating to the Fortress Convertible Note Agreement with Fortress (the "December 2023 Fortress Convertible Note Agreement Amendment") to, among other things, effect a limited waiver of certain existing and potential prospective events of default under the Fortress Convertible Note Agreement, defer the due date of certain cash payments of interest under the Fortress Convertible Notes, and establish certain new covenants. To effect the December 2023 Fortress Credit Amendment and the December 2023 Fortress Convertible Note Agreement Amendment, the Company incurred fees of approximately $4 million, capitalized on a pro rata basis in connection with each advance.

November 2023 Fortress Amendments

On November 14, 2023, the Company, Legacy Airspan and certain of our subsidiaries who are party to the Fortress Credit Agreement entered into a Limited Waiver and Consent, Third Amendment and Restatement of Credit Agreement and Reaffirmation of Loan Documents relating to the Fortress Credit Agreement with Fortress (the "November 2023 Fortress Credit Amendment") to, among other things, amend and restate the Fortress Credit Agreement, effect a limited waiver of certain events of default under the Fortress Credit Agreement, establish new delayed draw term loan commitments in the aggregate amount of $5.0 million, and establish certain new covenants. On November 14, 2023, the Company, Legacy Airspan and certain of our subsidiaries who are party to the Fortress Convertible Note Agreement entered into a Limited Waiver and Consent, Fourth Amendment to Senior Secured Convertible Note Purchase and Guarantee Agreement and Reaffirmation of Note Documents relating to the Fortress Convertible Note Agreement with Fortress (the "November 2023 Fortress Convertible Note Agreement Amendment") to, among other things, effect a limited waiver of certain events of default under the Fortress Convertible Note Agreement, and establish certain new covenants. To effect the November 2023 Fortress Credit Amendment and the November 2023 Fortress Convertible Note Agreement Amendment, the Company incurred fees of approximately $4 million, capitalized on a pro rata basis in connection with each advance.

August 2023 Fortress Amendments

On August 11, 2023, the Company, Legacy Airspan and certain of our subsidiaries who are party to the Fortress Credit Agreement entered into a Consent and Partial Release and Amendment No. 1 to Loan Documents relating to the Fortress Credit Agreement with Fortress (the "August 2023 Fortress Credit Amendment") to, among other things, implement certain modifications to the Fortress Credit Agreement relating to the Purchase Agreement and the Transaction. On August 11, 2023, the Company, Legacy Airspan and certain of our subsidiaries who are party to the Fortress Convertible Note Purchase and Guarantee Agreement entered into a Consent and Partial Release and Fourth Amendment to Note Documents relating to the Fortress Convertible Note Agreement with Fortress (the "August 2023 Fortress Convertible Note Agreement Amendment") to, among other things, implement certain modifications to the Fortress Convertible Note Agreement relating to the Purchase Agreement and the Transaction.

May 2023 Fortress Amendments

On May 18, 2023, the Company, Legacy Airspan and certain of our subsidiaries who are party to the Fortress Credit Agreement entered into a Limited Waiver and Consent, Second Amendment and Restatement of Credit Agreement and Reaffirmation of Loan Documents relating to the Fortress Credit Agreement with Fortress (the "May 2023 Fortress Credit Amendment") to, among other things, amend and restate the Fortress Credit Agreement, effect a limited waiver of certain events of default under the Fortress Credit Agreement, terminate the existing delayed draw term loan commitments under the Fortress Credit Agreement and establish new delayed draw term loan commitments in the aggregate amount of $25.0 million, modify the interest rates applicable to certain loans under the Fortress Credit Agreement, obtain certain consents related to the Transaction, and provide for the issuance of 5,912,040 warrants to purchase shares of the Company's common stock. On May 18, 2023, the Company, Legacy Airspan and certain of our subsidiaries who are party to the Fortress Convertible Note Agreement entered into a Limited Waiver and Consent, Third Amendment to Senior Secured Convertible Note Purchase and Guarantee Agreement and Reaffirmation of Note Documents relating to the Fortress Convertible Note Agreement with Fortress (the "May 2023 Fortress Convertible Note Agreement Amendment") to, among other things, effect a limited waiver of certain events of default under the Fortress Convertible Note Agreement, exchange the existing Convertible Notes for amended and restated Convertible Notes, increase or modify the interest rates applicable to the Convertible Notes, and obtain certain consents related to the Transaction. To effect the May 2023 Fortress Credit Amendment and the May 2023 Fortress Convertible Note Agreement Amendment, the Company incurred fees of approximately (a) $2,157,751.26 (b)five percent of the new delayed draw term loans under the Fortress Credit Agreement, payable at the time of each such advance, and (c) $2.5 million, which was capitalized to increase the aggregate principal amount of the Convertible Notes to $52.5 million.

Sale of Mimosa Networks

On March 8, 2023, we entered into a Stock Purchase Agreement (the "Purchase Agreement") with Mimosa, Legacy Airspan, and Radisys Corporation ("Radisys"), pursuant to which we sold all of the issued and outstanding shares of common stock of Mimosa to Radisys for an aggregate purchase price of approximately $60 million in cash (subject to customary adjustments) on the terms and subject to the conditions set forth in the Purchase Agreement (the "Transaction"). The Transaction closed on August 11, 2023.

Restructuring Activities

In the second quarter of 2023, as part of a strategic review of our operations, the Company implemented a cost reduction and restructuring program (the "2023 Restructuring Program"). The 2023 Restructuring Program was primarily comprised of entering into severance and termination agreements with employees. Formal announcements to the relevant employees were made in May, June and July 2023 and activities continued throughout the third and fourth quarter of 2023. The payments related to severance costs were completed by March 31, 2024, and the payments related to the building costs should be completed by December 31, 2024.

The Company also recorded an inventory impairment charge of $12.0 million in the year ended December 31, 2023, which is included in cost of revenues in the consolidated statement of operations. A charge of $10.1 million relates to certain product initiatives that were eliminated or reduced as a result of the headcount reductions in the 2023 Restructuring Program and $1.9 million relates to an accrual for inventory on order for these eliminated or reduced product initiatives.

Global Economic Conditions

We have experienced supply chain disruptions and inflationary impacts across our businesses, driven by the impact of regional conflicts, economic sanctions, and general macroeconomic factors. These factors have increased our operating costs. While we are taking actions to respond to the supply chain disruptions, inflationary environment, and global demand dynamics, we may not be able to enact these measures in a timely manner, or the measures may not be sufficient to offset the increase in costs, which could have a material adverse impact on our results of operations.

Cybersecurity Incidents

In January 2022, we experienced a denial-of-service attack on our e-mail service. We were able to restore e-mail service after working to do so as quickly as possible.

In connection with this incident, we have incurred certain incremental one-time costs of $0.1 million related to consultants, experts and data recovery efforts, net of insurance recoveries, and expect to incur additional costs related to cybersecurity protections in the future. We are in the process of implementing a variety of measures to further enhance our cybersecurity protections and minimize the impact of any future attack. However, cyber threats are constantly evolving, and there can be no guarantee that a future cyber event will not occur.

Going Concern Update

The accompanying financial statements have been prepared and are presented assuming the Company's ability to continue as a going concern. We will need to secure additional funding to meet our operations on a timely basis, to satisfy our debt covenants and, ultimately, to attain profitable operations. The Company filed Chapter 11 on March 31, 2024. The Bankruptcy Court confirmed the Company's Prepackaged Plan on June 28, 2024.

In addition, as discussed in Notes 14 and 15 to the consolidated financial statements, the Company's senior term loan and Convertible Notes require certain financial covenants to be met. We were not in compliance with the minimum liquidity covenant under the Fortress Credit Agreement and the Fortress Convertible Note Agreement at all times from November 29, 2022, which was an event of default under those agreements for which a waiver was obtained. We also did not make cash payments of principal and interest under the Fortress Credit Agreement and the Fortress Convertible Note on September 30, October 31, November 30, and December 31 within any grace period applicable thereto, for which we obtained a deferral of such payments. We also obtained a prospective waiver of compliance with the minimum liquidity covenant, the minimum last twelve-month EBITDA covenant and the minimum last twelve-month revenue covenant under the Fortress Credit Agreement and the Fortress Convertible Note Agreement as of the December 31, 2023 quarterly measurement date.

In order to address the need to satisfy the Company's continuing obligations and realize its long-term strategy, management has taken several steps and is considering additional actions to improve its operating and financial results, including the following:

- focusing the Company's efforts to increase sales in additional geographic markets;
- continuing to develop 5G product offerings that will expand the market for the Company's products;
- continuing to improve days sales outstanding to provide additional liquidity; and
- continuing to implement cost reduction initiatives to reduce non-strategic costs in operations and expand the Company's labor force in lower cost geographies, with headcount reductions in higher cost geographies.

There can be no assurance that the above actions will be successful. Without additional financing or capital, the Company's current cash balance would be insufficient to satisfy repayment demands from its lenders if the lenders elect to declare the senior term loan and the senior secured convertible notes due prior to the maturity date. There is no assurance that the new or renegotiated financing will be available, or that if available, will have satisfactory terms. These conditions raise substantial doubt about the Company's ability to continue as a going concern within one year after the date that these financial statements are issued. If the Company emerges from bankruptcy under the currently proposed Restructuring Support Agreement ("RSA"), this is expected to provide adequate equity financing and eliminate all existing senior and subordinated debt. In addition, the Company expects to have access to a $20.0 million revolving line of credit. The accompanying consolidated financial statements do not include any adjustments relating to the recoverability and classification of asset carrying amounts or the amount and classification of liabilities that might result from the outcome of this uncertainty.

How We Assess the Performance of Our Business

In assessing the performance of our business, we consider a variety of performance and financial measures. The key indicators of the financial condition and operating performance of our business are revenue, cost of revenue, research and development, sales and marketing, general and administrative, interest expense, income taxes and net income. To further help us assess our performance with these key indicators, we use Adjusted Earnings before Interest, Taxes, Depreciation, and Amortization ("Adjusted EBITDA") as a non-GAAP financial measure. We believe Adjusted EBITDA provides useful information to investors and expanded insight to measure our revenue and cost performance as a supplement to our GAAP consolidated financial statements. See the "Adjusted EBITDA" sections below for a reconciliation to net income (loss), the most directly comparable GAAP measure.

Revenues

We derive the majority of our revenues from sales of our networking products, with the remaining revenue generated from software licenses and service fees relating to non-recurring engineering, product maintenance contracts and professional services for our products. We sell our products and services to end customers, distributors and resellers. Products and services may be sold separately or in bundled packages.

Our top three customers accounted for 68% and 61% of revenue for the years ended December 31, 2023 and 2022, respectively.

Our sales outside the U.S. and North America accounted for 78% and 57% of our total revenue in the years ended December 31, 2023 and 2022, respectively. The following table identifies the percentage of our revenue by customer geographic region in the periods identified.

	Year Ended December 31,	
Geographic Area	**2023**	**2022**
United States	22%	39%
Other North America	0%	4%
North America	22%	43%
India	34%	17%
Japan	30%	26%
Other Asia	3%	1%
Asia	67%	44%
Europe	6%	7%
Africa and the Middle East	3%	4%
Latin America and the Caribbean	2%	2%
Total revenue	100%	100%

Note that the year ended December 31, 2023 sales by geographic region included Mimosa sales through August 11, 2023 which affects the comparability to the sales by geographic region for the year ended December 31, 2022.

Cost of Revenues

Cost of revenues consists of component and material costs, direct labor costs, warranty costs, royalties, overhead related to manufacture of our products and customer support costs. Our gross margin is affected by changes in our product mix both because our gross margin on software and services is higher than the gross margin on base station related equipment, and because our different product lines generate different margins. In addition, our gross margin is affected by changes in the average selling price of our systems and volume discounts granted to significant customers. We expect the average selling prices of our existing products to continue to decline and we intend to continue to implement product cost reductions and develop and introduce new products or product enhancements in an effort to maintain or increase our gross margins. Further, we may derive an increasing proportion of our revenue from the sale of our integrated systems through distribution channels. Revenue derived from these sales channels typically carries a lower gross margin than direct sales.

Operating Expenses

Research and Development

Research and development expenses consist primarily of salaries and related costs for personnel and expenses for design, development, testing facilities and equipment depreciation. These expenses also include costs associated with product development efforts, including consulting fees and prototyping costs from initial product concept to manufacture and production as well as sub-contracted development work. We expect to continue to make substantial investments in research and development.

Sales and Marketing

Sales and marketing expenses consist of salaries and related costs for personnel, sales commissions, consulting and agent's fees and expenses for advertising, travel, technical assistance, trade shows, and promotional and demonstration materials. We expect to continue to incur substantial expenditures related to sales and marketing activities.

General and Administrative

General and administrative expenses consist primarily of salaries and related expenses for our personnel, audit, professional and consulting fees and facilities costs.

Restructuring costs

Restructuring costs consist primarily of employee termination benefits.

Non-Operating Expenses

Interest Expense, Net

Interest expense consists primarily of interest associated with the Convertible Notes, two subordinated loan facilities and our senior secured credit facility, which consisted of a term loan and revolving credit facility. Interest on the term loan was determined based on the highest of the LIBOR Rate (or, subsequent to the transition to SOFR, the SOFR Rate), commercial lending rate of the collateral agent and federal funds rate, plus an applicable margin. Interest on the revolving credit facility is based on the LIBOR Rate (or, subsequent to the transition to SOFR the SOFR Rate) plus an applicable margin. On May 18, August 11, November 14, and December 22, 2023, we amended the terms of our credit facility with Fortress and the agreement governing the Convertible Notes. On May 18, 2023, we amended and restated the Convertible Notes. (See Notes 12 and 13 of the notes to the audited consolidated financial statements included in this Annual Report on Form 10-K for further discussion on these agreements.)

Loss on Extinguishment of Debt

The senior term loan and convertible debt were amended with the May 2023 Fortress Credit Agreement Amendment and the May 2023 Fortress Convertible Note Agreement Amendment. Due to the increased interest rates and maturity amounts, the modification of terms was accounted for as debt extinguishment and all fees from the prior agreement were expensed as loss on extinguishment of debt in the consolidated statement of operations for the year ended December 31, 2023.

Change in fair value of warrant liability and derivatives, net

Change in fair value of warrant liability and derivatives, net represents the revaluations each quarter of the warrant liabilities and derivatives.

Gain on sale of subsidiary

Gain on the sale of the Mimosa business represents the proceeds less the costs and net assets and liabilities to calculate the gain on the sale.

Income Tax Benefit

Our provision for income tax benefit includes the expected benefit of all deferred tax assets, including our net operating loss carryforwards and expected tax credits under the UK's Research and Development Expenditure Credit ("RDEC") regime. Our net operating loss carryforwards will begin to expire in 2024 and continue to expire through 2037. Our tax benefit has been impacted by non-deductible expenses, including equity compensation and research and development amortization.

Net Loss

Net loss is determined by subtracting operating and non-operating expenses from revenues.

Non-GAAP Financial Measures

Adjusted EBITDA is defined as net income before depreciation and amortization, interest expense and income taxes, and also adjusted to add back share-based compensation costs, changes in the fair value of the warrant liability and embedded derivatives, loss on extinguishment of debt and gain on sale of subsidiary, as these costs are not considered a part of our core business operations and are not an indicator of ongoing, future company performance. We use Adjusted EBITDA to evaluate our performance, both internally and as compared to our peers, because these measures exclude certain items that may not be indicative of our core operating results, as well as items that can vary widely among companies within our industry. For example, share-based compensation costs can be subject to volatility from changes in the market price per share of our Common Stock or variations in the value and number of shares granted.

Adjusted EBITDA is one of the primary metrics used by management to evaluate the financial performance of our business because it excludes, among other things, the effects of certain transactions that are outside the control of management, while other measures can differ significantly depending on long-term strategic decisions regarding capital structure, the jurisdictions in which we operate and capital investments.

We present this non-GAAP financial measure because we believe it is frequently used by analysts, investors and other interested parties to evaluate companies in our industry. Further, we believe it is helpful in highlighting trends in our operating results by focusing on our core operating results and is useful to evaluate our performance in conjunction with our GAAP financial measures. Adjusted EBITDA is a non-GAAP financial measure and should not be considered as an alternative to operating income, net income or earnings per share, as a measure of operating performance, cash flows or as a measure of liquidity. Non-GAAP financial measures are not necessarily calculated the same way by different companies and should not be considered a substitute for or superior to GAAP measures.

In particular, Adjusted EBITDA is subject to certain limitations, including the following:

- Adjusted EBITDA does not reflect interest expense, or the amounts necessary to service interest or principal payments under the Fortress Credit Agreement;
- Adjusted EBITDA does not reflect income tax provision (benefit), and because the payment of taxes is part of our operations, tax provision is a necessary element of our costs and ability to operate;
- Although depreciation and amortization are eliminated in the calculation of Adjusted EBITDA, the assets being depreciated and amortized will often have to be replaced in the future, and Adjusted EBITDA does not reflect any costs of such replacements;
- Adjusted EBITDA does not reflect the noncash component of share-based compensation;

- Adjusted EBITDA does not reflect the impact of earnings or charges resulting from matters we consider not to be reflective, on a recurring basis, of our ongoing operations; and
- Other companies in our industry may calculate Adjusted EBITDA or similarly titled measures differently than we do, limiting its usefulness as a comparative measure.

We adjust for these limitations by relying primarily on our GAAP results and using Adjusted EBITDA only as supplemental information.

Segments

Our business is organized around one reportable segment, the development and supply of broadband wireless products and technologies. This is based on the objectives of the business and how our chief operating decision maker, the Chief Executive Officer, monitors operating performance and allocates resources.

Results of Operations

(in thousands)	Year Ended December 31, 2023	Year Ended December 31, 2022
Revenue	$ 77,568	$ 167,259
Cost of revenue	(58,115)	(100,819)
Gross profit	19,453	66,440
Operating expenses:		
Research and development	44,971	61,377
Sales and marketing	18,262	30,587
General and administrative	21,688	40,070
Amortization of intangibles	189	1,136
Restructuring costs	5,316	1,279
Total operating expenses	90,426	134,449
Loss from operations	(70,973)	(68,009)
Interest expense, net	(30,722)	(20,394)
Change in fair value of warrant liability and derivatives, net	2,090	7,085
Loss on extinguishment of debt	(8,281)	-
Gain on sale of subsidiary	28,414	-
Other income (expense), net	91	(4,261)
Loss before income taxes	(79,381)	(85,579)
Income tax benefit	496	197
Net loss	$ (78,885)	$ (85,382)

Year Ended December 31, 2023 Compared to the Year Ended December 31, 2022

Revenue

Revenue for the above periods is presented below:

	Year Ended December 31,					
($ in thousands)		2023	% of Revenue		2022	% of Revenue
Revenue:						
Products and software licenses	$	64,085	83%	$	148,922	89%
Maintenance, warranty and services		13,483	17%		18,337	11%
Total revenue	$	77,568	100%	$	167,259	100%

Revenue from products and software licenses of $64.1 million for the year ended December 31, 2023 decreased by $84.8 million, or 57.0%, from $148.9 million for the year ended December 31, 2022. This decrease was primarily due to lower demand of products to two customers in Asia Pacific of $21.2 million, lower demand to three customers in North America of $44.4 million (due to the sale of our subsidiary in August 2023), lower demand to one customer in Europe of $2.4 million, lower demand to two customers in Latin America of $3.3 million, lower demand to one customer in Middle East & Africa of $2.5 million, and lower demand to all other customers of $11.0 million.

Revenue from maintenance, warranty and services of $13.5 million for the year ended December 31, 2023 decreased by $4.8 million, or 26.5%, from $18.3 million for the year ended December 31, 2022. This decrease was primarily due to decreases in service, NRE, and maintenance revenue of $1.5 million, $2.3 million, and $1.0 million respectively.

Cost of Revenue

Cost of revenue for the above periods are presented below:

	Year Ended December 31,					
($ in thousands)		2023	% of Revenue		2022	% of Revenue
Cost of revenue:						
Products and software licenses	$	53,404	69%	$	95,335	57%
Maintenance, warranty and services		4,711	6%		5,484	3%
Total cost of revenue	$	58,115	75%	$	100,819	60%

Cost of revenue from products and software licenses of $53.4 million for the year ended December 31, 2023 decreased by $41.9 million, or 44.0%, from $95.3 million for the year ended December 31, 2022. This decrease was primarily due to a decrease in products and software licenses revenue for the year ended December 31, 2023 due to the sale of our subsidiary in August 2023, offset by an inventory provision of $12.0 million for the year ended December 31, 2023.

Cost of revenue from maintenance, warranty and services of $4.7 million for the year ended December 31, 2023 decreased by $0.8 million, or 14.1%, from $5.5 million for the year ended December 31, 2022, which is attributable to a decrease in maintenance and warranty.

Operating Expenses

Operating expenses for the above periods are presented below:

	Year Ended December 31,			
($ in thousands)	**2023**	**% of Revenue**	**2022**	**% of Revenue**
Operating expenses:				
Research and development	$ 44,971	58%	$ 61,377	37%
Sales and marketing	18,262	24%	30,587	18%
General and administrative	21,688	28%	40,070	24%
Amortization of intangibles	189	0%	1,136	1%
Restructuring costs	5,316	7%	1,279	1%
Total operating expenses	$ 90,426	117%	$ 134,449	81%

Research and development — Research and development expenses were $45.0 million for the year ended December 31, 2023, a decrease of $16.4 million, or 36%, from $61.4 million for the year ended December 31, 2022. The decrease was primarily due to a decrease in headcount-related expenses of $13.2 million, share-based compensation of $2.2 million, and materials & supplies expenses of $1.5 million. These decreases were offset by an increase in other expenses of $0.5 million.

Sales and marketing — Sales and marketing expenses were $18.3 million for the year ended December 31, 2023, a decrease of $12.3 million, or 67% from $30.6 million for the year ended December 31, 2022, primarily due to a decrease in headcount-related expenses of $8.7 million and share-based compensation of $1.8 million and other combined expenses of $1.6 million.

General and administrative — General and administrative expenses of $21.7 million for the year ended December 31, 2023 decreased by $18.4 million, or 85%, from $40.1 million for the year ended December 31, 2022. The decrease was primarily due to decreases in share-based compensation of $10.0 million, other outside service expenses of $3.6 million, headcount-related expenses of $2.6 million, facilities expenses of $1.4 million, and other expenses of $0.8 million.

Amortization of intangibles — Amortization of intangibles of $0.2 million for the year ended December 31, 2023 decreased by $0.9 million, or 450%, from $1.1 million for the year ended December 31, 2022, due to the sale of Mimosa and the resulting elimination of the related intangible assets.

Restructuring costs — Restructuring costs of $5.3 million for the year ended December 31, 2023 increased by $4.0 million, or 308%, from $1.3 million for the year ended December 31, 2022, due to the 2023 Restructuring Program.

Non-Operating Expenses

Interest expense, net — Interest expense, net was $39.0 million for the year ended December 31, 2023, an increase of $18.6 million from $20.4 million for the year ended December 31, 2022. The increase was primarily due to a higher average debt outstanding in 2023 compared to 2022, as well as higher variable interest rates and $10.7 million of debt waiver and amendment fees under the Fortress Credit Agreement and Convertible Notes.

Change in fair value of warrant liability and derivatives — Change in fair value of warrant liability and derivatives was a gain of $2.1 million for the year ended December 31, 2023, a change of $5.0 million from a gain of $7.1 million for the year ended December 31, 2022. The fluctuation included changes in fair values of derivative liability and warrants of $2.1 million and $7.1 million for the years ended December 31, 2023 and 2022, respectively. The decrease is primarily a result of the Company's decreased stock price during the year ended December 31, 2023.

Loss on extinguishment of debt — Loss on extinguishment of debt was $8.3 million for the year ended December 31, 2023, compared with no loss for the year ended December 31, 2022. There was a $5.1 million loss on the extinguishment of the senior term loan and $3.2 million loss on the extinguishment of the convertible debt.

Other income (expense), net — Other expense, net was income of $28.5 million for the year ended December 31, 2023, a change of $32.8 million from an expense of $4.3 million for the year ended December 31, 2022. The difference was primarily due to a gain on the sale of Mimosa of $28.4 million, foreign currency losses of $4.0 million, and other expenses of $0.4 million.

Income tax benefit — Income tax benefit was $0.5 million for the year ended December 31, 2023, a minimal change from an income tax benefit of $0.2 million for the year ended December 31, 2022.

Net Loss

We had net loss of $78.9 million for the year ended December 31, 2023, a change of $6.5 million compared to net loss of $85.4 million for the year ended December 31, 2022, due to the same factors described above.

Non-GAAP Financial Measures

Adjusted EBITDA

Adjusted EBITDA for the year ended December 31, 2023 was a loss of $55.3 million, representing a change of $10.1 million, or 22.2%, from a loss $45.2 million for the year ended December 31, 2022. The decrease in Adjusted EBITDA was primarily due to the increase in net loss discussed above and certain higher adjusting items detailed in the table below.

The following table presents the reconciliation of net loss, the most directly comparable GAAP measure, to Adjusted EBITDA:

	Year Ended December 31,	
($ in thousands)	**2023**	**2022**
Net loss	$ (78,885)	$ (85,382)
Adjusted for:		
Interest expense, net	30,722	20,394
Income tax benefit	(496)	(197)
Depreciation and amortization	3,153	4,622
EBITDA	(45,506)	(60,563)
Share-based compensation expense	7,133	21,130
Change in fair value of warrant liability and derivatives	(2,090)	(7,085)
Restructuring costs	5,316	1,279
Gain on sale of subsidiary	(28,414)	-
Loss on extinguishment of debt	8,281	-
Adjusted EBITDA	$ (55,280)	$ (45,239)

Liquidity and Capital Resources

To date, our principal sources of liquidity have been our cash and cash equivalents and cash generated from operations, proceeds from the issuance of long-term debt, preferred and common stock, and the sale of certain receivables. Our capital requirements depend on a number of factors, including sales, the extent of our spending on research and development, expansion of sales and marketing activities and market adoption of our products and services. The Company filed the Chapter 11 Cases on March 31, 2024. The Bankruptcy Court confirmed the Company’s Prepackaged Plan on June 28, 2024.

We had $37.1 million of current assets and $194.3 million of current liabilities at December 31, 2023. During the year ended December 31, 2023, we used $39.7 million in cash flows from operating activities, an increase of $7.5 million from December 31, 2022. We are investing heavily in 5G research and development and expect to use cash from operations during the remainder of 2024 to fund research and development activities. Cash on hand and the available borrowing capacity under the Fortress Credit Agreement may not allow us to meet our forecasted cash requirements.

Days sales outstanding ("DSO") is a measurement of the time it takes to collect receivables. DSO is calculated by dividing accounts receivable, net as of the end of the quarter by the average daily revenue for the quarter. Average daily revenue for the quarter is calculated by dividing the quarterly revenue by ninety days. All customer accounts are actively managed, and no losses in excess of amounts reserved are currently expected. DSO can fluctuate due to the timing and nature of contracts, as well as the payment terms of individual customers. DSO was 52 days and 101 days as of December 31, 2023 and 2022, respectively. The decrease in DSO as of December 31, 2023 is attributable to a lower accounts receivable balance due to the sale of Mimosa (see Note 3). Notwithstanding the DSO of 52 and 101 days as of December 31, 2023 and 2022, respectively, our accounts receivable were $10.4 million and $46.6 million due to high sales volumes in the fourth quarters of each respective year.

As of December 31, 2023, we had commitments with our main subcontract manufacturers under various purchase orders and forecast arrangements of $13.2 million, the majority of which have expected delivery dates during the first six months of 2024.

As of the date of this Annual Report on Form 10-K, we believe our existing cash resources are not sufficient to fund the cash needs of our business for at least the next 12 months. The Company filed the Chapter 11 Cases on March 31, 2024. The Bankruptcy Court confirmed the Company's Prepackaged Plan on June 28, 2024.

Cash Flows

The following table summarizes the changes to our cash flows for the periods presented:

	For the Years Ended December 31,	
(in thousands)	**2023**	**2022**
Net cash used in operating activities	$ (39,684)	$ (47,164)
Net cash provided by (used in) investing activities	53,705	(3,096)
Net cash used in financing activities	(13,791)	(5,575)
Net increase (decrease) in cash, cash equivalents and restricted cash	230	(55,835)
Cash, cash equivalents and restricted cash, beginning of period	7,287	63,122
Cash, cash equivalents and restricted cash, end of period	$ 7,517	$ 7,287

Operating Activities

Net cash used in operating activities was $39.7 million for the year ended December 31, 2023, a decrease of $7.5 million from net cash used in operating activities of $47.2 million for the year ended December 31, 2022. The decrease is a result of $18.8 million less used from working capital, $12.7 million less from results of our operations and offset by a $24.0 million decrease in non-cash adjustments.

Investing Activities

Net cash provided by investing activities was $53.7 million for the year ended December 31, 2023, an increase of $56.8 million from a use of cash of $3.1 million for the year ended December 31, 2022, primarily due to the net proceeds from the sale of the Mimosa business of $55.0 million.

Financing Activities

Net cash used in financing activities was $13.8 million for the year ended December 31, 2023. This included $24.9 million of repayments under the senior term loan, $16.8 million of repayments under the convertible debt, $1.9 million of debt issuance costs, $0.2 million of payment for taxes withheld on stock awards, partially offset by $30.0 million of borrowings under the senior term loan.

Net cash used in financing activities was $5.6 million for the year ended December 31, 2022. This included $5.3 million of repayments under the senior term loan and $0.3 million of payment for taxes withheld on stock awards.

Critical Accounting Estimates

Our consolidated financial statements are prepared in accordance with GAAP. The preparation of these financial statements requires us to make estimates and assumptions that affect the reported amounts of assets and liabilities, the disclosure of contingent liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. On an on-going basis, we evaluate the effectiveness of our estimates and judgments, including those related to revenue recognition and share-based compensation.

We base our estimates and judgments on historical experience and on various other factors that we believe to be reasonable under the circumstances, the results of which form the basis for making judgments about the carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates under different assumptions or conditions and may change as future events occur.

We believe the following critical accounting policies are dependent on significant estimates used in the preparation of our consolidated financial statements.

Revenue recognition

A contract's transaction price is allocated to each distinct performance obligation and recognized as revenue when, or as, the performance obligation is satisfied. Certain of our contracts have multiple distinct performance obligations, as the promise to transfer individual goods or services is separately identifiable from other promises in the contracts and the customer can benefit from these individual goods or services either on their own or together with other resources that are readily available to the customer. For contracts with multiple performance obligations, we allocate the contract's transaction price to each performance obligation based on its relative stand-alone selling price. The stand-alone selling prices are determined based on the prices at which we separately sell these products. For items that are not sold separately, we estimate the stand-alone selling prices using either an expected cost-plus margin or the adjusted market assessment approach depending on the nature of the specific performance obligation.

Revenue from non-recurring engineering is recognized at a point in time or over-time depending on if the customer controls the asset being created or enhanced. For new product design or software development services, the customer does not control the asset being created, the customer is not simultaneously receiving or consuming the benefits from the work performed and the work performed has alternative use to the Company. Therefore, revenue related to these projects is recognized at a point in time which is when the specified developed technology has been delivered and accepted by the customer.

Revenue from professional service contracts primarily relates to training and other consulting arrangements performed by the Company for its customers. Revenues from professional services contracts provided on a time and materials basis are recognized when the Company has the right to invoice under the practical expedient as amounts correspond directly with the value of the services rendered to date.

Share-based compensation

We apply ASC 718, *Share-based Payments*. ASC 718 requires awards classified as equity awards to be accounted for using the estimated grant date fair value. The value of the portion of the award that is ultimately expected to vest is recognized as an expense in the consolidated statements of operations over the requisite service periods. Share-based compensation expense recognized in the consolidated statements of operations includes compensation expense for share-based awards granted based on the estimated grant date fair value. Because share-based compensation expense is based on awards that are ultimately expected to vest, share-based compensation expense has been reduced to account for estimated forfeitures. Forfeitures are estimated at the time of grant and revised, if necessary, in subsequent periods if actual forfeitures differ from those estimates.

We determine the fair value of stock options using the Black-Scholes option pricing model, which is impacted by the following assumptions:

- *Fair Value of Common Stock* - To determine the grant date fair value of our Common Stock, we use the closing market price of our Common Stock at the grant date.

- *Expected Term* - Expected term is estimated based on our prior five years of historical data regarding expired, forfeited or if applicable, exercise behavior.

- *Expected Volatility* - Since we have limited historical basis for determining our own volatility, the expected volatility assumption was based on the average historical volatility of a representative peer group, which includes consideration of the peer company's industry, market capitalization, state of life cycle and capital structure.

- *Expected Dividend Yield* - The dividend yield assumption is based on our history and our expectation of no dividend payouts.

- *Risk-Free Interest Rate* - The risk-free interest rate assumption is based upon observed interest rates appropriate for an equivalent remaining term equal to the expected life of the award.

Recent Accounting Pronouncements

Refer to Note 2 of our audited consolidated financial statements included in this Annual Report on Form 10-K for further information on accounting pronouncements.

JOBS Act

The JOBS Act contains provisions that, among other things, relax certain reporting requirements for qualifying public companies. We qualify as an "emerging growth company" and under the JOBS Act are allowed to comply with new or revised accounting pronouncements based on the effective date for private (not publicly traded) companies. We are electing to delay the adoption of new or revised accounting standards, and as a result, we may not comply with new or revised accounting standards on the relevant dates on which adoption of such standards is required for non-emerging growth companies. As a result, the financial statements may not be comparable to companies that comply with new or revised accounting pronouncements as of public company effective dates.

Additionally, we have chosen to rely on certain reduced reporting requirements applicable to emerging growth companies, including, among other things, we are not required to (i) provide an auditor's attestation report on our system of internal controls over financial reporting pursuant to Section 404, (ii) provide all of the compensation disclosure that may be required of non-emerging growth public companies under the Dodd-Frank Wall Street Reform and Consumer Protection Act, (iii) comply with any requirement that may be adopted by the Public Company Accounting Oversight Board regarding mandatory audit firm rotation or a supplement to the auditor's report providing additional information about the audit and the financial statements (auditor discussion and analysis) and (iv) disclose certain executive compensation related items such as the correlation between executive compensation and performance and comparisons of the Chief Executive Officer's compensation to median employee compensation. These exemptions will apply for a period of five years following the completion of New Beginnings' initial public offering or until we are no longer an "emerging growth company," whichever is earlier.

We will remain an "emerging growth company" under the JOBS Act until the earliest of: (i) the last day of the fiscal year (a) following the fifth anniversary of the closing of New Beginnings' initial public offering, (b) in which we have total annual gross revenue of at least $1.235 billion, or (c) when we are deemed to be a "large accelerated filer" under the Exchange Act, which would occur if the market value of our common equity held by non-affiliates exceeds $700.0 million as of the last business day of our most recently completed second fiscal quarter; or (ii) the date on which we have issued more than $1.0 billion in non-convertible debt securities during the prior three-year period.

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

We are a smaller reporting company as defined in Rule 12b-2 of the Exchange Act and are not required to provide the information under this item.

Item 8. Financial Statements and Supplementary Data.

AIRSPAN NETWORKS HOLDINGS INC.

INDEX TO CONSOLIDATED FINANCIAL STATEMENTS

All other financial statement schedules for Airspan Networks Holdings Inc. have been omitted because they are not applicable, or because the information required is included in the respective consolidated financial statements or notes thereto.

REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

Board of Directors and Stockholders
Airspan Networks Holdings Inc.

Opinion on the financial statements

We have audited the accompanying consolidated balance sheets of Airspan Networks Holdings Inc. a Delaware corporation and subsidiaries (the "Company") as of December 31, 2023 and 2022, the related consolidated statements of operations, changes in stockholders' deficit, and cash flows for each of the two years in the period ended December 31, 2023, and the related notes (collectively referred to as the "financial statements"). In our opinion, the financial statements present fairly, in all material respects, the financial position of the Company as of December 31, 2023 and 2022, and the results of its operations and its cash flows for each of the two years in the period ended December 31, 2023, in conformity with accounting principles generally accepted in the United States of America.

Going Concern

The accompanying consolidated financial statements have been prepared assuming that the Company will continue as a going concern. As discussed in Note 1 to the financial statements, the Company was in default of certain debt covenants of its senior term loan agreement and convertible note agreement as of December 31, 2023. As a result, the Company's current liabilities exceed the Company's current assets by approximately $157.1 million as of December 31, 2023. These conditions, along with other matters as set forth in Note 1, raise substantial doubt about the Company's ability to continue as a going concern. Management's plans in regard to these matters are also described in Note 1. The consolidated financial statements do not include any adjustments that might result from the outcome of this uncertainty.

Basis for opinion

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

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

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

/s/ Grant Thornton LLP

We have served as the Company's auditor since 2005
Fort Lauderdale, Florida
October 4, 2024

AIRSPAN NETWORKS HOLDINGS INC.
CONSOLIDATED BALANCE SHEETS
(in thousands, except for share data)

	December 31, 2023	December 31, 2022
ASSETS		
Current assets:		
Cash and cash equivalents	$ 7,517	$ 7,253
Restricted cash	-	34
Accounts receivable, net of allowance of $229 and $647 at December 31, 2023 and 2022, respectively	10,416	46,565
Inventory	4,077	18,556
Prepaid expenses and other current assets	15,125	17,289
Total current assets	37,135	89,697
Property, plant and equipment, net	4,514	7,351
Goodwill	-	13,641
Intangible assets, net	-	5,302
Right-of-use assets, net	2,648	5,697
Other non-current assets	2,975	3,407
Total assets	$ 47,272	$ 125,095
LIABILITIES AND STOCKHOLDERS' DEFICIT		
Current liabilities:		
Accounts payable	$ 9,483	$ 26,173
Accrued expenses and other current liabilities	31,981	32,243
Deferred revenue	2,700	2,892
Senior term loan	59,470	40,529
Subordinated debt	11,685	11,119
Subordinated term loan - related party	45,393	41,528
Convertible debt	33,345	43,928
Current portion of long-term debt	265	259
Total current liabilities	194,322	198,671
Other long-term liabilities	3,919	7,223
Total liabilities	198,241	205,894
Commitments and contingencies (Note 18)		
Stockholders' deficit:		
Common stock, $0.0001 par value; 250,000,000 shares authorized; 74,638,893 and 74,283,026 shares issued and outstanding at December 31, 2023 and 2022, respectively	7	7
Additional paid-in capital	779,142	770,427
Accumulated deficit	(930,118)	(851,233)
Total stockholders' deficit	(150,969)	(80,799)
Total liabilities and stockholders' deficit	$ 47,272	$ 125,095

The accompanying notes are an integral part of these consolidated financial statements.

AIRSPAN NETWORKS HOLDINGS INC.
CONSOLIDATED STATEMENTS OF OPERATIONS
(in thousands, except for share data)

	Year Ended December 31,	
	2023	**2022**
Revenues:		
Products and software licenses	$ 64,085	$ 148,922
Maintenance, warranty and services	13,483	18,337
Total revenues	77,568	167,259
Cost of revenues:		
Products and software licenses	53,404	95,335
Maintenance, warranty and services	4,711	5,484
Total cost of revenues	58,115	100,819
Gross profit	19,453	66,440
Operating expenses:		
Research and development	44,971	61,377
Sales and marketing	18,262	30,587
General and administrative	21,688	40,070
Amortization of intangibles	189	1,136
Restructuring costs	5,316	1,279
Total operating expenses	90,426	134,449
Loss from operations	(70,973)	(68,009)
Interest expense, net	(30,722)	(20,394)
Change in fair value of warrant liability and derivatives, net	2,090	7,085
Loss on extinguishment of debt	(8,281)	-
Gain on sale of subsidiary	28,414	-
Other income (expense), net	91	(4,261)
Loss before income taxes	(79,381)	(85,579)
Income tax benefit	496	197
Net loss	$ (78,885)	$ (85,382)
Loss per share - basic and diluted	$ (1.06)	$ (1.17)
Weighted average shares outstanding - basic and diluted	74,575,810	72,782,773

The accompanying notes are an integral part of these consolidated financial statements.

AIRSPAN NETWORKS HOLDINGS INC.
STATEMENTS OF CHANGES IN STOCKHOLDERS' DEFICIT
(in thousands, except for share data)

	Common Stock		Additional Paid-In	Accumulated	
	Shares	Amount	Capital	Deficit	Total
Balance at December 31, 2021	**72,335,952**	**$ 7**	**$ 749,592**	**$ (765,851)**	**$ (16,252)**
Net loss	-	-	-	(85,382)	(85,382)
Issuance of restricted shares, net of shares withheld for taxes	1,947,074	-	(295)	-	(295)
Share-based compensation expense	-	-	21,130	-	21,130
Balance at December 31, 2022	**74,283,026**	**$ 7**	**$ 770,427**	**$ (851,233)**	**$ (80,799)**
Net loss	-	-	-	(78,885)	(78,885)
Issuance of restricted shares, net of shares withheld for taxes	355,867	-	(162)	-	(162)
Issuance of warrants	-	-	1,744	-	1,744
Share-based compensation expense	-	-	7,133	-	7,133
Balance at December 31, 2023	**74,638,893**	**$ 7**	**$ 779,142**	**$ (930,118)**	**$ (150,969)**

The accompanying notes are an integral part of these consolidated financial statements.

AIRSPAN NETWORKS HOLDINGS INC.
CONSOLIDATED STATEMENTS OF CASH FLOWS
(in thousands)

	Year Ended December 31, 2023	Year Ended December 31, 2022
Cash flows from operating activities:		
Net loss	$ (78,885)	$ (85,382)
Adjustments to reconcile net loss to net cash used in operating activities:		
Depreciation and amortization	3,153	4,622
Foreign exchange loss (gain) on long-term debt	6	(16)
Loss on extinguishment of debt	8,281	-
Change in fair value of warrants and derivatives	(2,090)	(7,085)
Non-cash debt waiver and amendment fees	-	3,321
Share-based compensation expense	7,133	21,130
Inventory impairment charge	12,013	-
Gain on sale of subsidiary	(28,414)	-
Credit loss	453	638
Total adjustments	535	22,610
Changes in operating assets and liabilities:		
Decrease in accounts receivable	19,312	10,777
Decrease (increase) in inventory	354	(1,339)
Decrease in prepaid expenses and other current assets	1,926	1,544
Decrease in other non-current assets	321	535
Decrease in accounts payable	(3,786)	(3,536)
Increase (decrease) in deferred revenue	35	(10)
Increase in accrued expenses and other current liabilities	122	2,418
Increase (decrease) in other long-term liabilities	501	(5,728)
Increase in accrued interest on long-term debt	19,881	10,947
Net cash used in operating activities	(39,684)	(47,164)
Cash flows from investing activities:		
Purchase of property, plant and equipment	(1,266)	(3,096)
Net proceeds from sale of subsidiary	54,971	-
Net cash provided by (used in) investing activities	53,705	(3,096)
Cash flows from financing activities:		
Borrowings from senior term loan	30,000	-
Repayments of senior term loan	(24,930)	(5,280)
Repayment of convertible debt	(16,783)	-
Payment for taxes withheld on stock awards	(162)	(295)
Payment of debt issuance costs	(1,916)	-
Net cash used in financing activities	(13,791)	(5,575)
Net increase (decrease) in cash, cash equivalents and restricted cash	230	(55,835)
Cash, cash equivalents and restricted cash, beginning of year	7,287	63,122
Cash, cash equivalents and restricted cash, end of year	$ 7,517	$ 7,287

The accompanying notes are an integral part of these consolidated financial statements.

AIRSPAN NETWORKS HOLDINGS INC.
CONSOLIDATED STATEMENTS OF CASH FLOWS (CONTINUED)
(in thousands)

	Year Ended December 31,	
	2023	**2022**
Supplemental disclosures of cash flow information		
Cash paid for interest	$ 5,982	$ 6,091
Cash received from R&D tax credit refunds, net of cash paid for income taxes	$ 820	$ 509
Operating cash flows from operating leases	$ (2,468)	$ (2,830)
Lease liability obtained in exchange for obtaining right-of-use assets	$ 84	$ 1,494
Supplemental disclosure of non-cash financing activities:		
Non-cash debt amendment fee	$ 4,658	$ 463
Warrants issued for convertible debt	$ 1,744	$ -

The accompanying notes are an integral part of these consolidated financial statements.

1. BUSINESS AND BASIS OF PRESENTATION

Business

On August 13, 2021 (the "Closing"), Airspan Networks Holdings Inc. (formerly New Beginnings Acquisition Corp.) (the "Company") consummated its previously announced business combination transaction (the "Business Combination") pursuant to the business combination agreement (the "Business Combination Agreement"), dated March 8, 2021, by and among the Company, Artemis Merger Sub Corp., a Delaware corporation and wholly-owned direct subsidiary of the Company ("Merger Sub"), and Airspan Networks Inc., a Delaware corporation ("Legacy Airspan"). In connection with the Closing of the Business Combination, the Company changed its name to Airspan Networks Holdings Inc. Unless the context otherwise requires, references to "Airspan", the "Company", "us", "we", "our" and any related terms prior to the Closing of the Business Combination are intended to mean Legacy Airspan and its consolidated subsidiaries, and after the Closing of the Business Combination, Airspan Networks Holdings Inc. and its consolidated subsidiaries. In addition, unless the context otherwise requires, references to "New Beginnings" and "NBA" are references to New Beginnings Acquisition Corp., the Company's name prior to the Closing.

The Company designs and produces wireless network equipment for 4G and 5G networks for both mainstream public telecommunications service providers and private network implementations. Airspan provides Radio Access Network ("RAN") products based on Open Virtualized Cloud Native Architectures, that support technologies including 5G new radio ("5G NR") and Long-Term Evolution ("LTE"), and Fixed Wireless standards, operating in licensed, lightly-licensed and unlicensed frequencies.

The market for the Company's wireless systems includes mobile carriers, other public network operators and private and government network operators for command and control in industrial and public safety applications such as smart utilities, defense, transportation, mining and oil and gas. The Company's strategy applies the same network technology across all addressable sectors.

The Company's main operations are in Slough, United Kingdom ("U.K."); Mumbai and Bangalore, India; Tokyo, Japan; Airport City, Israel; and the Company's corporate headquarters are in the United States ("U.S.") in Boca Raton, Florida.

Basis of Presentation and Principles of Consolidation

The accompanying financial statements include the accounts of the Company, its wholly-owned subsidiaries and Airspan IP Holdco LLC ("Holdco") – 99.8% owned by Airspan. The non-controlling interest in net assets of this subsidiary, and the net income or loss attributable to the non-controlling interest, were not recorded by the Company as they are considered immaterial. All significant inter-company balances and transactions have been eliminated in consolidation. The accompanying consolidated financial statements have been prepared in conformity with accounting principles generally accepted in the United States of America ("GAAP").

Liquidity

The Company has historically incurred losses from operations. In the past, these losses have been financed through cash on hand, or capital raising activities, including borrowings or the sale of newly issued shares. The Company filed Chapter 11 on March 31, 2024. The Bankruptcy Court confirmed the Company's Prepackaged Plan on June 28, 2024.

The Company had $37.1 million of current assets and $194.3 million of current liabilities at December 31, 2023. During the year ended December 31, 2023, the Company used $39.7 million in cash flow from operating activities. The Company is investing heavily in 5G research and development, and the Company expects to continue to use cash from operations through the first quarter ended March 31, 2025. Cash on hand and borrowing capacity under our Assignment Agreement, Resignation and Assignment Agreement and Credit Agreement (the "Fortress Credit Agreement") with DBFIP ANI LLC ("Fortress") (see Notes 14 and 15) may not allow the Company to reasonably expect to meet its forecasted cash requirements.

Going concern

The accompanying financial statements have been prepared and are presented assuming the Company's ability to continue as a going concern. On March 31, 2024, the Company and certain of its affiliates and subsidiaries (collectively the "Debtors") filed bankruptcy petitions under chapter 11 of title 11 of the United States Code, 11 U.S.C. §§ 101-1532 in the Bankruptcy Court. The Bankruptcy Court confirmed the Company's Prepackaged Plan on June 28, 2024.

In addition, as discussed in Notes 14 and 15 to the consolidated financial statements, the Company's senior term loan and Convertible Notes require certain financial covenants to be met. We were not in compliance with the minimum liquidity covenant under the Fortress Credit Agreement and the Fortress Convertible Note Agreement at all times from October 26, 2023, which was an event of default under those agreements for which a waiver was obtained. We also did not satisfy the revenue covenant and the EBITDA covenant on September 30, 2023, which were also events of default for which a waiver was obtained. We also did not make cash payments of principal and interest under the Fortress Credit Agreement and the Fortress Convertible Note on September 30, October 31, November 30, and December 31 within any grace period applicable thereto, for which we obtained a deferral of such payments. We also obtained a prospective waiver of compliance with the minimum liquidity covenant, the minimum last twelve-month EBITDA covenant and the minimum last twelve-month revenue covenant under the Fortress Credit Agreement and the Fortress Convertible Note Agreement as of the December 31, 2023 quarterly measurement date.

In order to address the need to satisfy the Company's continuing obligations and realize its long-term strategy, management has taken several steps and is considering additional actions to improve its operating and financial results, including the following:

- focusing the Company's efforts to increase sales in additional geographic markets;
- continuing to develop 5G product offerings that will expand the market for the Company's products;
- continuing to improve days sales outstanding to provide additional liquidity: and
- continuing to implement cost reduction initiatives to reduce non-strategic costs in operations and expand the Company's labor force in lower cost geographies, with headcount reductions in higher cost geographies.

There can be no assurance that the above actions will be successful. Without additional financing or capital, the Company's current cash balance would be insufficient to satisfy repayment demands from its lenders if the lenders elect to declare the senior term loan and the senior secured convertible notes due prior to the maturity date. There is no assurance that the new or renegotiated financing will be available, or that if available, will have satisfactory terms. These conditions raise substantial doubt about the Company's ability to continue as a going concern within one year after the date that these financial statements are issued. If the Company emerges from bankruptcy under the currently proposed Restructuring Support Agreement ("RSA"), this is expected to provide adequate equity financing and eliminate all existing senior and subordinated debt. In addition, the Company expects to have access to a $20.0 million revolving line of credit. The accompanying consolidated financial statements do not include any adjustments relating to the recoverability and classification of asset carrying amounts or the amount and classification of liabilities that might result from the outcome of this uncertainty.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Use of estimates

The preparation of consolidated financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the amounts reported in the consolidated financial statements and accompanying notes. Actual results could differ from those estimates.

Cash and cash equivalents and restricted cash

The Company considers all highly liquid investments with an original maturity, or remaining maturity when acquired, of three months or less to be cash equivalents. Cash and cash equivalents are all maintained in bank accounts.

The following table provides a reconciliation of cash, cash equivalents and restricted cash reported on the consolidated balance sheets that sum to the total of the same such amounts shown in the consolidated statements of cash flows (in thousands):

	December 31,	
	2023	2022
Cash and cash equivalents	$ 7,517	$ 7,253
Restricted cash	-	34
Total cash, cash equivalents and restricted cash shown in the statement of cash flows	$ 7,517	$ 7,287

Accounts receivable

Accounts receivable represent receivables from customers in the ordinary course of business. These are recorded at the invoiced amount and do not bear interest. Receivables are recorded net of the allowance for doubtful accounts in the accompanying consolidated balance sheets. The Company evaluates the collectability of its accounts receivable based on a combination of factors, such as historical experience, credit quality, country risk, current level of business, age of the accounts receivable and current economic conditions. The Company regularly analyzes its customer accounts overdue more than 90 days, and when it becomes aware of a specific customer's inability to meet its financial obligations, the Company records a specific allowance to reduce the related receivable to the amount it reasonably believes to be collectible. When collection efforts cease or collection is considered remote, the account and related allowance are written off.

Inventory

Inventory is stated at the lower of cost or net realizable value under the average cost method. Cost includes all costs incurred in bringing each product to its present location and condition. We record inventory write-downs to net realizable value through an allowance for obsolete and slow-moving items based on inventory turnover trends, historical and market knowledge experience.

Property, plant and equipment

Property, plant and equipment are stated at cost, less accumulated depreciation. The costs of additions and betterments that substantially extend the useful life of an asset are capitalized and the expenditures for ordinary repairs and maintenance are expensed in the period incurred as part of general and administrative expenses in the consolidated statements of operations. Depreciation is provided on all tangible fixed assets at rates calculated to write off the cost, less estimated residual value, based on prices prevailing at the date of acquisition of each asset evenly over its expected useful life, as follows:

- Plant, machinery and equipment — over 2 to 5 years

- Furniture and fixtures — over 4 to 5 years
- Leasehold improvements — over lesser of the minimum lease term or the useful life

Goodwill

Goodwill was the result of a business combination that occurred in 2018 (See Note 9). The subsidiary that had Goodwill was sold on August 11, 2023 (See Note 9). Goodwill is recorded as the difference, if any, between the aggregate consideration paid for an acquisition and the fair value of the net tangible assets and other intangible assets acquired. Goodwill is not amortized; however, it is assessed for impairment at least annually, or more frequently if triggering events occur. For purposes of the annual assessment, management initially performs a qualitative assessment, which includes consideration of the economic, industry and market conditions in addition to our overall financial performance and the performance of these assets. If our qualitative assessment does not conclude that it is more likely than not that the estimated fair value of the reporting unit is greater than the carrying value, we perform a quantitative analysis. In a quantitative test, the fair value of a reporting unit is determined based on a combination of a discounted cash flow analysis and the guideline company approach. A discounted cash flow analysis requires us to make various assumptions, including assumptions about future cash flows, growth rates and discount rates. The guideline company method develops valuation multiples by comparing the Company's reporting units to similar publicly traded companies. Key valuation assumptions used in determining the fair value estimates of the Company's reporting units rely on: (a) the selection of similar companies; and (b) the selection of valuation multiples as they apply to the reporting unit characteristics. The assumptions about future cash flows and growth rates are based on our long-term projections. Assumptions used in our impairment testing are consistent with our internal forecasts and operating plans. If the fair value of the reporting unit exceeds its carrying amount, there is no impairment. If not, we recognize an impairment equal to the difference between the carrying amount of the reporting unit and its fair value, not to exceed the carrying amount of goodwill.

As the goodwill was disposed of prior to the planned annual assessment date, no impairment assessment was necessary for the year ended December 31, 2023.

Intangible assets, net

The Company's intangible assets were primarily the result of business combinations and include acquired developed technology, customer relationships, trademarks and non-compete agreements. These intangible assets were sold on August 11, 2023. These are amortized utilizing a straight-line method over their estimated useful lives. When establishing useful lives, the Company considers the period and the pattern in which the economic benefits of the intangible asset are consumed or otherwise used; or, if that pattern cannot be reliably determined, using a straight-line amortization method over a period that may be shorter than the ultimate life of such intangible asset. There is no residual value associated with the Company's finite-lived intangible assets.

The Company reviews for impairment indicators of finite-lived intangibles and other long-lived assets as described below in "Impairment of long-lived assets."

Impairment of long-lived assets

The Company reviews its long-lived assets for impairment when events or changes in circumstances indicate that the carrying value of such assets may not be recoverable. This review consists of a comparison of the carrying value of the asset with the asset's expected future undiscounted cash flows. Estimates of expected future cash flows represent management's best estimate based on reasonable and supportable assumptions and projections. If the expected undiscounted future cash flows exceed the carrying value of the asset, no impairment is recognized. If the carrying value of the asset exceeds the expected undiscounted future cash flows, impairment exists and is determined by the excess of the carrying value over the fair value of the asset. Any impairment provisions recognized are permanent and may not be restored in the future. No impairment was recorded during the years ended December 31, 2023 and 2022.

Other non-current assets

Other non-current assets represent the value of funded employee severance benefit accounts and deposits issued to landlords. As of December 31, 2023, eleven employees are entitled to one month of the employee's current salary, multiplied by the number of years of employment. The Company accrues a liability for this obligation and funds an employee severance benefit account monthly. The value of these funds is recorded in other non-current assets in the Company's consolidated balance sheets and the liability is recorded in other long-term liabilities. The deposited funds include earnings accumulated up to the balance sheet date. The deposited funds may be withdrawn by the employee only upon the fulfilment of the obligation pursuant to labor law or agreements.

Right-of-use assets and lease liabilities

The Company has both cancellable and noncancelable operating leases for office space, vehicles, and office equipment. The Company records leases in accordance with ASC 842, *Leases*, ("ASC 842"). The Company records a right-of-use asset and lease liability on its consolidated balance sheets for all leases that qualify. The operating lease liability represents the present value of the future minimum lease payments over the lease term using the Company's incremental borrowing rate at the lease commencement date. The right-of-use asset reflects adjustments for the derecognition of deferred rent and prepaid rent. Leases with an initial term of 12 months or less are not recorded on the Company's consolidated balance sheet and are expensed on a straight-line basis over the lease term. The Company has elected to combine the lease and non-lease components into a single lease component for all of its leases. (See Note 18 for further details on the right-of-use assets and lease liabilities.)

Convertible Notes

Concurrent with the Business Combination, the Company issued convertible notes. Refer to Notes 3 and 15 for further discussion on the convertible notes. The convertible notes are accounted for as a liability under the traditional convertible debt model and measured at amortized cost under Accounting Standard Codification ("ASC") 470-20.

The Company accounts for the embedded derivatives at fair value under ASC 815, *Derivatives and Hedging* ("ASC 815"). Under ASC 815, an embedded feature in a debt instrument that meets the definition of a derivative is fair valued at issuance and remeasured at each reporting period with changes in fair value recognized in earnings.

The Company evaluated the guidance in ASC 815 and concluded the conversion option is not considered indexed to the Company's own stock. As a result, the redemption feature and conversion option were bifurcated from the Convertible Notes and are separately measured at fair value at each reporting period within other long-term liabilities in the consolidated balance sheets with changes in their respective fair values recognized in other expense, net within the consolidated statements of operations.

Common Stock Warrants and Post-Combination Warrants

The Company evaluated the public warrants (the "Public Warrants") and private placement warrants (the "Private Placement Warrants" and, together with the Public Warrants, the "Common Stock Warrants") issued in connection with NBA's initial public offering, the Company's warrants which are exercisable to purchase a share of the Company's common stock (the "Common Stock") at an exercise price of $12.50 per share (the "Post-Combination $12.50 Warrants"), the Company's warrants which are exercisable to purchase a share of Common Stock at an exercise price of $15.00 per share (the "Post-Combination $15.00 Warrants") and the Company's warrants which are exercisable to purchase a share of Common Stock at an exercise price of $17.50 per share (the "Post-Combination $17.50 Warrants" and, together with the Post-Combination $12.50 Warrants and the Post-Combination $15.00 Warrants, the "Post-Combination Warrants") under ASC 815-40, *Derivatives and Hedging-Contracts in Entity's Own Equity* ("ASC 815-40"), and concluded they do not meet the criteria to be classified in stockholders' equity. Since the Common Stock Warrants and Post-Combination Warrants meet the definition of a derivative under ASC 815-40, the Company records these warrants as liabilities on the consolidated balance sheets within other long-term liabilities and measures these warrants at fair value at each reporting period date, with changes in their respective fair values recognized in other expense, net within the consolidated statements of operations.

Revenue recognition

We derive the majority of our revenue from sales of our networking products and software licenses, with the remaining revenue generated from service fees relating to maintenance contracts, professional services and training for our products. We sell our products and services to end customers, distributors and resellers. Products and services may be sold separately or in bundled packages.

A contract's transaction price is allocated to each distinct performance obligation and recognized as revenue when, or as, the performance obligation is satisfied. Certain of our contracts have multiple distinct performance obligations, as the promise to transfer individual goods or services is separately identifiable from other promises in the contracts and the customer can benefit from these individual goods or services either on their own or together with other resources that are readily available to the customer. For contracts with multiple performance obligations, we allocate the contract's transaction price to each performance obligation based on its relative stand-alone selling price. The stand-alone selling prices are determined based on the prices at which we separately sell these products. For items that are not sold separately, we estimate the stand-alone selling prices using either an expected cost-plus margin or the adjusted market assessment approach depending on the nature of the specific performance obligation.

For all of the Company's product sales, revenue is recognized when control of the product is transferred to the customer (i.e., when the Company's performance obligation is satisfied), which typically occurs at shipment of the product. For product sales, the Company generally does not grant return privileges, except for defective products during the warranty period. Sales taxes collected from customers are excluded from revenues.

Revenue from non-recurring engineering is recognized at a point in time or over-time depending on if the customer controls the asset being created or enhanced. For new product design or software development services, the customer does not control the asset being created, the customer is not simultaneously receiving or consuming the benefits from the work performed and the work performed has alternative use to the Company. Therefore, revenue related to these projects is recognized at a point in time which is when the specified developed technology has been delivered and accepted by the customer.

Revenue from professional service contracts primarily relates to other consulting arrangements performed by the Company for its customers. Revenue from professional service contracts provided on a time and materials basis are recognized when the Company has the right to invoice under the practical expedient as amounts correspond directly with the value of the services rendered to date.

Revenue from product maintenance contracts is recognized over time as the Company's performance obligations are satisfied. This is typically the contractual service period, which is generally one year. Maintenance and support services are a distinct performance obligation that includes the stand-ready obligation to provide telephone support, bug fixes and unspecified software upgrades and updates provided on a when-and-if-available basis and/or extended hardware warranty, which is considered a service type warranty.

Revenue from software licenses is primarily related to the sale of perpetual licenses to customers. The software delivered to the customer has stand-alone functionality and the customer can use the intellectual property as it exists at any time. Therefore, the Company recognizes revenue when the software license is delivered to the customer. There are no further performance obligations once the software license is delivered to the customer.

Payment terms to customers generally range from prepayment to 120 days from invoice, which are considered to be standard payment terms. The Company assesses its ability to collect from its customers based primarily on the creditworthiness and past payment history of the customer. The Company has elected to apply the practical expedient that allows an entity to not adjust the promised amount of consideration in customer contracts for the effect of a significant financing component when the period between the transfer of product and services and payment of the related consideration is less than one year. The estimated cost of any post-sale obligations, including basic product warranties, is accrued at the time revenue is recognized based on a number of factors, which include historical experience and known conditions that may impact future warranty costs.

The Company accounts for shipping and handling activities as a fulfilment cost rather than an additional promised service. Therefore, revenue related to shipping and handling activities is included in product revenues. Shipping and handling costs are accrued and recorded as cost of revenue when the related revenue is recognized. Billings to customers for reimbursement of out-of-pocket expenses, including travel, lodging and meals, are recorded as revenue, and the associated costs incurred by the Company for those items are recorded as cost of revenue. Revenue related to the reimbursement of out-of-pocket costs are accounted for as variable consideration.

Contract Balances

A contract asset is recorded when revenue is recognized in advance of our right to receive consideration (i.e., we must perform additional services in order to receive consideration). Amounts are recorded as receivables when our right to consideration is unconditional. When consideration is received, or we have an unconditional right to consideration in advance of delivery of goods or services, a contract liability is recorded. The transaction price can include non-refundable upfront fees, which are allocated to the identifiable performance obligations.

Contract assets are included within other current assets and contract liabilities are included in deferred revenue in our consolidated balance sheets.

Costs to Obtain or Fulfill a Contract

The Company capitalizes commission expenses paid to internal sales personnel and sales agent commissions that are incremental to obtaining customer contracts, for which the related revenue is recognized over a future period. These costs are incurred on initial sales of product, maintenance and professional services and maintenance and support contract renewals. The Company defers these costs and amortizes them over the period of benefit, which the Company generally considers to be the contract term or length of the longest delivery period as contract capitalization costs in the consolidated balance sheets. Commissions paid relating to contract renewals are deferred and amortized on a straight-line basis over the related renewal period as commissions paid on renewals are commensurate with commissions paid on initial sales transactions. Costs to obtain contracts and capitalized costs to fulfill contracts were not significant for the years ended December 31, 2023 and 2022. Costs to obtain a contract for development and engineering service contracts are expensed as incurred in accordance with the practical expedient as the contractual period of these contracts are generally one year or less.

Warranty liabilities

The Company provides a limited warranty for periods, usually ranging from 12 to 24 months, to all purchasers of its new products. Warranty expense is accrued on the sale of products and is recognized as a cost of revenue. The expense is estimated based on analysis of historic costs and other relevant factors.

Foreign currency

The U.S. dollar is the functional currency of all of the Company's foreign subsidiaries. Foreign currency denominated monetary assets and liabilities of subsidiaries for which the U.S. dollar is the functional currency are remeasured based on exchange rates at the end of the period. Non-monetary assets and liabilities of these operations are remeasured at historical rates in effect when the asset was recognized or the liability was incurred. Revenues and expenses for foreign entities transacted in local currency are remeasured at average exchange rates in effect during each period. The resulting remeasurement gains and losses are recognized within other expense, net on the Company's consolidated statements of operations.

The Company recorded foreign currency losses of $0.1 million and $3.9 million during the years ended December 31, 2023 and 2022, respectively, in other expense, net.

Significant concentrations

Financial instruments, which potentially subject the Company to concentration of credit risk, consist primarily of cash and cash equivalents, restricted cash and accounts receivable. The Company places its cash and cash equivalents in highly rated financial instruments. The Company maintains certain of its cash balances in various U.S. banks, which at times, may exceed federally insured limits. The Company has not experienced any losses on such accounts.

In addition, the Company maintains various bank accounts in various foreign countries, which are not insured. The Company has not incurred any losses on these uninsured foreign bank accounts, and management believes it is not exposed to any significant credit risk regarding these accounts. Cash and restricted cash balances were as follows (in thousands):

	December 31,	
	2023	2022
Cash in U.S. dollars in U.S. banks	$ 4,819	$ 3,803
Cash in foreign banks and foreign currency	2,697	3,483
Petty cash	1	1
Total	$ 7,517	$ 7,287

The Company's accounts receivable are derived from sales of its products, and approximately 78% and 61% of product sales were to non-U.S. customers for the years ended December 31, 2023 and 2022, respectively. Two customers accounted for $8.0 million or 76% of the net accounts receivable balance at December 31, 2023 and three customers accounted for $25.0 million or 54% of the net accounts receivable balance at December 31, 2022. The Company requires payment in advance or payment security in the form of a letter of credit to be in place at the time of shipment, except in cases where credit risk is considered to be acceptable. The Company's top three customers accounted for 68% and 61% of revenue in 2023 and 2022, respectively. For the years ended December 31, 2023 and 2022, the Company had two and three customers each year whose revenue was greater than 10% of the year's total, respectively.

The Company received 85% and 87% of goods for resale from five suppliers in 2023 and 2022, respectively. The Company outsources the manufacturing of its base station products to contract manufacturers and obtains subscriber terminals from vendors in the Asia Pacific region. In the event of a disruption to supply, the Company would be able to transfer the manufacturing of base stations to alternate contract manufacturers and has alternate suppliers for the majority of subscriber terminals.

Share-based compensation

The Company estimates the fair value of share-based awards on the date of grant using the Black-Scholes option pricing model. The value of the portion of the award that is ultimately expected to vest is recognized as an expense in the consolidated statements of operations on a straight-line basis over the requisite service periods, which is generally the vesting period. Because share-based compensation expense is based on awards that are ultimately expected to vest, share-based compensation expense has been reduced to account for estimated forfeitures. Forfeitures are estimated at the time of grant and revised, if necessary, in subsequent periods if actual forfeitures differ from those estimates (see Note 20). The Company uses authorized and unissued shares to meet share issuance requirements.

Employee stock options generally vest ratably over a four-year period and expire on the tenth anniversary of their issuance. Restricted stock is common stock that is subject to a risk of forfeiture or other restrictions that will lapse upon satisfaction of the passage of time. Awards of restricted stock that vest only by the passage of time will generally vest ratably over four years from the date of grant.

Segment reporting

The Company operates as a single segment, the development and supply of broadband wireless products and technologies. This is based on the objectives of the business and how our chief operating decision maker, the Chief Executive Officer, monitors operating performance and allocates resources.

Income taxes

The Company accounts for income taxes in accordance with ASC 740, *Accounting for Income Taxes*, as clarified by ASC 740-10, Accounting for Uncertainty in Income Taxes. Under this method, deferred income taxes are determined based on the estimated future tax effects of differences between the financial statement and tax basis of assets and liabilities given the provisions of enacted tax laws. Deferred income tax provisions and benefits are based on changes to the assets or liabilities from year to year. In providing for deferred taxes, the Company considers tax regulations of the jurisdictions in which the Company operates, estimates of future taxable income and available tax planning strategies. If tax regulations, operating results or the ability to implement tax planning strategies vary, adjustments to the carrying value of deferred tax assets and liabilities may be required. Valuation allowances related to deferred tax assets are recorded based on the "more likely than not" criteria of ASC 740.

ASC 740-10 requires that the Company recognize the financial statement benefit of a tax position only after determining that the relevant tax authority would more likely than not sustain the position following an audit. For tax positions meeting the "more-likely-than-not" threshold, the amount recognized in the consolidated financial statements is the largest benefit that has a greater than 50 percent likelihood of being realized upon ultimate settlement with the relevant tax authorities. The Company does not have any other material uncertain tax positions.

The Company recognizes accrued interest related to unrecognized tax benefits, if any, in interest expense and penalties in operating expenses. As of December 31, 2023 and 2022, the Company did not have any amounts accrued for interest and penalties or recorded for uncertain tax positions.

Other taxes

Taxes on the sale of products and services to U.S. customers are collected by the Company as an agent and recorded as a liability until remitted to the respective taxing authority. For sales in applicable countries outside the U.S., the Company is subject to those applicable taxes. These taxes have been presented on a net basis in the consolidated financial statements.

Fair value measurements

We carry certain assets and liabilities at fair value. Fair value is defined as the price that would be received for an asset or the exit price that would be paid to transfer a liability in an orderly transaction between market participants on the measurement date. The three-tier hierarchy for inputs used in measuring fair value, which prioritizes the inputs based on the observability as of the measurement date, is as follows:

Level 1 Quoted prices (unadjusted) in active markets for identical assets or liabilities;

Level 2 Observable inputs other than the quoted prices in active markets for identical assets and liabilities; and

Level 3 Unobservable inputs for which there is little or no market data, which require us to develop assumptions of what market participants would use in pricing the asset or liability. Due to the use of unobservable inputs, any changes in inputs may result in a higher or lower fair value measurement.

Assets and liabilities are classified in their entirety based on the lowest level of input that is significant to the fair value measurement. Our assessment of the significance of a particular input to the fair value measurement requires judgment and may affect the placement of assets and liabilities being measured within the fair value hierarchy (see Note 17).

Earnings (loss) per share

Basic earnings (loss) per share is calculated by dividing net income (loss) by the weighted-average number of common shares outstanding for each period. Diluted earnings (loss) per share is calculated by dividing net income (loss) by the weighted-average number of common shares and common share equivalents outstanding for each period. Diluted earnings (loss) per share reflects the potential dilution that could occur if outstanding stock options and warrants at the presented dates are exercised and shares of restricted stock have vested, using the treasury stock method. The potential issuance of common stock upon conversion of the Convertible Notes is evaluated under the if-converted method. Potential common shares are excluded from the computation of diluted earnings per common share when the effect would be anti-dilutive. All potential common shares are anti-dilutive in periods of net loss.

Advertising expense

Advertising is expensed as incurred. Advertising expense is included in sales and marketing in the consolidated statements of operations and amounted to $0.6 million and $0.7 million for the years ended December 31, 2023 and 2022, respectively.

Recent accounting pronouncements

In March 2020, the FASB issued ASU No. 2020-04, "*Reference Rate Reform (Topic 848): Facilitation of the Effects of Reference Rate Reform on Financial Reporting*" which provides optional expedient and exceptions for applying generally accepted accounting principles to contracts, hedging relationships, and other transactions affected by reference rate reform if certain criteria are met. In response to the concerns about structural risks of interbank offered rates ("IBORs") and, particularly, the risk of cessation of the LIBOR, regulators in several jurisdictions around the world have undertaken reference rate reform initiatives to identify alternative reference rates that are more observable or transaction based and less susceptible to manipulation. This ASU provides companies with optional guidance to ease the potential accounting burden associated with transitioning away from reference rates that are expected to be discontinued. This new standard must be adopted by the Company no later than December 1, 2024, with early adoption permitted. The potential adoption of this standard is not expected to have a material impact on the Company's consolidated financial statements.

In June 2016, the FASB issued ASU No. 2016-13 (amended by ASU 2019-10), "*Financial Instruments — Credit Losses (Topic 326): Measurement of Credit Losses on Financial Instruments, regarding the measurement of credit losses for certain financial instruments.*" which replaces the incurred loss model with a current expected credit loss ("CECL") model. The CECL model is based on historical experience, adjusted for current conditions and reasonable and supportable forecasts. The new guidance was adopted by the Company on January 1, 2023, and it did not have a material impact on the Company's consolidated financial statements.

3. SALE OF SUBSIDIARY

On March 8, 2023 the Company entered into the a purchase agreement with the Company, Legacy Airspan, Mimosa, and Radisys Corporation ("Buyer"), pursuant to which Legacy Airspan sold all of the issued and outstanding shares of common stock of Mimosa to Buyer for an aggregate purchase price of approximately $60 million in cash (subject to customary adjustments) on the terms and subject to the conditions set forth in the Purchase Agreement (the "Transaction"). The Purchase Agreement contains customary representations, warranties and covenants by the parties subject to specified exceptions and qualifications. The closing occurred on August 11, 2023.

The assets and liabilities of the disposal group, Mimosa and its subsidiaries, were evaluated to determine whether the carrying amounts should be adjusted in accordance with other GAAP standards. After adjusting the assets and liabilities of the disposal group, the disposal group as a whole was measured at the lower of carrying amount or fair value less costs to sell. Depreciation and amortization of long-lived assets in the disposal group was not recorded during the period in which the disposal group met the criteria for held for sale.

The gain on the sale of Mimosa was calculated as follows (in 000's):

Aggregate purchase price, including working capital adjustment and closing cash	$	60,732
Less transaction costs		(5,624)
Less net assets less liabilities of Mimosa		(26,694)
Gain on sale of subsidiary	$	28,414

The Company expects the gain on the sale of Mimosa to be fully covered by its net operating losses for income tax purposes.

4. REVENUE RECOGNITION

The following is a summary of revenue by category (in thousands):

	Year Ended December 31,			
	2023		2022	
Products sales	$	60,686	$	142,844
Non-recurring engineering ("NRE")		2,706		4,944
Product maintenance contracts		8,376		9,418
Professional service contracts		2,401		3,975
Software licenses		3,105		5,184
Other		294		894
Total revenues	$	77,568	$	167,259

Revenue recognized at a point in time for NRE services amounted to $1.5 million and $2.4 million for the years ended December 31, 2023 and 2022, respectively. For services performed on a customer's owned asset, since the customer controls the asset being enhanced, revenue is recognized over time as services are rendered. Revenue recognized over time for NRE services using a cost-based input method amounted to $1.2 million and $2.5 million for the years ended December 31, 2023 and 2022, respectively. The Company is allowed to bill for services performed under the contract in the event the contract is terminated.

The opening and closing balances of our contract asset and liability balances from contracts with customers as of December 31, 2023 and 2022 were as follows (in thousands):

	Contracts Assets		Contracts Liabilities	
Balance as of December 31, 2022	$	9,001	$	2,892
Balance as of December 31, 2023		7,393		2,701
Change	$	(1,608)	$	(191)

Remaining performance obligations represent the revenue that is expected to be recognized in future periods related to performance obligations included in a contract that are unsatisfied, or partially satisfied, as of the end of a period. As of December 31, 2023 and 2022, deferred revenue (both current and noncurrent) of $2.7 million and $2.9 million, respectively, represents the Company's remaining performance obligations, of which $1.8 million and $2.8 million, respectively, is expected to be recognized within one year, with the remainder to be recognized thereafter.

Revenues for the years ended December 31, 2023 and 2022, include the following (in thousands):

	Year Ended December 31,	
	2023	2022
Amounts included in the beginning of year contract liability balance	$ 2,431	$ 2,383

5. PREPAID EXPENSES AND OTHER CURRENT ASSETS

Prepaid expenses and other current assets consist of the following (in thousands):

	December 31,	
	2023	2022
Contract assets	$ 7,393	$ 9,001
Prepaid insurance	1,660	1,862
Rental and other deposits	1,394	641
R&D tax credit receivable	1,550	1,739
Prepaid royalties	783	204
Prepaid taxes	789	1,103
Prepaid maintenance	375	429
Non-trade receivables	137	770
Other prepaids	1,044	1,540
Total Prepaid expenses and other current assets	$ 15,125	$ 17,289

6. INVENTORY

Inventory consists of the following (in thousands):

	December 31,	
	2023	2022
Purchased parts and materials	$ 653	$ 1,396
Work in progress	6	287
Finished goods and consumables	3,418	16,873
Total Inventory net	$ 4,077	$ 18,556

7. PROPERTY, PLANT AND EQUIPMENT, NET

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

	December 31,	
	2023	2022
Plant, machinery and equipment	$ 12,089	$ 34,482
Furniture and fixtures	426	774
Leasehold improvements	1,120	2,712
	13,635	37,968
Accumulated depreciation	(9,121)	(30,617)
Total Property, plant and equipment, net	$ 4,514	$ 7,351

Depreciation expense totalled approximately $3.0 million and $3.6 million for the years ended December 31, 2023 and 2022, respectively.

8. RESTRUCTURING ACTIVITIES

In the second quarter of 2023, as part of a strategic review of our operations, the Company implemented a cost reduction and restructuring program (the "2023 Restructuring Program"). The 2023 Restructuring Program was primarily comprised of entering into severance and termination agreements with employees. The payments related to severance costs were completed by March 31, 2024 and the payments related to the building costs should be completed by December 31, 2024.

Restructuring costs are presented separately on the consolidated statements of operations.

The following table presents the restructuring costs recognized by the Company under the 2023 Restructuring Program for the years ended December 31, 2023 and 2022.

	2023	2022
Severance costs	$ 4,961	$ 1,262
Other	355	17
Total restructuring costs	$ 5,316	$ 1,279

The following table represents the restructuring liabilities, which are presented within other accrued expenses in the consolidated balance sheets:

	2023	2022
Beginning balance	$ 231	$ -
Current period charges	5,316	1,279
Payments	(2,605)	(1,048)
Ending balance	$ 2,942	$ 231

9. GOODWILL AND INTANGIBLE ASSETS, NET

The Company had no goodwill of December 31, 2023 and $13.6 million as of December 31, 2022, resulting from its acquisition of Mimosa Networks, Inc. ("Mimosa") in November 2018. The Company sold Mimosa on August 11, 2023, and accordingly, there is no goodwill balance as of December 31, 2023.

Intangible assets, net consisted of the following (in thousands):

	Weighted Average Useful Life (in years)	December 31, 2022		
		Gross Carrying Amount	Accumulated Amortization	Net Carrying Amount
Internally developed technology	10	$ 7,810	$ (3,189)	$ 4,621
Customer relationships	6	2,130	(1,449)	681
Trademarks	2	720	(720)	-
Non-compete	3	180	(180)	-
Total acquired intangible assets		$ 10,840	$ (5,538)	$ 5,302

The Company's intangible assets included internally developed technology, customer relationships, trademarks and non-compete agreements. Amortization expense related to the Company's intangible assets amounted to $0.2 million and $1.1 million for the years ended December 31, 2023 and 2022, respectively.

10. OTHER NON-CURRENT ASSETS

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

	December 31,	
	2023	2022
Funded employee severance benefits	$ 2,818	$ 3,161
Deposits issued to landlords	157	246
Total Other non-current assets	$ 2,975	$ 3,407

11. ACCRUED EXPENSES AND OTHER CURRENT LIABILITIES

Accrued expenses and other current liabilities consist of the following (in thousands):

	December 31,	
	2023	2022
Payroll and related benefits and taxes	$ 5,642	$ 8,312
Fair value of embedded derivatives related to Convertible Debt	3,645	5,353
Royalties	3,266	3,610
Loan success fee related to Convertible Debt	2,858	2,858
Agent and sales commissions	115	1,224
Right-of-use lease liability, current portion	2,290	2,923
Tax liabilities	580	1,301
Product warranty liabilities	1,117	1,478
Product marketing	14	376
Manufacturing subcontractor costs	1,200	1,787
Legal and professional services	1,638	1,282
Inventory purchases	4,672	-
Restructuring	2,942	231
Other	2,002	1,508
Total accrued expenses and other current liabilities	$ 31,981	$ 32,243

12. SUBORDINATED DEBT

On August 6, 2015, Legacy Airspan issued Golden Wayford Limited a $10.0 million subordinated Convertible Promissory Note (the "Golden Wayford Note") pursuant to a Subordinated Convertible Note Purchase Agreement. The Golden Wayford Note was amended and restated on November 28, 2017, to reduce the interest rate thereon and to reflect the application of the payment of $1.0 million of principal on such note. The Golden Wayford Note had an original maturity date of February 16, 2016, which through subsequent amendments was extended to June 30, 2020. The conversion rights related to this agreement expired on its maturity date, June 30, 2020, and on this date the loan was reclassified from Subordinated Convertible Debt to Subordinated Debt.

The principal and accrued interest under the Golden Wayford Note would have been automatically converted into common shares at the time of the next equity financing and consummated prior to, on or after the maturity date (June 30, 2020). Such conversion right expired in accordance with its term. Interest accrues at 5.0% per annum and is payable quarterly, however, because such payment is prohibited by the terms of the subordination, interest is (in accordance with the terms of the related promissory note) paid in kind.

The Golden Wayford Note is subordinate to the obligations under the Fortress Credit Agreement (see Note 14). A limited waiver under the Fortress Credit Agreement waives each actual and prospective default and event of default existing under the Fortress Credit Agreement directly as a result of the non-payment of the Golden Wayford Note.

The Company had subordinated debt outstanding of $9.0 million, plus $2.7 million and $2.1 million of accrued interest as of December 31, 2023 and 2022, respectively. The subordinated debt is classified as a current liability.

See Notes 14 and 15 for a discussion of financial covenant breaches under the Fortress Credit Agreement and the agreement governing the Company's senior secured convertible notes.

13. SUBORDINATED TERM LOAN – RELATED PARTY

On February 9, 2016, Legacy Airspan entered into a $15.0 million subordinated term loan agreement with a related party (the "Subordinated Term Loan Agreement") that was due to mature on February 9, 2018. On July 12, 2016, Legacy Airspan entered into an additional $15.0 million Amendment No. 1 to the Subordinated Term Loan Agreement that was due to mature on February 9, 2018. On July 3, 2017, Legacy Airspan entered into Amendment No. 2 to the Subordinated Term Loan Agreement that extended the maturity date to June 30, 2019. On May 23, 2019, Legacy Airspan entered into Amendment No. 3 to the Subordinated Term Loan Agreement that extended the maturity date to December 31, 2020. On March 30, 2020, Legacy Airspan entered into Amendment No. 4 to the Subordinated Term Loan Agreement that extended the maturity date to December 31, 2021. On December 30, 2020, Legacy Airspan entered into Amendment No. 5 to the Subordinated Term Loan Agreement that extended the maturity date to the later of (a) December 30, 2024 and (b) 365 days after the maturity date of the Fortress Credit Agreement (as in effect on December 30, 2020) (see Note 14). The term loan is subordinate to the Fortress Credit Agreement (see Note 14).

Prior to May 23, 2019, interest accrued at 2.475% per annum and was payable quarterly. In accordance with the amendments below, the interest rate changed as follows:

(a) Amendment No. 3, on May 23, 2019, the interest rate changed to 9.0% per annum to be accrued;

(b) Amendment No. 4, on March 30, 2020, the interest rate changed to 9.0% per annum through December 31, 2020 and from and after January 1, 2021, at a rate of 12.0% per annum to be accrued; and

(c) Amendment No. 5, on December 30, 2020, the interest rate from January 1, 2021 and thereafter changed to 9.0% per annum to be accrued, subject to reversion to 12.0% if a condition subsequent is not satisfied. The subsequent condition was satisfied.

The principal and accrued interest may be repaid early without penalty.

The Company had subordinated term loan – related party outstanding of $30.0 million, plus $15.4 million and $11.5 million of accrued interest as of December 31, 2023 and 2022, respectively. The debt under the Subordinated Term Loan Agreement is classified as a current liability.

See Notes 14 and 15 for a discussion of financial covenant breaches under the Fortress Credit Agreement and the agreement governing the Company's senior secured convertible notes.

14. SENIOR TERM LOAN

On December 30, 2020, Legacy Airspan, together with Holdco, Airspan Networks (SG) Inc., Mimosa, Mimosa Networks International, LLC, Airspan Communications Limited, Airspan Networks LTD, and Airspan Japan K.K., as guarantors, together with the other parties thereto, entered into an assignment agreement, whereby Pacific Western Bank ("PWB") and Ally Bank assigned their interests in a loan facility under the Second Amended and Restated Loan and Security Agreement with Legacy Airspan (the "PWB Facility") to certain new lenders (the "Assignment Agreement"), and PWB entered into a resignation and assignment agreement (the "Agent Resignation Agreement") pursuant to which PWB resigned in its capacity as agent under all of the transaction documents and DBFIP ANI LLC ("Fortress") became the successor agent (as defined in the Agent Resignation Agreement), replacing PWB in such capacity under the PWB Facility. The Assignment Agreement and the Agent Resignation Agreement, along with a Reaffirmation and Omnibus Amendment, resulted in the amendment and restatement of the terms of the PWB Facility and a credit agreement with Fortress (the "Fortress Credit Agreement") with the new lenders as the lenders thereunder. Fortress became the administrative agent, collateral agent and trustee for the lenders and other secured parties. At Closing, on August 13, 2021, the Company, Legacy Airspan and certain of the Company's subsidiaries who are party to the Fortress Credit Agreement entered into a Waiver and Consent, Second Amendment, Restatement, Joinder and Omnibus Amendment to Credit Agreement and Other Loan Documents relating to the Fortress Credit Agreement with Fortress to, among other things, add the Company as a guarantor, recognize and account for the Business Combination, recognize and account for the Convertible Notes (see Note 15) and provide updated procedures for replacement of LIBOR. On March 29, 2022, the Company, Legacy Airspan and certain of the Company's subsidiaries who are party to the Fortress Credit Agreement entered into the March 2022 Fortress Credit Amendment to, among other things, amend the financial covenants included in the Fortress Credit Agreement. On November 14, 2022, the Company, Legacy Airspan and certain of the Company's subsidiaries who are party to the Fortress Credit Agreement entered into the November 2023 Fortress Credit Amendment to, among other things, effect a limited waiver of certain events of default under the Fortress Credit Agreement. On May 18, 2023, the Company, Legacy Airspan and certain of our subsidiaries who are party to the Fortress Credit Agreement entered into the May 2023 Fortress Credit Amendment to, among other things, amend and restate the Fortress Credit Agreement, effect a limited waiver of certain events of default under the Fortress Credit Agreement, terminate the existing delayed draw term loan commitments under the Fortress Credit Agreement, and establish new delayed draw term loan commitments in the aggregate amount of $25.0 million, modify the interest rates applicable to certain loans under the Fortress Credit Agreement, obtain certain consents related to the Transaction, and provide for the issuance of 5,912,040 warrants to purchase shares of the Company's common stock. On August 11, 2023, the Company, Legacy Airspan and certain of our subsidiaries who are party to the Fortress Credit Agreement entered into the August 2023 Fortress Credit Amendment to, among other things, implement certain modifications to the Fortress Credit Agreement relating to the Purchase Agreement and the Transaction. On November 14, 2023, the Company, Legacy Airspan and certain of our subsidiaries who are party to the Fortress Credit Agreement entered into the November Fortress Credit Amendment to, among other things, amend and restate the Fortress Credit Agreement, effect a limited waiver of certain events of default under the Fortress Credit Agreement, establish new delayed draw term loan commitments in the amount of $5.0 million, and establish certain new covenants. On December 22, 2023, the Company, Legacy Airspan and certain of our subsidiaries who are party to the Fortress Credit Agreement entered into the December 2023 Fortress Credit Agreement to, among other things, amend and restate the Fortress Credit Agreement, effect a limited waiver of certain existing and potential prospective events of default under the Fortress Credit Agreement, establish new delayed draw term loan commitments in the amount of $10.0 million, defer the due date of certain cash payments of principal and interest under the Fortress Credit Agreement, and establish certain new covenants.

With the May 2023 Credit Agreement Amendment, the interest rates were increased to 5.5% plus SOFR to up to 8.5% for the paid in-kind interest. The maturity of the loan did not change. The Company accounted for the May 2023 Credit Agreement Amendment as a loss on debt extinguishment of which $5.1 million is related to the senior term loan.

The Fortress Credit Agreement initial term loan total commitment of $34.0 million and a term loan commitment of $10.0 million were both funded to Legacy Airspan on December 30, 2020. After giving effect to the May 2023 Fortress Credit Amendment, the November 2023 Fortress Credit Amendment, the December 2023 Fortress Credit Amendment, we expanded the term loan commitment, subject to the terms of the Fortress Credit Agreement. The maturity date of the total loan commitment is December 30, 2024. Subsequent to December 29, 2021, the Company may prepay this loan but will incur a related fee in the amount of a make-whole amount of interest that would have been payable had such prepayment not been made.

To secure its obligations under the Fortress Credit Agreement, Fortress was assigned PWB's security interest under the PWB Facility and the Company granted Fortress as security for the obligations a security interest in (a) all of the real, personal and mixed property in which liens are granted or purported to be granted pursuant to any of the collateral documents as security for the obligations, (b) all products, proceeds, rents and profits of such property, (c) all of each loan party's book and records (d) all of the foregoing whether now owned or existing, in each case excluding certain excluded assets.

The Fortress Credit Agreement contains representations and warranties, events of default and affirmative and negative covenants, which include, among other things, certain restrictions on the ability to pay dividends, create liens, incur additional indebtedness, make investments, dispose of assets, consummate business combinations (except for permitted investments, as defined in the Fortress Credit Agreement), and make distributions. In addition, financial covenants apply. Prior to the March 2022 Fortress Credit Amendment, these financial covenants included (a) minimum liquidity of $4.0 million as of December 31, 2020 and $5.0 million thereafter, (b) minimum last twelve-month revenue and (c) minimum last twelve-month Earnings before Interest, Taxes, Depreciation, and Amortization ("EBITDA"). Pursuant to the March 2022 Fortress Credit Amendment, the financial covenants included in the Fortress Credit Agreement were amended to increase the minimum liquidity requirement to an amount between $15.0 million and $20.0 million, depending on EBITDA performance levels and whether a default or event of default exists under the Fortress Credit Agreement, and decrease the minimum last twelve-month revenue and EBITDA requirements. Revenue and EBITDA financial covenants are tested quarterly. Pursuant to the May 2023 Fortress Credit Amendment, the financial covenants included in the Fortress Credit Agreement were amended to reduce the minimum liquidity requirement to a minimum of, prior to the closing of the Transaction, $2.0 million, and after the closing of the Transaction, $4.0 million.

The Company was not in compliance with the minimum liquidity covenant under the Fortress Credit Agreement and the Fortress Convertible Note Agreement at all times from October 26, 2023, which was an event of default under those agreements for which the Company obtained a waiver. The Company also did not satisfy the revenue covenant and the EBITDA covenant on September 30, 2023, which were also events of default for which the Company obtained a waiver. The Company also did not make cash payments of principal and interest under the Fortress Credit Agreement and the Fortress Convertible Note on September 30, October 31, November 30, and December 31 within any grace period applicable thereto, for which we obtained a deferral of such payments. The Company also obtained a prospective waiver of compliance with the minimum liquidity covenant, the minimum last twelve-month EBITDA covenant and the minimum last twelve-month revenue covenant under the Fortress Credit Agreement and the Fortress Convertible Note Agreement as of the December 31, 2023 quarterly measurement date.

There can be no assurance that the lenders under the Fortress Credit Agreement and the agreement governing the Company's senior secured convertible notes will agree to waive future covenant breaches. Based on management's current forecast, absent of additional financing or capital raising, the Company has concluded it is probable that the Company will not be in compliance with certain of the prospective financial covenants under the Fortress Credit Agreement and the agreement governing the Company's senior secured convertible notes during certain periods over the next twelve months. Accordingly, while the Company may seek future waivers from compliance with the applicable covenants in connection with such anticipated breaches, or amendments of existing financial covenants included in the Fortress Credit Agreement and the agreement governing the Company's senior secured convertible notes, the Company is also pursuing alternative sources of capital so that it would be able to satisfy its prospective minimum liquidity obligations under the Fortress Credit Agreement and the agreement governing the Company's senior secured convertible notes. There can be no assurance that the lenders under the Fortress Credit Agreement and the agreement governing the Company's senior secured convertible notes will agree to waive any breaches thereunder that may arise in the future or that we will otherwise be able to remedy such breaches.

In the absence of waivers or remedies of existing covenant breaches or any additional breaches that may arise in the future, the lenders under the Fortress Credit Agreement and the agreement governing the Company's senior secured convertible notes could (i) elect to declare all the funds borrowed thereunder to be due and payable, together with accrued and unpaid interest and other premiums, and institute foreclosure proceedings against the Company's assets, (ii) elect to apply the default interest rate under the Fortress Credit Agreement and the Fortress Convertible Note Agreement and related agreements, and (iii) with respect to the Fortress Credit Agreement, elect to terminate their delayed draw commitments thereunder and cease making further loans. As a result of any of these actions, the Company could be forced into bankruptcy or liquidation. In addition, the Company's subordinated term loan – related party (see Note 13) and subordinated debt (see Note 12) could be accelerated or required to be paid due to provisions contained within those instruments. As a result, the Company has classified its senior term loan, convertible debt, subordinated term loan and subordinated debt as current at December 31, 2023.

In connection with the Fortress Credit Agreement, the Company granted Fortress entities party to the Fortress Credit Agreement a warrant to purchase 55,284 shares of Legacy Airspan's Series H Senior Convertible Preferred Stock at a purchase price of $61.50. See Note 19 for additional information about the Series H Senior Convertible Preferred Stock. These warrants were recorded at fair value and recorded as a discount to the debt and will be amortized over the term of the debt instrument. In connection with the May 2023 Fortress Credit Amendment, the Company granted certain Fortress entities party to the May 2023 Fortress Credit Amendment a warrant to purchase 5,912,040 shares of common stock of the Company at a purchase price of $0.01 per share subject to the terms and conditions of the related warrant agreement (the "May 2023 Warrants"). See Note 19 for additional information about the May 2023 Warrants.

The interest rate for Tranche 1 is based on the level of the Company's Net EBITDA Leverage Ratio, as defined in the Fortress Credit Agreement. The initial applicable rate for Tranche 1 is set at Level V (see table below). After the initial applicable rate period, the relevant rate (prior to the effective date of the May 2023 Fortress Credit Amendment) is as follows for Tranche 1:

Level	Net EBITDA Leverage Ratio	Base Rate Loan	LIBOR Loan
Level I	Less than or equal to 2.00:1.00	The applicable rate is the Base Rate plus 6.00% per annum, of which the Margin Cash Component is 5.50% and the Margin PIK Component is 0.50%	The applicable rate is LIBOR plus 7.00% per annum, of which the Margin Cash Component is 5.50% and the Margin PIK Component is 1.50%
Level II	Less than or equal to 3.00:1.00 but greater than 2.00:1.00	The applicable rate is the Base Rate plus 7.00% per annum, of which the Margin Cash Component is 5.50% and the Margin PIK Component is 1.50%	The applicable rate is LIBOR plus 8.00% per annum, of which the Margin Cash Component is 5.50% and the Margin PIK Component is 2.50%
Level III	Less than or equal to 4.00:1.00 but greater than 3.00:1.00	The applicable rate is the Base Rate plus 8.00% per annum, of which the Margin Cash Component is 5.50% and the Margin PIK Component is 2.50%	The applicable rate is LIBOR plus 9.00% per annum, of which the Margin Cash Component is 5.50% and the Margin PIK Component is 3.50%
Level IV	Less than or equal to 5.00:1.00 but greater than 4.00:1.00	The applicable rate is the Base Rate plus 9.00% per annum, of which the Margin Cash Component is 5.50% and the Margin PIK Component is 3.50%	The applicable rate is LIBOR plus 10.00% per annum, of which the Margin Cash Component is 5.50% and the Margin PIK Component is 4.50%
Level V	Greater than 5.00:1.00	The applicable rate is the Base Rate plus 10.00% per annum, of which the Margin Cash Component is 5.50% and the Margin PIK Component is 4.50%	The applicable rate is LIBOR plus 11.00% per annum, of which the Margin Cash Component is 5.50% and the Margin PIK Component is 5.50%

From and after the effective date of the May 2023 Fortress Credit Amendment, the relevant rate is as follows for Tranche 1:

Level	Net EBITDA Leverage Ratio	Base Rate Loan	SOFR Loan
Level I	Less than or equal to 2.00:1.00	The applicable rate is the Base Rate plus 9.00% per annum, of which the Margin Cash Component is 5.50% and the Margin PIK Component is 3.50%	The applicable rate is Adjusted Term SOFR plus 10.00% per annum, of which the Margin Cash Component is 5.50% and the Margin PIK Component is 4.50%
Level II	Less than or equal to 3.00:1.00 but greater than 2.00:1.00	The applicable rate is the Base Rate plus 10.00% per annum, of which the Margin Cash Component is 5.50% and the Margin PIK Component is 4.50%	The applicable rate is Adjusted Term SOFR plus 11.00% per annum, of which the Margin Cash Component is 5.50% and the Margin PIK Component is 5.50%
Level III	Less than or equal to 4.00:1.00 but greater than 3.00:1.00	The applicable rate is the Base Rate plus 11.00% per annum, of which the Margin Cash Component is 5.50% and the Margin PIK Component is 5.50%	The applicable rate is Adjusted Term SOFR plus 12.00% per annum, of which the Margin Cash Component is 5.50% and the Margin PIK Component is 6.50%
Level IV	Less than or equal to 5.00:1.00 but greater than 4.00:1.00	The applicable rate is the Base Rate plus 12.00% per annum, of which the Margin Cash Component is 5.50% and the Margin PIK Component is 6.50%	The applicable rate is Adjusted term SOFR plus 13.00% per annum, of which the Margin Cash Component is 5.50% and the Margin PIK Component is 7.50%
Level V	Greater than 5.00:1.00	The applicable rate is the Base Rate plus 13.00% per annum, of which the Margin Cash Component is 5.50% and the Margin PIK Component is 7.50%	The applicable rate is Adjusted Term SOFR plus 14.00% per annum, of which the Margin Cash Component is 5.50% and the Margin PIK Component is 8.50%

The interest rate for delayed draw term loans is based on the level of the Company's Net EBITDA Leverage Ratio, as defined in the Fortress Credit Agreement. The initial applicable rate for delayed draw term loans is set at Level V (see table below). After the initial applicable rate period, the relevant rate is as follows for the delayed draw term loans:

Level	Net EBITDA Leverage Ratio	Base Rate Loan	SOFR Loan
Level I	Less than or equal to 2.00:1.00	The applicable rate is the Base Rate plus 6.00% per annum, of which the Margin Cash Component is 5.50% and the Margin PIK Component is 0.50%	The applicable rate is Adjusted Term SOFR plus 7.00% per annum, of which the Margin Cash Component is 5.50% and the Margin PIK Component is 1.50%
Level II	Less than or equal to 3.00:1.00 but greater than 2.00:1.00	The applicable rate is the Base Rate plus 7.00% per annum, of which the Margin Cash Component is 5.50% and the Margin PIK Component is 1.50%	The applicable rate is Adjusted Term SOFR plus 8.00% per annum, of which the Margin Cash Component is 5.50% and the Margin PIK Component is 2.50%
Level III	Less than or equal to 4.00:1.00 but greater than 3.00:1.00	The applicable rate is the Base Rate plus 8.00% per annum, of which the Margin Cash Component is 5.50% and the Margin PIK Component is 2.50%	The applicable rate is Adjusted Term SOFR plus 9.00% per annum, of which the Margin Cash Component is 5.50% and the Margin PIK Component is 3.50%
Level IV	Less than or equal to 5.00:1.00 but greater than 4.00:1.00	The applicable rate is the Base Rate plus 9.00% per annum, of which the Margin Cash Component is 5.50% and the Margin PIK Component is 3.50%	The applicable rate is Adjusted term SOFR plus 10.00% per annum, of which the Margin Cash Component is 5.50% and the Margin PIK Component is 4.50%
Level V	Greater than 5.00:1.00	The applicable rate is the Base Rate plus 10.00% per annum, of which the Margin Cash Component is 5.50% and the Margin PIK Component is 4.50%	The applicable rate is Adjusted Term SOFR plus 11.00% per annum, of which the Margin Cash Component is 5.50% and the Margin PIK Component is 5.50%

Interest with respect to the delayed draw term loans and delayed draw term loans is payable monthly in accordance with the Cash Component/PIK Component split described in the foregoing table.

With respect to Tranche 2, the relevant applicable rate was 5.00% prior to the effective date of the May 2023 Fortress Credit Amendment, and 8.00% from and after the effective date of the May 2023 Fortress Credit Amendment and as of December 31, 2023 and is payable monthly as interest paid in kind.

The Company's senior term loan balance was $61.3 million and $44.1 million, inclusive of accrued interest of $8.9 million and $5.0 million, as of December 31, 2023 and 2022, respectively. Deferred financing fees of $1.8 million and $3.6 million are reflected as reductions of the outstanding senior term loan balance as of December 31, 2023 and 2022, respectively.

15. CONVERTIBLE DEBT

On August 13, 2021, the Company, together with Airspan Networks Inc., Holdco, Airspan Networks (SG) Inc., Mimosa, Mimosa Networks International, LLC, Airspan Communications Limited, Airspan Networks LTD, and Airspan Japan K.K., as guarantors, and Fortress, entered into a Senior Secured Convertible Note Purchase and Guarantee Agreement (the "Fortress Convertible Note Agreement"), in order to meet the available cash requirement of the reverse recapitalization. Pursuant to the Fortress Convertible Note Agreement, $50.0 million was funded to the Company in exchange for the issuance of $50.0 million aggregate principal amount of Convertible Notes on August 13, 2021, the date of the reverse recapitalization. On May 18, 2023, the Company issued amended and restated convertible notes in replacement of the Convertible Notes. The Convertible Notes bore interest at 7.0% per annum prior to the effective date of the May 2023 Fortress Convertible Note Amendment, and bears interest from and after the effective date of the May 2023 Fortress Convertible Note Amendment, and as of December 31, 2023, at a rate of 10.0% per annum (the "Base Rate"), payable quarterly in arrears on March 31, June 30, September 30 and December 31 of each year, beginning on September 30, 2021. The Convertible Notes will mature on December 30, 2024, unless earlier accelerated, converted, redeemed or repurchased. Under certain circumstances, a default interest will apply following an event of default under the Convertible Notes at a per annum rate equal to the lower of (i) the Base Rate plus 3.75% and (ii) the maximum amount permitted by law. The Convertible Notes are pari passu in right of payment and lien priority and are secured by a security interest in (a) all of the real, personal and mixed property in which liens are granted or purported to be granted pursuant to any of the collateral documents as security for the obligations, (b) all products, proceeds, rents and profits of such property, (c) all of each loan party's book and records and (d) all of the foregoing whether now owned or existing, in each case excluding certain excluded assets.

On March 29, 2022, the Company and certain of its subsidiaries who are party to the Fortress Convertible Note Agreement entered into a First Amendment and Waiver to Senior Secured Convertible Note Purchase and Guarantee Agreement and Other Note Documents relating to the Fortress Convertible Note Agreement and the Convertible Notes (the "March 2022 Fortress Convertible Note Agreement Amendment") to, among other things, amend the financial covenants included in the Fortress Convertible Note Agreement, amend the conversion price of the Convertible Notes and amend the optional redemption provisions of the Convertible Notes. On November 14, 2022, the Company, Legacy Airspan and certain of our subsidiaries who are party to the Fortress Convertible Note Agreement entered into a Second Amendment, Limited Waiver and Consent Under Senior Secured Convertible Note Purchase and Guarantee Agreement and Other Note Documents relating to the Fortress Convertible Note Agreement with Fortress (the "November 2022 Fortress Convertible Note Agreement Amendment") to, among other things, effect a limited waiver of certain events of default under the Fortress Convertible Note Agreement. On May 18, 2023, the Company and certain of its subsidiaries who are party to the Fortress Convertible Note Agreement entered into a Limited Waiver and Consent, Third Amendment to Senior Secured Convertible Note Purchase and Guarantee Agreement and Reaffirmation of Note Documents relating to the Fortress Convertible Note Agreement with Fortress (the "May 2023 Fortress Convertible Note Agreement Amendment") to, among other things, effect a limited waiver of certain events of default under the Fortress Convertible Note Agreement, increase the interest rate on the Convertible Notes to 10.0% per annum, impose certain fees related to the Convertible Notes and the Fortress Convertible Note Agreement, and obtain certain consents related to the Transaction. On August 11, 2023, the Company and certain of our subsidiaries who are party to the Fortress Convertible Note Agreement entered into a Consent and Partial Release and Fourth Amendment to Note Documents relating to the Fortress Convertible Note Agreement with Fortress (the "August 2023 Fortress Convertible Note Purchase Agreement Amendment") to, among other things, implement certain modifications to the Fortress Convertible Note Agreement relating to the Purchase Agreement and the Transaction. On November 14, 2023, the Company, Legacy Airspan and certain of our subsidiaries who are party to the Fortress Convertible Note Purchase and Guarantee Agreement entered into a Limited Waiver and Consent, Fourth Amendment to Senior Secured Convertible Note Purchase and Guarantee Agreement and Reaffirmation of Note Documents relating to the Fortress Convertible Note Agreement with Fortress (the "November 2023 Fortress Convertible Note Agreement Amendment") to, among other things, effect a limited waiver of certain events of default under the Fortress Convertible Note Agreement, and establish certain new covenants. On December 22, 2023, the Company, and certain of its subsidiaries who are party to the Fortress Convertible Note Agreement entered into a Limited Waiver and Consent, Fifth Amendment to Senior Secured Convertible Note Purchase and Guarantee Agreement and Reaffirmation of Note Documents relating to the Fortress Convertible Note Agreement with Fortress (the "December 2023 Fortress Convertible Note Agreement Amendment") to, among other things, effect a limited waiver of certain existing and potential prospective events of default under the Fortress Convertible Note Agreement, establish certain new covenants, and defer the due date of certain cash payments of interest under the Fortress Convertible Notes.

Prior to the March 2022 Fortress Convertible Note Agreement Amendment, the Convertible Notes, together with all accrued but unpaid interest thereon, were convertible, in whole or in part, at any time prior to the payment in full of the principal amount thereof (together with all accrued but unpaid interest thereon), into shares of Common Stock at a conversion price equal to $12.50 per share. Pursuant to the March 2022 Fortress Convertible Note Agreement Amendment, the conversion price with respect to the Convertible Notes was decreased to $8.00 per share. The conversion price with respect to the Convertible Notes is subject to adjustment to reflect stock splits and subdivisions, stock and other dividends and distributions, recapitalizations, reclassifications, combinations and other similar changes in capital structure. The conversion price with respect to the Convertible Notes is also subject to a broad-based weighted average anti-dilution adjustment in the event the Company issues, or is deemed to have issued, shares of Common Stock, other than certain excepted issuances, at a price below the conversion price then in effect. In addition, pursuant to the March 2022 Fortress Convertible Note Agreement Amendment, if, during the period commencing on and including the date of the March 2022 Fortress Convertible Note Agreement Amendment and ending on and including the 15-month anniversary of the date of the March 2022 Fortress Convertible Note Agreement Amendment, there is no 30 consecutive trading day-period during which the average of the daily volume weighted average price of the Common Stock ("Daily VWAP") for such 30 consecutive trading day-period (after excluding the three highest and the three lowest Daily VWAPs during such period) equals or exceeds $10.00 (as adjusted for stock splits, stock combinations, dividends, distributions, reorganizations, recapitalizations and the like), the conversion price with respect to the Convertible Notes will be reduced to the amount that such conversion price would otherwise have been had the conversion price with respect to the Convertible Notes been $6.00 on the date of the March 2022 Fortress Convertible Note Agreement Amendment.

The following is the allocation among the freestanding instruments (in thousands) at the issuance date:

	August 13, 2021
Convertible Notes	$ 41,887
Conversion option derivative	7,474
Call and contingent put derivative	639
Total Convertible Notes	$ 50,000

As of December 31, 2023 and December 31, 2022, the Company had convertible debt outstanding as shown below (in thousands):

	December 31, 2023	December 31, 2022
Convertible Notes	$ 28,508	$ 41,887
Accrued interest[(a)]	5,365	2,898
Subtotal	33,873	44,785
Loan discount costs	(528)	(857)
Total Convertible Notes	$ 33,345	$ 43,928

(a) The accrued interest will accrete to principal value by the end of the term, December 30, 2024.

The Company was not in compliance with the minimum liquidity covenant under the Fortress Credit Agreement and the Fortress Convertible Note Agreement at all times from October 26, 2023, which was an event of default under those agreements for which the Company obtained a waiver. The Company also did not satisfy the revenue covenant and the EBITDA covenant on September 30, 2023, which were also events of default for which the Company obtained a waiver. The Company also did not make cash payments of principal and interest under the Fortress Credit Agreement and the Fortress Convertible Note on September 30, October 31, November 30, and December 31 within any grace period applicable thereto, for which we obtained a deferral of such payments. The Company also obtained a prospective waiver of compliance with the minimum liquidity covenant, the minimum last twelve-month EBITDA covenant and the minimum last twelve-month revenue covenant under the Fortress Credit Agreement and the Fortress Convertible Note Agreement as of the December 31, 2023 quarterly measurement date.

There can be no assurance that the lenders under the Fortress Credit Agreement and the agreement governing the Company's senior secured convertible notes will agree to waive future covenant breaches. Based on management's current forecast, absent of additional financing or capital raising, the Company has concluded it is probable that the Company will not be in compliance with certain of the prospective financial covenants under the Fortress Credit Agreement and the agreement governing the Company's senior secured convertible notes during certain periods of the next twelve months. Accordingly, while the Company may seek future waivers from compliance with the applicable covenants in connection with such anticipated breaches, or amendments of existing financial covenants included in the Fortress Credit Agreement and the agreement governing the Company's senior secured convertible notes, the Company is also pursuing alternative sources of capital so that it would be able to satisfy its prospective minimum liquidity obligations under the Fortress Credit Agreement and the agreement governing the Company's senior secured convertible notes. There can be no assurance that the lenders under the Fortress Credit Agreement and the agreement governing the Company's senior secured convertible notes will agree to waive any breaches thereunder that may arise in the future or that we will otherwise be able to remedy such breaches.

In the absence of waivers or remedies of existing covenant breaches or any additional breaches that may arise in the future, the lenders under the Fortress Credit Agreement and the agreement governing the Company's senior secured convertible notes could (i) elect to declare all the funds borrowed thereunder to be due and payable, together with accrued and unpaid interest and other premiums, and institute foreclosure proceedings against the Company's assets, (ii) elect to apply the default interest rate under the Fortress Credit Agreement and the Fortress Convertible Note Agreement and related agreements, and (iii) with respect to the Fortress Credit Agreement, elect to terminate their delayed draw commitments thereunder and cease making further loans. As a result of any of these actions, the Company could be forced into bankruptcy or liquidation. In addition, the Company's subordinated term loan – related party (see Note 13) and subordinated debt (see Note 12) could be accelerated or required to be paid due to provisions contained within those instruments. The Company has classified its senior term loan, convertible debt, subordinated term loan and subordinated debt as current at December 31, 2023.

16. LONG-TERM DEBT

As of December 31, 2023 and 2022, long-term debt consists of (in thousands):

	December 31, 2023	December 31, 2022
Finnish Funding Agency for Technology and Innovation ("Tekes")	$ 431	$ 413
Less current portion – product development loans	(265)	(259)
Less accrued interest on product development loans – current	(166)	(154)
Total long-term debt	$ -	$ -

At both December 31, 2023 and 2022, there were two capital product development loans amounting to $0.3 million with Tekes, the main public funding organization for research and development in Finland.

The Company has classified its debt as current. (See Note 1 Business, Going Concern). The table below sets forth the contractual maturities of the Company's debt for each of the five years subsequent to December 31, 2023 and thereafter (in thousands):

	Senior Term Loan	Subordinated Debt	Subordinated Term Loan	Long-Term Debt	Convertible Debt	Total
2024	$ 61,287	$ 11,685	$ -	$ 265	$ 33,873	$ 107,110
2025	-	-	45,393	-	-	45,393
2026	-	-	-	-	-	-
2027	-	-	-	-	-	-
2028	-	-	-	-	-	-
Thereafter	-	-	-	-	-	-
	$ 61,287	$ 11,685	$ 45,393	$ 265	$ 33,873	$ 152,503
Unamortized debt issuance costs	(1,817)	-	-	-	(528)	(2,345)
Total Debt	$ 59,470	$ 11,685	$ 45,393	$ 265	$ 33,345	$ 150,158

17. FAIR VALUE MEASUREMENTS

The Company's assets and liabilities recorded at fair value are categorized based upon a fair value hierarchy that ranks the quality and reliability of the information used to determine fair value.

The Company has certain non-financial assets that are measured at fair value on a non-recurring basis when there is an indicator of impairment, and they are recorded at fair value only when impairment is recognized. These assets include property, plant and equipment, goodwill and intangible assets, net. The Company did not record impairment to any non-financial assets in the years ended December 31, 2023 and 2022. The Company does not have any non-financial liabilities measured and recorded at fair value on a non-recurring basis.

Financial Disclosures about Fair Value of Financial Instruments

The tables below set forth information related to the Company's consolidated financial instruments (in thousands):

	Level in Fair Value Hierarchy	December 31, 2023 Carrying Amount	December 31, 2023 Fair Value	December 31, 2022 Carrying Amount	December 31, 2022 Fair Value
Assets:					
Cash and cash equivalents	1	$ 7,517	$ 7,517	$ 7,253	$ 7,253
Restricted cash	1	-	-	34	34
Cash and investment in severance benefit accounts	1	2,818	2,818	3,161	3,161
Liabilities:					
Subordinated term loan[(a)]	2	45,393	28,491	41,528	25,503
Subordinated debt[(a)]	2	11,685	8,110	11,119	7,386
Senior term loan[(a)]	2	59,470	56,062	40,529	36,680
Convertible debt	2	33,345	34,186	43,928	48,249
Derivative liability	3	3,645	3,645	5,353	5,353
Public Warrants	1	1	1	345	345
Warrants[(b)]	3	1	1	36	36
Warrants[(c)]	3	1,163	1,163	-	-

(a) As of December 31, 2023 and 2022, the fair value of the subordinated term loan, subordinated debt and senior term loan considered the senior status of the senior term loan under the Fortress Credit Agreement, followed by the junior status of the subordinated term loan and subordinated debt. The implied yields of the senior term loan, subordinated term loan and subordinated debt were 43.55%, 37.97% and 51.42%, respectively, as of December 31, 2023. The implied yields of the senior term loan, subordinated term loan and subordinated debt were 23.00%, 27.18% and 28.78%, respectively, as of December 31, 2022.

(b) As of December 31, 2023 and 2022, the fair value of warrants outstanding that are classified as liabilities are included in other long-term liabilities in the Company's consolidated balance sheets. The key inputs to the valuation models that were utilized to estimate the fair value of the Private Placement Warrants were as follows as of December 31, 2023:

	Private Placement Warrants
Assumptions:	
Stock price	$ 0.09
Exercise price	$ 11.50
Risk free rate	4.09%
Expected volatility	84.2%
Dividend yield	0.00%

(c) As of December 31, 2023 and 2022, the fair value of warrants outstanding that are classified as equity are included in additional paid in capital in the Company's consolidated balance sheets.

The conversion option derivative and call and contingent put derivative are considered a Level 3 measurement due to the utilization of significant unobservable inputs in the valuation. The Company utilized a binomial model to estimate the fair value of the embedded derivative features requiring bifurcation associated with the Convertible Notes payable at issuance date and as of the December 31, 2023 reporting date. The key inputs to the valuation models that were utilized to estimate the fair value of the convertible debt derivative liabilities include:

	December 31, 2023	Issuance Date
Assumptions:		
Stock price	$ 0.09	$ 9.75
Conversion strike price	$ 8.00	$ 12.50
Volatility	94.00%	25.00%
Dividend yield	0.00%	0.00%
Risk free rate	4.79%	0.51%
Debt discount rate	28.00%	12.80%
Coupon interest rate	10.00%	7.00%
Face amount (in thousands)	35,717	50,000
Contingent put inputs and assumptions:		
Probability of fundamental change	75.00%	25.00%

The following table presents a roll-forward of the Level 3 instruments:

(in thousands)	Warrants	Conversion option derivative
Beginning balance, December 31, 2022	$ 36	$ 5,353
Change in fair value	(35)	(1,708)
Ending balance, December 31, 2023	$ 1	$ 3,645

18. COMMITMENTS AND CONTINGENCIES

The Company had commitments with its main subcontract manufacturers under various purchase orders and forecast arrangements of $13.2 million at December 31, 2023, the majority of which have expected delivery dates during the next six months.

Certain officers of the Company have change in control payments that they would be entitled to receive in the event of a change in control.

The Company's operating leases consist of various office facilities. The Company uses a portfolio approach to account for such leases due to the similarities in characteristics and apply an incremental borrowing rate equal to the average interest rate of the Company's existing debt facilities. The Company's office leases with an initial term of 12 months or less are not recorded on the consolidated balance sheets. The Company accounts for lease components (e.g. fixed payments including rent, real estate taxes and common area maintenance costs) as a single lease component. Some of our leases include one or more options to renew the lease term at our sole discretion. The Company has included in the calculation of the Company's lease liability or right-of-use lease assets options to renew that are reasonably certain of exercise.

The presentation of right-of-use assets and lease liabilities in the Company's consolidated balance sheets is as follows (in thousands):

		December 31,	
Leases	**Classification**	**2023**	**2022**
Assets			
Operating lease assets	Right-of-use lease asset, net[1]	$ 2,648	$ 5,697
Total leased assets		**$ 2,648**	**$ 5,697**
Liabilities			
Current			
Operating	Other accrued expenses	$ 2,290	$ 2,923
Noncurrent			
Operating	Other long-term liabilities	547	3,063
Total lease liabilities		**$ 2,837**	**$ 5,986**

(1) Operating right of-use lease assets are recorded net of accumulated amortization of $8.0 million and $6.4 million as of December 31, 2023 and 2022, respectively.

The Company has classified the lease components as follows (in thousands):

		Year Ended December 31,	
Lease Cost	**Classification**	**2023**	**2022**
Operating lease cost	General and administrative	$ 2,468	$ 2,830
Amortization of right of use assets	General and administrative	2,135	2,557
Interest on lease liabilities	General and administrative	262	388
Total lease cost		$ 4,865	$ 5,775

Short-term lease costs amounted to $0.2 million for both years ended December 31, 2023 and 2022 and is included in general and administrative expenses in the consolidated statements of operations.

Future minimum lease payments for assets under non-cancellable operating lease agreements with original terms of more than one year as of December 31, 2023 are as follows (in thousands):

2024	$ 2,337
2025	563
2026	37
2027	23
Total lease payments	2,960
Less: Interest	(123)
Present value of lease liabilities	$ 2,837

The weighted average remaining lease term at December 31, 2023 is as follows:

Weighted Average Remaining Lease Term (Years)	**December 31, 2023**
Operating leases	1.36 years
Weighted Average Discount Rate	
Operating leases	7.21%

The Company had bank guarantees with its landlords and customers totalling $0.2 million as of both December 31, 2023 and 2022. The guarantees secure payment or performance obligations of the Company under contracts. At December 31, 2023, the Company had pledged cash to the banks as collateral for guarantees aggregating $0.2 million, which is substantially all recorded as other non-current assets.

In addition to the guarantees mentioned above, the Company has issued a guarantee to Tekes, the main public funding organization for research and development in Finland (See Note 16), for the repayment of loans taken out by its fully consolidated subsidiary, Airspan Finland Oy. These uncollateralized loans totalled $0.4 million at December 31, 2023, which includes $0.2 million of accrued interest.

Contingencies and Legal Proceedings

From time to time, the Company receives and reviews correspondence from third parties with respect to licensing their patents and other intellectual property in connection with the sale of the Company's products. Disputes may arise with such third parties if an agreement cannot be reached regarding the licensing of such patents or intellectual property.

On October 14, 2019, Barkan Wireless IP Holdings, L.P. ("Barkan") filed a suit against Sprint Corporation and related entities ("Sprint") in the United States District Court for the Eastern District of Texas alleging patent infringement based in part on two of the Company's products, Airave 4 and Magic Box Gold. See *Barkan Wireless IP Holdings, L.P. v. Sprint Corporation et al*, Case No. 2:19-cv-00336-JRG (E.D. Tex.). On March 26, 2021, after a settlement between Barkan and Sprint, the court granted an agreed motion to dismiss and the case was closed. Sprint had demanded that the Company indemnify Sprint $3,870,000 for a portion of the amounts Sprint paid to defend and settle the case. On April 27, 2021, Sprint gave notice that it intends to set-off amounts it owes the Company until Sprint's indemnity demand is satisfied. The Company disputes Sprint's indemnity demand and, on March 15, 2022, filed a complaint for breach of contract in the United States District Court for the District of Kansas. See *Airspan Networks, Inc. v. Sprint/United Management Company*, Case No. 2:22-cv-02104-JAR-ADM (D. Kan.). That complaint was subsequently voluntarily dismissed by the Company and the underlying breach of contract claim is now a counterclaim in the matter captioned *Sprint Communications Company, L.P et al. vs. Casa Systems, Inc. et al., No. 22CV02327 Div.7* pending in the District Court of Johnson County Kansas. On January 3, 2023, the parties settled this matter. The Company had previously provided for a reserve for an estimated amount of exposure related to this matter in a prior year. The settlement resulted in an additional $0.6 million legal settlement which was recognized in general and administrative expenses in the consolidated statement of operations for the year ending December 31, 2022.

Except as set forth above, the Company is not currently subject to any other material legal proceedings. The Company may from time to time become a party to various other legal proceedings arising in the ordinary course of its business. While the results of such claims and litigation cannot be predicted with certainty, the Company currently believes that it is not a party to any litigation the final outcome of which is likely to have a material adverse effect on the Company's consolidated financial position, results of operations or cash flows.

19. COMMON STOCK AND WARRANTS

Common Stock

As of December 31, 2023, 260,000,000 shares, $0.0001 par value per share are authorized, of which, 250,000,000 shares are designated as Common Stock and 10,000,000 shares are designated as preferred stock. As of December 31, 2023, there were 74,638,893 shares of Common Stock issued and outstanding and no shares of preferred stock issued or outstanding.

Holders of our Common Stock are entitled to receive dividends when, as and if declared by the board of directors, payable either in cash, in property or in shares of capital stock. As of December 31, 2023, the Company had not declared any dividends.

At December 31, 2023, the Company had reserved shares of Common Stock for future issuance as follows:

Plans	Number of Shares
Warrants	17,958,321
Options and RSUs under employee stock plans	9,310,794
Future grants	3,880,544
Convertible Notes	4,680,500
Total Common Stock reserved for future issuance	35,830,159

Common Stock Warrants

As of December 31, 2023, there are 12,045,000 Common Stock Warrants outstanding, consisting of 11,500,000 and 545,000 Public Warrants and Private Placement Warrants, respectively.

As part of NBA's initial public offering, 11,500,000 Public Warrants were sold. The Public Warrants entitle the holder thereof to purchase one share of Common Stock at a price of $11.50 per share, subject to adjustment. The Public Warrants may be exercised only for a whole number of shares of Common Stock. No fractional shares will be issued upon exercise of the Public Warrants. The Public Warrants will expire on August 13, 2026 at 5:00 p.m., New York City time, or earlier upon redemption or liquidation.

The Company may redeem the Public Warrants when exercisable, in whole and not in part, at a price of $0.01 per warrant, so long as the Company provides not less than 30 days' prior written notice of redemption to each warrant holder, and if, and only if, the reported last sale price of the Common Stock equals or exceeds $18.00 per share for any 20 trading days within a 30-trading day period ending on the third trading day prior to the date the Company sends the notice of redemption to the warrant holders.

Simultaneously with the Company's initial public offering, NBA consummated a private placement of 545,000 Private Placement Warrants with its sponsor. The Private Placement Warrants are exercisable for one share of Common Stock at a price of $11.50 per share, subject to adjustment. The Private Placement Warrants are identical to the Public Warrants, except that, so long as the Private Placement Warrants are held by the initial purchaser or its permitted transferees, the Private Placement Warrants: (1) may be exercised for cash or on a cashless basis; (2) may not be transferred, assigned or sold until thirty (30) days after the date of the Closing; and (3) may not be redeemed.

Post-Combination Warrants

The Post-Combination Warrants expired in accordance with their terms on August 13, 2023.

DISH Warrants

On March 5, 2021, the Company entered into a warrant agreement with DISH Network Corporation ("DISH") to purchase 100,000 shares of the Company's Common Stock. Warrants vest during the 36 months following the date DISH orders certain products at the rate of one share for every $200 in gross purchase orders.

As of December 31, 2023, DISH had 1,281 warrants that had vested.

Fortress Warrants

In connection with the May 2023 Credit Agreement Amendment relating to the Fortress Credit Agreement with Fortress, the Company issued 5,912,040 warrants to purchase shares of the Company's common stock Warrants. The Warrants provided for under the Fortress Credit Agreement were issued to certain lenders or their designees and will be exercisable to purchase one share of the Company's common stock at an exercise price of $0.01 per share. The Warrants have a term of 7.5 years and will become exercisable upon the earliest to occur of (i) the third anniversary of the issuance of the warrants, (ii) an "Acquisition" as defined in the Warrant, (iii) any debt financing or issuance of equity or instruments convertible into equity interests of the Company in which the Company receives in excess of $50 million in one or a series of related transactions, and (iv) any other strategic transactions, joint ventures, financings or combinations between the Company and one or more investors or third parties in which the Company or its subsidiaries receive in excess of $50 million in one or a series of related transactions. The Company recorded a $1.7 million reduction of the senior term loan and a $1.7 million increase in additional paid in capital.

20. SHARE-BASED COMPENSATION

2021 Stock Incentive Plan

Prior to the Business Combination, the Company maintained its 2009 Omnibus Equity Compensation Plan (the "2009 Plan" and together with the 2021 Plan, the "Plans"). Upon Closing of the Business Combination, awards under the 2009 Plan were converted at the exchange ratio calculated in accordance with the Business Combination Agreement and the 2021 Plan became effective. There are 6,007,718 shares of Common Stock authorized for issuance under the 2021 Plan, plus any shares of Common Stock subject to awards under the 2009 Plan that are forfeited or reacquired by the Company due to termination or cancellation. As of December 31, 2022, there were 14,822,433 shares of Common Stock reserved under the Plans.

Share-based compensation is recognized as an expense on a straight-line basis over the requisite service period, which is generally the vesting period. Employee stock options ("stock options") granted under the Plans generally vest ratably over a four-year period and expire on the tenth anniversary of their issuance. Restricted stock is Common Stock that is subject to a risk of forfeiture or other restrictions that will lapse upon satisfaction of specified performance conditions and/or the passage of time. Awards of restricted stock ("RSAs") that vest only by the passage of time will generally vest one year following the Business Combination. RSUs represent the right to receive Common Stock upon satisfaction of the passage of time. Awards of RSUs that vest only by the passage of time will generally vest ratably over three years from the date of grant; however, the awards of RSUs granted to the MIP Participants in the Business Combination vest one year following the Closing of the Business Combination.

The following table summarizes the number of authorized, unissued shares of Common Stock, under the Plans, as of December 31, 2023:

Plans	Number of Shares
Total awards available to be issued	3,880,544
Total awards outstanding	9,310,794
Total Common Stock reserved for future issuance under employee stock plans	13,191,338

The following table summarizes share-based compensation expense for the years ended December 31, 2023 and 2022 (in thousands):

	December 31,	
	2023	2022
Research and development	$ 1,376	$ 3,554
Sales and marketing	1,899	3,491
General and administrative	3,832	13,842
Cost of sales	26	243
Total share-based compensation	$ 7,133	$ 21,130

Common Stock Options

The value of each stock option grant is estimated on the grant date using the Black-Scholes option pricing model ("BSM"). The option pricing model requires the input of highly subjective assumptions, as detailed below:

- *Grant date fair value*: the Company uses the closing market price of its Common Stock at the grant date;

- *Expected volatility*: since the Company has limited historical basis for determining its own volatility, the expected volatility assumption was based on the average historical volatility of a representative peer group, which includes the consideration of the peer company's industry, market capitalization, state of life cycle, and capital structure;

- *Risk-free interest rates*: based upon observed interest rates appropriate for the term of the Company's stock options;

- *Expected term*: estimated based on the Company's prior five years of historical data regarding expired, forfeited or if applicable, exercise behavior; and

- *Expected dividend yield*: based on the Company's history and expectation of no dividend payouts.

The Company used the following assumptions for the BSM to determine the fair value of the stock options granted during the years ended December 31, 2023 and 2022:

	Year Ended December 31, 2023	Year Ended December 31, 2022
Weighted-average grant date price of our common stock (per share)	$ 0.10	$ 2.21
Risk-free interest rate	4%	4%
Expected volatility	92%	76%
Expected term (in years)	5	5
Expected dividend yield	-%	-%

The following table sets forth the activity for all stock options:

	Number of Shares	Weighted Average Exercise Price	Weighted Average Remaining Contractual Life (Years)	Weighted-Average Grant Date Fair Value
Outstanding, December 31, 2022	7,812,178	$ 3.70	6.56	$ 2.23
Granted	15,000	0.14		0.10
Forfeited	(816,872)	2.78		1.61
Expired	(1,017,783)	4.17		2.23
Outstanding, December 31, 2023(a)	5,992,523	$ 3.74	4.03	$ 1.98
Exercisable, December 31, 2023(b)	5,016,708	$ 3.82	3.24	$ 2.02

(a) There was no aggregate intrinsic value of all stock options outstanding as of December 31, 2023.
(b) There was no aggregate intrinsic value of all vested/exercisable stock options as of December 31, 2023.

As of December 31, 2023, there was $1.6 million of unrecognized compensation expense related to stock options to be recognized over a weighted average period of 2.08 years.

Restricted Stock Units

As part of the consideration in the Business Combination, RSUs with respect to 1,750,000 shares of Common Stock were granted to the participants in Legacy Airspan's MIP. For the RSUs granted to MIP Participants, the weighted average grant date fair value was $9.75 per share. The RSUs granted in connection with the MIP vest one year after the date of the grant, however, most RSU's vest over three years.

The following table sets forth the activity for all RSUs:

	Number of RSUs	Weighted Average Grant Date Fair Value
Outstanding (nonvested), December 31, 2022	4,267,746	$ 3.58
Granted	681,620	0.56
Released	(443,105)	5.27
Forfeited	(1,187,990)	2.73
Outstanding (nonvested), December 31, 2023	3,318,271	$ 3.04

Because the Company maintained a full valuation allowance on its U.S. deferred tax assets, it did not recognize any tax benefit related to share-based compensation expense for the years ended December 31, 2023 and 2022. As of December 31, 2023, there was $4.0 million of unrecognized compensation expense related to RSUs to be recognized over a weighted average period of 1.33 years.

21. DEFINED CONTRIBUTION PLANS EXPENSE

The Company contributes to defined contribution plans for all eligible employees. The Company recorded expenses of approximately $3.3 million and $5.2 million for the years ended December 31, 2023 and 2022, respectively. Employer contributions are accrued as earned by the employees.

22. NET LOSS PER SHARE

Net loss per share is computed using the weighted average number of shares of Common Stock outstanding less the number of shares subject to repurchase.

The following table sets forth the computation of basic and diluted net loss per share for the periods indicated (in thousands, except share data):

	Years Ended December 31, 2023	Years Ended December 31, 2022
Numerator:		
Net loss	$ (78,885)	$ (85,382)
Denominator – basic and diluted:		
Weighted average common shares outstanding	74,575,810	72,782,773
Net loss per share – basic and diluted	$ (1.06)	$ (1.17)

The following table sets forth the amounts excluded from the computation of diluted net loss per share because their effect was anti-dilutive.

	December 31, 2023	December 31, 2022
Stock options outstanding[(a)]	5,992,523	7,812,178
Non-vested RSUs and RSAs	3,318,271	4,267,746
Warrants[(b)]	-	-
Convertible Notes[(b)]	-	-

(a) If the Company had reported net income, the calculation of these per share amounts would have included the dilutive effect of these Common Stock equivalents using the treasury stock method for stock options.

(b) The Convertible Notes and Warrants referred to in Notes 15 and 19, respectively, were also excluded on an as converted basis because their effect would have been anti-dilutive.

23. INCOME TAXES

The Company is subject to federal and various state income taxes in the U.S. as well as income taxes in various foreign jurisdictions. Tax regulations within each jurisdiction are subject to the interpretation of the related tax laws and regulations. The Company is no longer subject to U.S. federal tax examinations for years through 2019, nor to corporate tax examination for years through 2019 in the U.K. In addition, the statute of limitations for years through 2017 in Israel has expired.

The income tax credit of $0.5 million in the year ended December 31, 2023 is comprised primarily of a $0.6 million claim of U.K. tax credits for 2022 and 2023 under the Research and Development Expenditure Credit ("RDEC") regime, offset by an income tax charge of $0.1 million mainly incurred in Japan and other countries. The income tax credit of $0.2 million in the year ended December 31, 2022 is comprised primarily of a $1.0 million claim of U.K. tax credits for 2021 and 2022 under the Research and Development Expenditure Credit ("RDEC") regime, offset by an income tax charge of $0.3 million mainly incurred in Japan and a tax charge of $0.5 incurred in India due to Indian transfer pricing controls.

The provision for income taxes consists of the following (in thousands):

	Year Ended December 31,	
	2023	**2022**
Current tax provision:		
Federal	$ -	$ -
State	-	-
Foreign	(496)	(197)
Total current	(496)	(197)
Deferred tax provision:		
Federal	-	-
State	-	-
Total deferred	-	-
Total income tax benefit	$ (496)	$ (197)

The loss before tax was $79.4 million and $85.6 million which includes $10.4 million income and $24.0 million loss before tax attributable to domestic U.S. operations for the years ended December 31, 2023 and 2022, respectively. The Company did not record a material income tax benefit for the tax losses generated in any of the territories in which it operates because it has experienced operating losses since inception.

At December 31, 2023, the Company had the following net operating loss ("NOL") carry-forwards (gross, in thousands):

Country	NOL Carryforwards	Expiry Terms
U.K.	$ 298,723	Does not expire
U.S.	53,872	Expires in up to 15 years
U.S.	9,926	Does not expire
Australia	5,252	Does not expire
Israel	372,927	Does not expire
Finland	93	Expires in up to 6 years
Other	1,736	Expires in up to 4 years

Significant components of the Company's deferred tax assets are as follows (in thousands):

	As of December 31, 2023	As of December 31, 2022
Net operating loss carryforwards	$ 170,256	$ 180,491
Fixed assets	1,708	2,714
R&D amortization	6,255	7,928
Accruals and reserves	21,206	17,585
R&D and other credits	279	4,493
Share-based compensation	4,670	8,143
Total deferred tax assets	204,374	221,354
Intangible assets	(13)	(1,049)
Total deferred tax liabilities	(13)	(1,049)
Valuation allowance	(204,361)	(220,305)
Total deferred tax assets, net	$ -	$ -

The Company recorded a change in valuation allowance amounting to $(15.9) million and $40.9 million for the years ended December 31, 2023 and 2022, respectively.

The following is a reconciliation of income taxes, calculated at the effective U.S. federal income tax rate, to the income tax benefit (expense) included in the accompanying consolidated statements of operations for each of the years (in thousands):

	Years Ended December 31, 2023	Years Ended December 31, 2022
Expected income tax benefit at U.S. rates	$ 16,670	$ 17,971
Difference between U.S. rate and rates applicable to subsidiaries in other jurisdictions	2,281	315
Expenditures not deductible for tax purposes	(13,645)	(118)
Non-deductible officer compensation	(24)	-
Tax rate changes outside the U.S.	(1)	17,594
Fair market value changes	8,379	1,701
Expiry of foreign taxable losses	(977)	1,643
Other	672	744
Valuation allowance on tax benefits	15,943	(40,869)
UK R&D tax credits	582	1,216
Deferred adjustments due to Mimosa sale	(29,384)	-
Income tax benefit	$ 496	$ 197

Utilization of the U.S. net operating loss and research and development credit carryforwards may be subject to a substantial annual limitation under Section 382 of the Internal Revenue Code of 1986, and similar state provisions, due to ownership change limitations that have occurred previously or that could occur in the future. These ownership changes may limit the amount of net operating loss and research and development credit carryforwards that can be utilized annually to offset future taxable income and tax, respectively. As of December 31, 2023, the Company had completed a 2023 Section 382 study to assess whether a change of ownership has occurred in connection with certain of its U.S. net operating losses and credit carryforwards. The Company has reduced its deferred taxes in the amount of $29.4 million as a result of the sale of Mimosa.

Since the Company's utilization of these deferred tax assets is dependent on future profits, a valuation allowance equal to the net deferred tax assets has been provided as it is considered more likely than not that such assets will not be realized. The valuation allowance includes a reduction in deferred tax assets through tax rate reductions in non-US jurisdictions. Through December 31, 2023, the Company has historically concluded that a full valuation allowance is required to offset the net deferred tax assets.

24. GEOGRAPHICAL INFORMATION

As a developer and supplier of broadband wireless products and other technologies, the Company has one reportable segment. The revenue of this single segment is comprised primarily of revenue from products and, to a lesser extent, services. Revenues are attributed to countries based on the destination of the products and services supplied.

An analysis of revenue by geographical market is given below (in thousands):

	Years Ended December 31, 2023	Years Ended December 31, 2022
United States	$ 16,718	$ 65,778
Other North America and Canada	207	7,135
Total North America	16,925	72,913
India	26,355	27,883
Japan	22,870	43,904
Other Asia	2,737	1,450
Total Asia	51,962	73,237
Europe	4,306	11,650
Africa and the Middle East	2,378	6,370
Latin America and the Caribbean	1,997	3,089
Total revenue	$ 77,568	$ 167,259

An analysis of the loss before income tax and the net loss by U.S. and foreign operations is below (in thousands):

	Years Ended December 31, 2023	Years Ended December 31, 2022
Income (loss) before income tax related to U.S. operations	$ 12,412	$ (23,113)
Loss before income tax related to foreign operations	(91,793)	(62,466)
Loss before income tax	$ (79,381)	$ (85,579)
Net income (loss) related to U.S. operations	$ 12,412	$ (23,112)
Net loss related to foreign operations	(91,297)	(62,270)
Net loss	$ (78,885)	$ (85,382)

The long-lived assets and total assets by geographic region are shown below (in thousands):

	As of December 31,	
	2023	2022
Property, plant and equipment, net:		
United States	$ 35	$ 1,126
Asia	1,332	1,293
Europe	782	898
Middle East	2,351	4,022
Other	14	12
	$ 4,514	$ 7,351
Right-of-use-assets, net		
United States	$ 2,444	$ 5,137
Asia	204	560
	$ 2,648	$ 5,697
Other non-current assets:		
United States	$ -	$ 107
Europe	157	137
Middle East	2,818	3,163
	2,975	3,407
Total long-lived assets	$ 10,137	$ 16,455
Total assets, net:		
United States	$ 25,493	$ 81,317
Asia	4,555	5,661
Europe	4,834	9,833
Middle East	12,324	28,171
Other	66	113
	$ 47,272	$ 125,095

25. RELATED PARTY TRANSACTIONS

As disclosed in Note 13, as of December 31, 2023 and 2022, Legacy Airspan has a Subordinated Term Loan with a related party. This related party has an indirect, non-controlling beneficial interest in Fortress, which is the agent and principal lender under the Fortress Credit Agreement and the collateral agent and trustee under the Fortress Convertible Note Agreement and the Convertible Notes. This related party also has an indirect, non-controlling beneficial interest in each holder of Convertible Notes. The Company derived approximately $0.4 million and $0.2 million in revenue from sales of products and services to this related party for the years ended December 31, 2023 and December 31, 2022, respectively. As of December 31, 2023 and December 31, 2022, the Company had no outstanding receivables from this related party.

The Company had no outstanding receivables from a related party, a stockholder and had outstanding payables amounting to $0.7 million, respectively, as of December 31, 2023. The Company has an outstanding receivable from and payable to a related party, a stockholder, amounting to $0.4 million and $5.5 million, respectively, as of December 31, 2022.

In addition, the Company has an outstanding accounts receivable from a separate related party, also a stockholder, amounting to $3.3 million as of December 31, 2023 and $4.5 million as of December 31, 2022. The Company derived approximately $26.1 million in revenue from sales of products and services to this related party for the year ended December 31, 2023 and $26.8 million in revenue from sales of products and services to this related party for the year ended December 31, 2022. A senior executive at this customer is also a member of the Company's Board of Directors.

26. SUBSEQUENT EVENTS

As previously disclosed in Current Reports filed by the Company on April 1, 2024, April 4, 2024 and April 12, 2024 with the Securities and Exchange Commission (the “SEC”), on March 31, 2024, the Company and certain of its affiliates and subsidiaries filed voluntary petitions for relief (the “Chapter 11 Cases”) under chapter 11 of title 11 of the United States Code, 11 U.S. C. §§ 101-1532 in the Bankruptcy Court. The Bankruptcy Court confirmed the Company’s Prepackaged Plan on June 28, 2024.

In connection with the Chapter 11 Cases, on April 1, 2024, the staff of NYSE Regulation announced its determination to commence proceedings to delist the Company’s common stock (the “Common Stock”) from NYSE American LLC (“NYSE American”), and trading of the Common Stock was suspended immediately. On April 10, 2024, the staff of NYSE Regulation filed a Form 25-NSE with the SEC to report the delisting of the Common Stock from trading on the NYSE American.

The Company intends to file a Form 15 with the SEC to suspend the Company’s public reporting obligations with the SEC under Section 15(d) of the Securities Exchange Act of 1934, as amended (the “Exchange Act”).

On or about April 12, 2024, Gogo Business Aviation LLC (“Gogo”) notified the Company of its assertion that the Company was allegedly in default under certain contracts with Gogo (the “Existing Gogo Contracts”), which the Company disputes. Following negotiations, and without any admission or acknowledgment from Legacy Airspan as to the accuracy or validity of any purported default or event of default under the Existing Gogo Contracts, Legacy Airspan and Gogo resolved the dispute by entering into a Waiver and Omnibus Amendment to Airspan/Gogo Agreements dated as of June 27, 2024 (the “Gogo Agreement”) with respect to the Existing Gogo Contracts. Under the Gogo Agreement, Gogo agreed to waive its existing alleged claims under the Existing Gogo Contracts, conditional upon certain specified events not occurring after the Plan Effective Date. Additionally, the parties agreed to modify certain terms of the Existing Gogo Contracts, including certain reporting obligations, observation rights, and performance dates. The amendments and conditional waivers under the Gogo Agreement are not effective until the Plan Effective Date.

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

Not applicable.

Item 9A. Controls and Procedures.

Evaluation of Disclosure Controls and Procedures

We maintain disclosure controls and procedures (as defined in Rules 13a-15(e) and 15d-15(e) under the Exchange Act that are designed to ensure that information required to be disclosed in our reports filed pursuant to the Exchange Act is recorded, processed, summarized and reported within the time periods specified in the SEC's rules, regulations and related forms, and that such information is accumulated and communicated to our management, including our Chief Executive Officer and President, and Chief Financial Officer, as appropriate, to allow timely decisions regarding required disclosure.

A control system, no matter how well conceived and operated, can provide only reasonable, not absolute, assurance that the objectives of the control system are met. Because of inherent limitations in all control systems, no evaluation of controls can provide absolute assurance that all control issues, if any, within an organization have been detected. Accordingly, our disclosure controls and procedures are designed to provide reasonable, not absolute, assurance that the objectives of our disclosure control system are met.

As required by Rules 13a-15(b) and 15d-15(b) under the Exchange Act, our Chief Executive Officer and President, and Chief Financial Officer, carried out an evaluation of the effectiveness of our disclosure controls and procedures as of December 31, 2023. Based on their evaluation, the Company's principal executive officer and principal financial officer concluded that the Company's disclosure controls and procedures were effective and operating to provide reasonable assurance that material information required to be disclosed in the reports that we file or submit under the Exchange Act is recorded, processed, summarized and reported within the time periods specified in the SEC's rules and forms, including ensuring that such material information is accumulated and communicated to our management, including our Chief Executive Officer and President, and Chief Financial Officer, as appropriate, to allow timely decisions regarding required disclosure as of December 31, 2023.

Management's Report on Internal Control Over Financial Reporting

Our management is responsible for establishing and maintaining adequate internal controls over financial reporting as defined in Rule 13a-15(f) and 15d-15(f) under the Exchange Act. Our internal control over financial reporting is a process designed by, or under the supervision of, our principal executive officer and principal financial officer, or persons performing similar functions, and effected by our Board, our management and other personnel, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of the financial statements for external purposes in accordance with GAAP.

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 policies and procedures may deteriorate.

Our management, with the participation of our Chief Executive Officer and our Chief Financial Officer, conducted an evaluation of the effectiveness of our internal control over financial reporting based on the 2013 Internal Control – Integrated Framework (the "COSO Framework"). Based on this evaluation under the COSO Framework, our management concluded that our internal control over financial reporting was effective as of December 31, 2023.

Attestation Report of the Registered Public Accounting Firm

Our independent registered public accounting firm is not required to formally attest to the effectiveness of our internal control over financial reporting for as long as we are an "emerging growth company" pursuant to the provisions of the JOBS Act.

Changes in Internal Control over Financial Reporting

There was no change in our internal control over financial reporting that occurred during the quarter ended December 31, 2023, that has materially affected, or is reasonably likely to materially affect, our internal control over financial reporting.

Item 9B. Other Information.

Not applicable.

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

Not applicable.

PART III

Item 10. Directors, Executive Officers and Corporate Governance.

Executive Officers and Directors

The following sets forth certain information, as of July 31, 2024, concerning our directors and executive officers.

Name	Age	Position
Glenn Laxdal	64	President, Chief Executive Officer and Director
David Brant	61	Senior Vice President and Chief Financial Officer
Henrik Smith-Petersen	60	Chief Sales and Marketing Officer
Michael T. Flynn	75	Director
Scot B. Jarvis	63	Director
Marc Heimowitz	55	Director

Management

Glenn Laxdal was appointed by the Airspan Networks Holdings Inc. Board of Directors as President and Chief Executive Officer and Director on May 18, 2023. Mr. Laxdal had previously served as President and Chief Operating Officer since January 2022. Mr. Laxdal previously served since 2017 as senior vice president and general manager of product management at Infinera Corp., a provider of connectivity solutions ("Infinera"), where he was responsible for all operational aspects of Infinera's product business. Prior to joining Infinera, Mr. Laxdal was head of network products in North America for Ericsson from 2016 to 2017, overseeing strategy, product management and solution development. Mr. Laxdal also served as chief technology officer and head of strategy for Ericsson North America from 2014 to 2017. Prior to Ericsson, Mr. Laxdal served as vice president of global product management at BlackBerry Ltd. from 2009 to 2012 and prior to that held executive roles in product management and operations at Airvana, Inc. and Nortel Networks Inc. Mr. Laxdal holds an M.B.A. from the University of Toronto and a B.A. in Economics and Bachelor of Commerce degrees from the University of Saskatchewan.

David Brant joined us in January 1998 as Finance Director. He became Senior Vice President and Chief Financial Officer in January 2007. Between July 2000 and December 2005 Mr. Brant served as Vice President Finance and Controller. In December 2005 we transferred our Finance function to the United States, and he assumed an operating role leading our AS.NET division, broadening his experience across the operational functions of our company. From 1990 to 1998, Mr. Brant was employed by DSC in various financial roles, the last post as Director of European Accounting. He received a B.A. in Mathematical Economics in 1984 from Essex University and is a Fellow of the Association of Chartered Certified Accountants.

Henrik Smith-Petersen is our Chief Sales and Marketing Officer. Mr. Smith-Petersen joined us in February 1998 as Senior Director in Sales. He became Regional Vice President for Asia Pacific in April 2000, in February 2001 became President, Asia Pacific, and in February 2009 became President, Global Business Development. Prior to joining us, from July 1997 he was with DSC as Director of Business Development. At DSC he gained extensive experience developing new business and partnerships worldwide in the wireless telecommunication market. Before joining DSC, he worked for four years for AT&T's Network Systems Group in Italy, where he developed AT&T's operation systems business and later became Key Account Manager for Italtel, AT&T's local partner in Milan, developing the Telecom Italia business. He received his B.Sc. in Business Economics degree from Copenhagen School of Economics in Denmark in 1990, and an M.B.A. from SDA BOCCONI University in Milan in 1992.

Non-employee Directors

Michael T. Flynn joined the Legacy Airspan board of directors in July 2001. From 1994 to 2004, Mr. Flynn served as group president of ALLTEL Corporation, an integrated telecommunications provider of wireline and wireless telephony, Internet and high-speed data services. Prior to that, he was an officer with SBC Corp and the Bell System for 25 years. From September 2005 to June of 2018, he was a member of the board of CALIX Inc. (CALX:NYSE), a manufacturer of broadband access equipment, and participated in its successful initial public offering in 2010. Mr. Flynn also served as a director of Atlantic Tel-Networks (ATNI:NASDAQ) from June of 2010 to June of 2019. He has previously served as a board member of several companies resulting in successful mergers or acquisitions, including: Taqua sold to Tekelec in 2004; WebEx Communications (WEBX:NASDAQ) sold to Cisco for $3.2 billion in 2007; Bay Packets merged with GENBAND in 2006, where Mr. Flynn continued to serve until 2009; and iLinc (ILC:AMEX) sold to Broadsoft. Mr. Flynn earned his B.S. degree in Industrial Engineering from Texas A&M University in 1970. He attended the Dartmouth Institute in 1986 and the Harvard Advanced Management Program in 1988. Mr. Flynn's business experience, mergers and acquisitions experience and board experience make him a valued member of the Board.

Scot B. Jarvis joined the board of directors of Legacy Airspan in January 2011. He joined Oak Investment Partners in 1999 as a Venture Partner after a highly successful career in management and investment roles in the wireless communications industry. A graduate of the University of Washington, Scot founded and served as the first President of Nextlink Communications, served as a Regional President of Nextel, and served as a Senior Executive with McCaw Cellular (now AT&T Wireless). More recently, Scot was the Founder of Cedar Grove Investments, a private equity firm with a focus on wireless communications. He has served or currently serves on the boards of public and private companies, including Kratos Defense and Security Solutions, Vitesse Semiconductor, Spectrum Effect and Slingshot Sports. Mr. Jarvis' industry experience, business experience and board experience make him a valued member of the Board.

Marc Heimowitz was appointed to the board of directors on November 13, 2023. Mr. Heimowitz is the founder and Managing Member of Coda Advisory Group LLC. Coda Advisory Group is an independent advisory firm that specializes in providing advice to and advocating for parties-in-interest involved in complex restructurings and special situations, and which can act as an unconflicted professional fiduciary for litigation and liquidation trusts. Mr. Heimowitz received his B.S.B.A. in finance with Highest Honors from the University of Florida, holds a J.D. from Columbia University, practiced law in New York and Florida and is a CFA Charterholder.

Corporate Governance

We have structured our corporate governance in a manner we believe closely aligns our interests with those of our stockholders. Notable features of this corporate governance include:

- we have independent director representation on our audit, compensation and nominating and corporate governance committees, and our independent directors meet regularly in executive sessions without the presence of our corporate officers or non-independent directors;
- at least one of our directors qualifies as an "audit committee financial expert" as defined by the SEC; and
- we have implemented a range of other corporate governance best practices, including a robust director education program.

Composition of the Board of Directors

Our business and affairs are managed under the direction of our Board. Our Board is staggered in three classes. As of December 31, 2023, due to resignations from the Board, we had no directors in Class I, two directors in Class II (Michael T. Flynn and Scot B. Jarvis), and three directors in Class III (Thomas S. Huseby, Glen Laxdal and Marc Heimowitz). On February 23, 2024, the Board reassigned Mr. Laxdal to Class I to restore balance among classes. Currently, Messrs. Flynn and Jarvis are independent under NYSE American listing standards and applicable SEC rules.

Board Committees

Our Board directs the management of our business and affairs, as provided by Delaware law, and conducts its business through meetings of the Board and standing committees. We have a standing audit committee, nominating and corporate governance committee and compensation committee. In addition, from time to time, special committees may be established under the direction of the Board when necessary to address specific issues.

Audit Committee

Our audit committee is responsible for, among other things:

- the appointment, compensation, retention, replacement, and oversight of the work of the independent registered public accounting firm engaged by us;

- pre-approving all audit and permitted non-audit services to be provided by the independent registered public accounting firm engaged by us, and establishing pre-approval policies and procedures;

- setting clear hiring policies for employees or former employees of the independent registered public accounting firm, including but not limited to, as required by applicable laws and regulations;

- setting clear policies for audit partner rotation in compliance with applicable laws and regulations;

- obtaining and reviewing a report, at least annually, from the independent registered public accounting firm describing (i) the independent registered public accounting firm's internal quality-control procedures, (ii) any material issues raised by the most recent internal quality-control review, or peer review, of the audit firm, or by any inquiry or investigation by governmental or professional authorities within the preceding five years respecting one or more independent audits carried out by the firm and any steps taken to deal with such issues and (iii) all relationships between the independent registered public accounting firm and us to assess the independent registered public accounting firm's independence;

- reviewing and approving any related party transaction required to be disclosed pursuant to Item 404 of Regulation S-K promulgated by the SEC prior to us entering into such transaction; and

- reviewing with management, the independent registered public accounting firm, and our legal advisors, as appropriate, any legal, regulatory or compliance matters, including any correspondence with regulators or government agencies and any employee complaints or published reports that raise material issues regarding our financial statements or accounting policies and any significant changes in accounting standards or rules promulgated by the FASB, the SEC or other regulatory authorities.

Our audit committee consists of Messrs Michael Flynn and Scot Jarvis, with Mr. Flynn serving as Chair. Under the NYSE American listing standards and applicable SEC rules, we are required to have at least two members of the audit committee, all of whom must be independent. Our Board has affirmatively determined that Messrs Flynn and Jarvis each meet the definition of "independent director" for purposes of serving on the audit committee under Rule 10A-3 of the Exchange Act and the NYSE American rules. Each member of our audit committee also meets the financial literacy requirements of NYSE American listing standards. In addition, our Board has determined that Mr. Flynn qualifies as an "audit committee financial expert," as such term is defined in Item 407(d)(5) of Regulation S-K promulgated by the SEC. Our Board has adopted a written charter for the audit committee, which is available on our corporate website. The information on any of our websites is deemed not to be incorporated in this Annual Report or to be part of this Annual Report.

Compensation Committee

Our compensation committee is responsible for, among other things:

- reviewing and approving on an annual basis the corporate goals and objectives relevant to our Chief Executive Officer's compensation, evaluating our Chief Executive Officer's performance in light of such goals and objectives and determining and approving the remuneration of our Chief Executive Officer based on such evaluation;

- reviewing and approving on an annual basis the compensation of all of our other officers;

- reviewing on an annual basis our executive compensation policies and plans;

- implementing and administering our incentive compensation equity-based remuneration plans;

- assisting management in complying with our proxy statement and annual report disclosure requirements;

- approving all special perquisites, special cash payments and other special compensation and benefit arrangements for our officers and employees;

- if required, producing a report on executive compensation to be included in our annual proxy statement; and

- reviewing, evaluating and recommending changes, if appropriate, to the remuneration for directors.

Our compensation committee consists of Messrs. Flynn and Jarvis, with Mr. Jarvis serving as chair. Our Board has affirmatively determined that Messrs. Flynn and Jarvis each meet the definition of "independent director" for purposes of serving on the compensation committee under the NYSE American rules, including the heightened independence standards for members of a compensation committee, and are "non-employee directors" as defined in Rule 16b-3 of the Exchange Act. Our Board has adopted a written charter for the compensation committee, which is available on our corporate website. The information on any of our websites is deemed not to be incorporated in this Annual Report or to be part of this Annual Report.

Nominating and Corporate Governance Committee

Our nominating and corporate governance committee is responsible for, among other things:

- identifying, screening and reviewing individuals qualified to serve as directors and recommending to the Board candidates for nomination for election at the annual meeting of stockholders or to fill vacancies on the Board;

- developing and recommending to the Board and overseeing implementation of our corporate governance guidelines;

- coordinating and overseeing the annual self-evaluation of our Board, its committees, individual directors and management in the governance of our company; and

- reviewing on a regular basis our overall corporate governance and recommending improvements as and when necessary.

Our nominating and corporate governance committee consists of Messrs Michael Flynn and Scot Jarvis. Our Board has affirmatively determined that Messrs. Flynn and Jarvis each meet the definition of "independent director" under the NYSE American rules. Our Board has adopted a written charter for the nominating and corporate governance committee, which is available on our corporate website. The information on any of our websites is deemed not to be incorporated in this Annual Report or to be part of this Annual Report.

Risk Oversight

Our Board is responsible for overseeing our risk management process. Our Board focuses on our general risk management strategy, the most significant risks facing us, and oversees the implementation of risk mitigation strategies by management. Our audit committee is also responsible for discussing our policies with respect to risk assessment and risk management. Our Board believes its administration of its risk oversight function has not negatively affected our Board's leadership structure.

Code of Business Conduct and Ethics

We have adopted a written code of business conduct and ethics that applies to our directors, officers and employees, including our principal executive officer, principal financial officer, principal accounting officer or controller, or persons performing similar functions. A copy of the code is available on our corporate website, at *ir.airspan.com/corporate-governance*. We intend to disclose any amendment to, or waiver from, a provision of the code of business conduct that applies to our principal executive officer, principal financial officer or principal accounting officer on our corporate website. The information on any of our websites is deemed not to be incorporated in this Annual Report or to be part of this Annual Report.

Compensation of Directors and Officers

Our executive compensation program reflects our compensation policies and philosophies, as they may be modified and updated from time to time.

Decisions with respect to the compensation of our executive officers, including our named executive officers, is made by the compensation committee of the Board. Our executive compensation programs for 2023 are further described below under "*Executive Compensation*."

Item 11. Executive Compensation.

This section discusses the material components of the executive compensation program for our executive officers who are named in the "Summary Compensation Table" below. As an emerging growth company, we comply with the executive compensation disclosure rules applicable to "smaller reporting companies," as such term is defined in the rules promulgated under the Securities Act, which require compensation disclosure for our principal executive officers and the two most highly compensated executive officers other than our principal executive officer. These four officers are referred to as our named executive officers.

In 2023, our "named executive officers" and their positions were as follows:

- Eric. D. Stonestrom, Chief Executive Officer until May 2023 and Chairman of the Board of Directors until December 2023;
- Glenn Laxdal, Chief Executive Officer as of May 2023, prior to that, President & Chief Operating Officer;
- Henrik Smith-Peterson, Chief Sales and Marketing Officer, and
- David Brant, Senior Vice President and Chief Financial Officer.

Summary Compensation Table

The following table provides summary information concerning compensation paid or accrued by us to or on behalf of our named executive officers.

Name and Principal Position	Year	Salary ($)	Bonus ($)	Stock Awards ($)(1)	Option Awards ($)(2)	Non-equity Incentive Plan Compensation ($)(3)	All Other Compensation ($)(4)	Total ($)
Eric D. Stonestrom,	2023	$ 567,500	$ -	$ -	$ -	$ -	$ 11,562	$ 579,062
Former Chief Executive Officer and Chairman of the Board of Directors	2022	$ 561,346	$ 31,050	$ 2,289,050	$ 1,159,805	$ -	$ 10,753	$ 4,052,004
Glenn Laxdal,	2023	$ 419,066	$ -	$ -	$ -	$ -	$ 1,430	$ 420,496
Chief Executive Officer and President	2022	$ 378,480	$ -	$ 2,729,252	$ 2,729,587	$ -	$ 2,992	$ 5,840,311
Henrik Smith-Peterson, Chief Sales and Marketing Officer	2023	$ 324,864	$ -	$ -	$ -	$ 175,641	$ 22,228	$ 522,733
David Brant, Senior Vice President and Chief Financial Officer	2023	$ 339,923	$ -	$ -	$ -	$ -	$ 25,494	$ 365,417

(1) The amounts in this column for 2023 represent the aggregate grant date fair value of restricted stock awards granted to each named executive officer, computed in accordance with FASB ASC Topic 718. See Note 20 to the audited consolidated financial statements included elsewhere in this Annual Report for a discussion of the assumptions used in determining the grant date fair value of our equity awards.

(2) The amounts in this column represent the aggregate grant date fair value of option awards granted to each named executive officer, computed in accordance with FASB ASC Topic 718. See Note 20 to the audited consolidated financial statements included elsewhere in this Annual Report for a discussion of the assumptions used in determining the grant date fair value of our equity awards.

(3) The amounts in this column represent amounts paid pursuant to the MIP in connection with the Closing of the Business Combination.

(4) The amounts in this column represent our matching contributions under our 401(k) plan and benefits.

Narrative Disclosure to Summary Compensation Table

We have historically provided compensation for our named executive officers by way of base salary and bonus, both of which are provided under the named executive officer's employment agreement, as well as equity awards.

Employment Agreements and Offer Letters

All of our named executive officers are employed with employment agreements.

Glenn Laxdal, Chief Executive Officer and President

Mr. Laxdal's base salary under his employment agreement, dated January 24, 2022, is subject to periodic review and adjustment by our Board. Additionally, Mr. Laxdal is eligible to receive certain bonus compensation under our bonus plan at a target of 50% of his base salary and is eligible to receive grants under our equity compensation plans. Mr. Laxdal's employment agreement has no specified term. On May 31, 2023, Mr. Laxdal's base salary increased to $425,000 annually and is eligible to receive grants under our bonus plan at a target of 60% of his base salary. See the caption "Potential Payments Upon Termination or Change in Control" for details regarding potential severance payments.

Henrik Smith-Peterson, Chief Sales and Marketing Officer

Mr. Smith Petersen's base salary under his employment agreement, dated October 7, 2009, is subject to periodic review and adjustment by the Board. Additionally, Mr. Smith-Petersen is eligible to receive certain bonus compensation under our sales compensation plan at a level of up to 70% of his base salary, plus certain spot bonuses for achieving specific sales goals. Mr. Smith-Petersen is also eligible to receive grants under our equity compensation plans. Mr. Smith-Petersen's employment agreement has no specified term.

David Brant, Senior Vice President and Chief Financial Officer

Mr. Brant's base salary under his employment agreement, effective as of January 1, 2007, is subject to periodic review and adjustment by the Board. Additionally, Mr. Brant is eligible to receive certain bonus compensation under our bonus plan at a target of 50% of his base salary and is eligible to receive grants under our equity compensation plans. Mr. Brant's employment agreement has no specified term.

Equity Awards

We have historically offered stock options and restricted stock awards to our named executive officers, as the long-term incentive component of our compensation program. Our stock options generally allow employees to purchase shares of common stock at a price equal to the fair market value of that common stock on the date of grant. Our restricted stock awards generally remain subject to forfeiture until the risks of forfeiture lapse according to their terms. Historically, restricted stock awards vested upon the earlier of either of the following events that occurred on or prior to the 10^{th} anniversary of the date of grant: (i) the date of a change in control; or (ii) the effective date of an initial public offering. In connection with the Closing of the Business Combination, the provisions of our outstanding restricted stock awards were amended to provide that vesting would occur on the earliest to occur of (a) August 13, 2022, (b) death, (c) disability and (d) qualifying separation, provided that the holder continues to be employed by us, or continues to be a director of ours, through such date or event.

Executive compensation

There were no options to purchase shares of common stock or restricted stock awards granted to our named executive officers during 2023.

Outstanding Equity Awards at 2023 Fiscal Year-End

The following table provides information regarding outstanding equity awards for our named executive officers as of December 31, 2023.

		Option Awards				Stock Awards	
Name	Grant Date	Number of Securities Underlying Unexercised Options (#) Exercisable	Number of Securities Underlying Unexercised Options (#) Unexercisable	Option Exercise Price ($)	Option Expiration Date	Number of Shares or Units of Stock That Have Not Vested (#)[1]	Market Value of Shares or Units of Stock That Have Not Vested ($)
Eric D. Stonestrom	5/13/22	-	477,286	$ 2.43	5/13/32		
	4/26/22					419,242	$ 37,732[5]
	1/28/21[2]	95,861	-	$ 6.29	1/28/31		
	2/11/20[2]	260,594	-	$ 3.96	2/11/30		
	1/29/19[2]	289,980	-	$ 5.42	1/29/29		
	4/27/17[2]	234,739	-	$ 3.36	4/27/27		
	2/3/16[2]	111,566	-	$ 2.66	2/3/26		
	1/29/15[2]	83,334	-	$ 2.53	1/29/25		
	11/4/14[2]	103,957	-	$ 2.53	11/4/24		
	6/9/14[2]	194,803	-	$ 1.95	6/9/24		
Glenn Laxdal	1/24/22	351,551	382,119	$ 3.72	1/24/32	183,416	$ 16,507[5]
Henrik Smith-Peterson	4/26/22					209,619	$ 18,866
	1/28/21[4]	41,197	15,301	$ 6.29	1/28/31		
	2/11/20[4]	292,957	12,737	$ 3.96	2/11/30		
	1/29/19[4]	72,495	-	$ 5.42	1/29/29		
	4/27/17[4]	58,685	-	$ 3.36	4/27/27		
	2/3/16[4]	27,897	-	$ 2.66	2/3/26		
	1/29/15[4]	20,831	-	$ 2.53	1/29/25		
	11/4/14[4]	25,982	-	$ 2.53	11/4/24		
	6/9/14[4]	72,080	-	$ 1.95	6/9/24		
David Brant	5/13/22	99,435	139,207	$ 2.43	5/13/32		
	4/26/22					209,619	$ 18,866
	1/28/21[4]	49,341	18,326	$ 6.29	1/28/31		
	2/11/20[4]	130,297	5,665	$ 3.96	2/11/30		
	1/29/19[4]	144,990	-	$ 5.42	1/29/29		
	4/27/17[4]	58,685	-	$ 3.36	4/27/27		
	2/3/16[4]	27,897	-	$ 2.66	2/3/26		
	1/29/15[4]	20,831	-	$ 2.53	1/29/25		
	11/4/14[4]	25,982	-	$ 2.53	11/4/24		
	6/9/14[4]	72,080	-	$ 1.95	6/9/24		

(1) Represents MIP RSUs granted at the Closing of the Business Combination. Vests on the earliest to occur of (i) August 13, 2022, (ii) the MIP Participant's death, (iii) the MIP Participant's disability and (iv) the MIP Participant's qualifying separation, provided that the MIP Participant continues to be employed by us, or continues to be a director of ours, through such date or event. The MIP RSUs vested on August 13, 2022.

(2) Vests (subject to continued service) as to 25% on first anniversary of grant date, and in 36 equal monthly installments thereafter, with all remaining unvested options vesting upon a change in control.

(3) Originally vested upon the earlier of either of the following events that occurred on or prior to the 10^{th} anniversary of the date of grant: (i) the date of a change in control; or (ii) the effective date of an initial public offering. At Closing, the vesting restrictions with respect to these restricted stock awards were revised to provide that the restricted stock will vest in full on the earliest to occur of (i) August 13, 2022, (ii) the holder's death, (iii) the holder's disability and (iv) the holder's qualifying separation, provided that the holder continues to be employed by us, or continues to be a director of ours, through such date or event.

(4) Vests (subject to continued service) as to 25% on first anniversary of grant date, and in 36 equal monthly installments thereafter, with 50% of any remaining unvested options vesting upon a change in control.

(5) Valued at $0.09 per share, the closing market price of one share of Common Stock on the NYSE American on December 29, 2023, the last trading day of 2023.

Retirement Benefits

We maintain a 401(k) retirement savings plan for our U.S.-based employees, including Mr. Laxdal. Mr. Laxdal is eligible to participate in the 401(k) plan on the same terms as other full-time employees, including employer matching contributions.

Potential Payments Upon Termination or Change in Control

Name	Amount Paid on Our Terminating the Employment Contract without Cause(4)
Glenn Laxdal(1)	$ 425,000 (equivalent to 12 months' base salary)
Henrik Smith-Peterson(2)	
David Brant(3)	

(1) Under Mr. Laxdal's current offer letter, which became effective January 24, 2022, which was updated by letter dated May 31, 2023, in the event of termination of Mr. Laxdal (as defined in his employment agreement) his employment with Airspan will be "at-will," meaning either Mr. Laxdal or Airspan have the right to terminate the employment relationship at any time, with or without notice, and for any reason (or no reason) not prohibited by law. Although Mr. Laxdal's compensation, benefits, duties and responsibilities are subject to change at any time, the at-will nature of his employment with Airspan may only be altered by an express written agreement signed by Mr. Laxdal and Airspan's CEO. If Airspan terminates Mr. Laxdal's employment, he will be entitled to a severance payment of twelve (12) months base salary.

(2) Under Mr. Smith-Peterson's current offer letter, which became effective February 23, 2021, his employment with Airspan is "at-will," meaning either Mr. Smith-Peterso or Airspan have the right to terminate the employment relationship at any time, with or without notice, and for any reason (or no reason) not prohibited by law. Although Mr. Smith-Peterson's compensation, benefits, duties and responsibilities are subject to change at any time, the at-will nature of his employment with Airspan may only be altered by an express written agreement signed by Mr. Smith-Peterson's and Airspan. If Airspan terminates Mr. Smith-Peterson's employment, he will be entitled to a severance payment of twelve (12) months base salary.

(3) Under Mr. Brant's current employment agreement, which became effective January 1, 2007 as amended on October 7, 2009, in the event of termination of Mr. Brant other than for "cause" (as defined in his employment agreement) or if he terminates his employment with "good reason" (as defined in his employment agreement), Mr. Brant would be entitled to severance equal to 12 months' base salary as of the termination date or approximately $360,000, as well as up to 12 months of COBRA coverage if he should elect to enroll. If Mr. Brant is terminated within one year of the effective date of a "change in control" (as defined in his employment agreement) or voluntarily terminates his employment because of a required relocation or a material change in his responsibilities, Mr. Brant would be entitled to receive severance of 12 months' total cash compensation that would otherwise have been payable, including all bonuses as well as up to 12 months of COBRA coverage if he should elect to enroll. Assuming termination based on a change in control at December 31, 2023, Mr. Brant would have been entitled to compensation of approximately $360,000 (equivalent to 12 months' base salary), plus bonuses and benefits, payable biweekly, and COBRA coverage.

(4) The termination payment arrangements for the named executive officers were individually negotiated with each named executive officer at different time periods. We do not have a policy or set parameters for such arrangements and do not believe that such arrangements materially affected the other compensation elements for the named executive officers.

Upon the occurrence of a "change in control", as defined in our stock option agreements under our equity compensation plans, the following provisions apply to option awards under our equity compensation plans:

Upon the occurrence of a "change in control" (as defined below), if we or any successor, assign, or purchaser thereof does not either: (a) continue the option (as adjusted, if necessary, to retain its pre-"change in control" economic value and aggregate "spread" between the option shares' fair market value and exercise price) or (b) grant a new option of at least equivalent economic value, aggregate "spread," and other terms and conditions as the pre-"change in control" option, then an additional 50 percent (100 percent in the case of options granted to Mr. Stonestrom and Mr. Brant) of any remaining unvested options will automatically vest. In the case of options granted to Mr. Stonestrom and Mr. Brant, if there is a "change in control" and we or any successor, assign, or purchaser thereof either: (i) continues the option (as adjusted, if necessary, to retain its pre-"change in control" economic value and aggregate "spread" between the option shares' fair market value and exercise price) or (ii) grants a new option of at least equivalent economic value, aggregate "spread," and other terms and conditions as the pre-"change in control" option, and within two years of the effective date of the "change in control" either optionee's employment is terminated, or the optionee voluntarily terminates their employment with good reason, then 100 percent of any remaining options will automatically vest. All such vested options may be exercised (together with any other previously or subsequently vested options) until the later of (A) the date related to termination of the employee, or (B) one year from such "change in control", but in no event longer than ten years from the original date of grant.

A "change in control" as defined in the stock option agreements under our equity compensation plans means any consolidation or merger of us with or into another corporation or entity (after which our pre-existing stockholders do not own a majority of the outstanding shares of the surviving entity), an acquisition or sale of substantially all of our assets or a sale of stock in a single transaction (or several related transactions) to one person (or a group acting together) who, as a result of such transaction, shall own more than 50% voting control of us, or any voluntary or involuntary liquidation, dissolution or winding up of our affairs.

Director Compensation

During the year ended December 31, 2023, we paid our non-management directors the annual fees set forth below:

- Board fees of $50,000 per year;
- Board Chair fee of $45,000 per year;

- Audit Committee member fees of $12,500 per year with the Audit Committee Chair earning $25,000 per year;
- Compensation Committee member fees of $7,500 per year, with the Compensation Committee Chair earning $15,000 per year;
- Nominating and Corporate Governance Committee member fees of $5,000 per year, with the Nominating and Corporate Governance Committee Chair earning $10,000 per year; and
- Special Committee member fees of $800 per meeting.

In addition, Mr. Huseby received an annual retainer of $205,000 for his role as adviser to the Chairman of the Board. Mr. Stonestrom and Mr. Laxdal do not receive any compensation for their services as a director.

The following table provides information on the compensation of our non-management directors in fiscal 2023.

Name	**Fees Earned or Paid in Cash ($)**	**Stock Awards ($)**	**Total ($)**
Bandel L. Carano (resigned December 22, 2023)	$ -	$ 41,845	$ 41,845
Michael T. Flynn	78,300	41,845	120,145
Thomas S. Huseby	243,709	128,500	372,209
Scot B. Jarvis	65,000	41,845	106,845
Michael Liebowitz (resigned November 6, 2023)	75,000	41,845	116,845
Mathew Oommen	-	-	-
Divya Seshamani (resigned November 9, 2023)	82,500	41,845	124,345
Dominique Trempont (resigned November 8, 2023)	102,700	41,845	144,545
Marc Heimowitz (appointed November 13, 2023)	63,500	-	63,500

As of December 31, 2023, Mr. Flynn had 25,359 and Mr. Huseby had 38,424 restricted Common Stock awards outstanding. As of December 31, 2023, Mr. Flynn had restricted stock units with respect to 129,583 shares of Common Stock outstanding, Mr. Huseby had restricted stock units with respect to 566,833 shares of Common Stock outstanding and Messrs. Carano, Jarvis, Liebowitz, Oommen and Trempont and Ms. Seshamani each had restricted stock units with respect to 71,833 shares of Common Stock outstanding. In addition, the following stock options were outstanding and held by our directors: Mr. Flynn, 152,545; Mr. Huseby, 350,773; Mr. Jarvis, 100,426; and Mr. Trempont, 98,708.

Compensation Committee Interlocks and Insider Participation

None of our executive officers serves as a member of the Board or compensation committee (or other committee performing equivalent functions) of any entity that has one or more executive officers serving on our Board or compensation committee.

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

The following table sets forth information known to us regarding the beneficial ownership of our Common Stock as of September 30, 2024, by:

- each person who is the beneficial owner of more than 5% of issued and outstanding shares of our Common Stock;
- each of our current named executive officers and directors; and
- all of our executive officers and directors as a group.

Beneficial ownership is determined according to the rules of the SEC, which generally provide that a person has beneficial ownership of a security if he, she or it possesses sole or shared voting or investment power over that security, which includes the power to dispose of or to direct the disposition of the security or the right to acquire such powers within 60 days. In computing the number of shares of our Common Stock beneficially owned by a person or entity and the percentage ownership, we deem outstanding shares of our Common Stock subject to options and Warrants held by that person or entity that are currently exercisable or exercisable within 60 days of September 30, 2024. We do not deem these shares outstanding, however, for the purpose of computing the percentage ownership of any other person or entity.

Unless otherwise indicated, and subject to applicable community property laws, we believe that the persons and entities named in the table have sole voting and investment power with respect to all shares of Common Stock beneficially owned by them.

The beneficial ownership of shares of our Common Stock is based on 74,638,893 shares of Common Stock issued and outstanding as of September 30, 2024.

Name and Address of Beneficial Owner[(1)]	**Number of shares of Common Stock**	**%**
Directors and Executive Officers[(1)]		
Glenn Laxdal[(2)]	1,087,391	1.4%
David Brant[(3)]	1.473,321	2.0%
Henrik Smith-Petersen[(4)]	1,253,976	1.7%
Marc Heimowitz[(5)]	-	-
Michael T. Flynn[(6)]	287,339	*
Scot B. Jarvis[(7)]	158,502	*
All Directors and Executive Officers as a Group (6 individuals)[(8)]	4,260,529	5.5%
Five Percent Holders:		
Oak Investment Partners[(9)]	28,639,059	38.4%
SoftBank Group Capital Limited[(10)]	13,783,886	18.5%

(1) Unless otherwise noted, the address of each beneficial owner is c/o Airspan Networks Inc., 777 Yamato Road, Suite 310, Boca Raton, Florida 33431.

(2) Common Stock consists of 180,491 shares of Common Stock., (ii) 519,684 shares of Common Stock issuable on exercise of options that are exercisable within 60 days from September 30, 2024 and (iii) 387,216 restricted stock units that vest within 60 days from September 30, 2024.

(3) Common Stock consists of (i) 259,835 shares of Common Stock., (ii) 864,124 shares of Common Stock issuable on exercise of options that are exercisable within 60 days from September 30, 2024 and (iii) 349, 362 restricted stock units that vest within 60 days from September 30, 2024.

(4) Common Stock consists of (i) 266,805 shares of Common Stock, (ii) 637,808 shares of Common Stock issuable on exercise of options that are exercisable within 60 days from September 30, 2024 and (iii) 349,362 restricted stock units that vest within 60 days from September 30, 2024.
(5) This director owns no Common Stock.
(6) Common Stock consists of (i) 103,668 shares of Common Stock, (ii) 132,011 shares of Common Stock issuable on exercise of options that are exercisable within 60 days from September 30, 2024, and (iii) 51,660 restricted stock units that vest within 60 days from September 30, 2024.
(7) Common Stock consists of (i) 20,173 shares of Common Stock and 251,910 shares of Common Stock held by Connis Point Partners, LLC, of which Mr. Jarvis is the Managing Member, (ii) 86,669 shares of Common Stock issuable on exercise of options that are exercisable within 60 days from September 30, 2024 and (iii) 51,660 restricted stock units that vest within 60 days from September 30, 2024. The address of Connis Point Partners, LLC is 3825 Issaquah Pine Lake Rd. SE, Sammamish, Washington 98075.
(8) Consists of a total of (i) 2,240,296 shares of Common Stock options exercisable and (ii) 1,189,261 restricted stock units.
(9) Common Stock consists of (i) 28,639,059 shares of Common Stock held by Oak Investment Partners XI, Limited Partnership and Oak Investment Partners XIII, Limited Partnership (collectively, "Oak Investment Partners");. The address of the entities affiliated with Oak Investment Partners is 901 Main Avenue, Suite 600, Norwalk, Connecticut 06851.
(10) Common Stock consists of (i) 13,783,886 shares of Common Stock held by SoftBank Group Capital Limited. The address of SoftBank Group Capital Limited is 69 Grosvenor Street, London, W1K 3JP United Kingdom. Shares are subject to the irrevocable proxy and power of attorney dated March 8, 2021, as further described in this Annual Report in the section entitled "Certain Relationships and Related Person Transactions — Legacy Airspan — SoftBank."

Securities Authorized for Issuance under Equity Compensation Plans

The following table summarizes equity compensation plans that were approved by our stockholders and equity compensation plans that were not approved by our stockholders as of December 31, 2023.

Plan category	Number of securities to be issued upon exercise of outstanding options, warrants and rights	Weighted-average exercise price of outstanding options, warrants and rights	Number of securities remaining available for future issuance under equity compensation plans (excluding securities reflected in column (a))
	(a)	(b)	(c)
Equity compensation plans approved by security holders	9,310,794 (1)	3.74 (2)	3,880,544 (3)
Equity compensation plans not approved by security holders	-	-	-
Total	9,310,794	3.74	3,880,544

(1) Represents shares of Common Stock to be issued upon the exercise of options and the vesting of restricted stock units granted under the Legacy Airspan Plan and the 2021 Plan.
(2) Reflects the weighted-average exercise price of outstanding options. Outstanding restricted stock units are not included as such awards do not have an exercise price.
(3) Represents 3,880,544 shares of Common Stock available for issuance under the 2021 and the Legacy Airspan Plan.

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

Amended Credit Agreement

At Closing, on August 13, 2021, the Company, Legacy Airspan and certain of its subsidiaries who are party to the Fortress Credit Agreement entered into the August 2021 Fortress Amendment with Fortress to, among other things, add the Company as a guarantor, recognize and account for the Business Combination, recognize and account for the Convertible Notes and provide updated procedures for replacement of LIBOR. On March 29, 2022, the Company, Legacy Airspan and certain of its subsidiaries who are party to the Fortress Credit Agreement entered into the March 2022 Fortress Credit Amendment to, among other things, amend the financial covenants included in the Fortress Credit Agreement. On November 14, 2022, the Company, Legacy Airspan and certain of our subsidiaries who are party to the Fortress Credit Agreement entered into the November 2022 Fortress Credit Amendment to, among other things, effect a limited waiver of certain events of default under the Fortress Credit Agreement. On May 18, 2023, the Company, Legacy Airspan and certain of our subsidiaries who are party to the Fortress Credit Agreement entered into the May 2023 Fortress Credit Amendment to, among other things. effect a limited waiver of certain events of default under the Fortress Credit Agreement. On August 11, 2023, the Company, Legacy Airspan and certain of our subsidiaries who are party to the Fortress Credit Agreement entered into the August 2023 Fortress Credit Amendment to, among other things, implement certain modifications to the Fortress Credit Agreement relating to the Purchase Agreement and the Transaction. On November 14, 2023, the Company, Legacy Airspan and certain of our subsidiaries who are party to the Fortress Credit Agreement entered into the November Fortress Credit Amendment to, among other things, effect a limited waiver of certain events of default under the Fortress Credit Agreement and establish new delayed draw term loan commitments under the November 2023 Fortress Credit Agreement. On December 22, 2023, the Company, Legacy Airspan and certain of our subsidiaries who are party to the Fortress Credit Agreement entered into the December 2023 Fortress Credit Agreement to, among other things, effect a limited waiver of certain events of default under the Fortress Credit Agreement, establish new delayed draw term loan commitments under the December 2023 Fortress Credit Agreement, and defer the due date of certain cash payments of principal and interest under the Fortress Credit Agreement. SoftBank has an indirect, non-controlling beneficial interest in Fortress, which is the agent and principal lender under the Fortress Credit Agreement. At December 31, 2023, there was approximately $59.5 million aggregate principal amount of indebtedness outstanding under the Fortress Credit Agreement, which is the largest aggregate principal amount outstanding during the year ended December 31, 2023. During the year ended December 31, 2023, we paid approximately $2.9 million in interest and $29.1 million of principal under the Fortress Credit Agreement.

The Fortress Credit Agreement has a maturity date of December 30, 2024. Under the Fortress Credit Agreement, the initial term loan ("Tranche 1") total commitment of $34.0 million and a term loan ("PIK" or "Paid-in-Kind") commitment of $10.0 million ("Tranche 2") were both funded to Legacy Airspan on December 30, 2020. Under the May 2023 Fortress Credit Agreement Amendment, the November 2023 Fortress Credit Agreement Amendment, the December 2023 Fortress Credit Agreement Amendment, and the terms of the Fortress Credit Agreement, we expanded the term loan commitment, subject to the terms of the Fortress Credit Agreement. The Fortress Credit Agreement contains a prepayment premium of 5.0% if the prepayment occurs during the period from December 30, 2021 through December 29, 2022, and 3.0% if the prepayment occurs during the period from December 30, 2022 through December 29, 2023. The Fortress Credit Agreement also contains a prohibition on prepayment during the period from December 30, 2020 through December 29, 2021 and a related fee in the amount of the make-whole amount of interest that would have been payable had such prepayment not been made.

To secure its obligations under the Fortress Credit Agreement, Fortress was assigned PWB's security interest under the PWB Facility and we granted Fortress, as security for the obligations, a security interest in (a) all of the real, personal and mixed property in which liens are granted or purported to be granted pursuant to any of the collateral documents as security for the obligations, (b) all products, proceeds, rents and profits of such property, (c) all of each loan party's book and records and (d) all of the foregoing whether now owned or existing, in each case excluding certain excluded assets.

The Fortress Credit Agreement contains representations and warranties, events of default and affirmative and negative covenants, which include, among other things, certain restrictions on the ability to pay dividends, create liens, incur additional indebtedness, make investments, dispose of assets, consummate business combinations (except for permitted investments, as defined in the Fortress Credit Agreement), and make distributions. In addition, financial covenants apply. Prior to the March 2022 Fortress Credit Amendment, these financial covenants included (a) minimum liquidity of $4.0 million as of December 31, 2020 and $5.0 million thereafter, (b) minimum last twelve-month revenue and (c) minimum last twelve-month EBITDA. Pursuant to the March 2022 Fortress Credit Amendment, the financial covenants included in the Fortress Credit Agreement were amended to increase the minimum liquidity requirement to an amount between $15.0 million and $20.0 million, depending on EBITDA performance levels and whether a default or event of default exists under the Fortress Credit Agreement, and decrease the minimum last twelve-month revenue and EBITDA requirements. Revenue and EBITDA financial covenants are tested quarterly. Pursuant to the May 2023 Fortress Credit Amendment, the financial covenants included in the Fortress Credit Agreement were amended to reduce the minimum liquidity requirement to a minimum of, prior to the closing of the Transaction, $2.0 million, and after the closing of the Transaction, $4.0 million.

The interest rate for Tranche 1 is based on the level of our Net EBITDA Leverage Ratio. The initial applicable rate for Tranche 1 is set at Level V (see table below). After the initial applicable rate period, the relevant rate (prior to the effective date of the May 2023 Fortress Credit Amendment) is as follows for Tranche 1:

Level	**Net EBITDA Leverage Ratio**	**Base Rate Loan**	**LIBOR Loan**
Level I	Less than or equal to 2.00:1.00	The applicable rate is the Base Rate plus 6.00% per annum, of which the Margin Cash Component is 5.50% and the Margin PIK Component is 0.50%	The applicable rate is LIBOR plus 7.00% per annum, of which the Margin Cash Component is 5.50% and the Margin PIK Component is 1.50%
Level II	Less than or equal to 3.00:1.00 but greater than 2.00:1.00	The applicable rate is the Base Rate plus 7.00% per annum, of which the Margin Cash Component is 5.50% and the Margin PIK Component is 1.50%	The applicable rate is LIBOR plus 8.00% per annum, of which the Margin Cash Component is 5.50% and the Margin PIK Component is 2.50%
Level III	Less than or equal to 4.00:1.00 but greater than 3.00:1.00	The applicable rate is the Base Rate plus 8.00% per annum, of which the Margin Cash Component is 5.50% and the Margin PIK Component is 2.50%	The applicable rate is LIBOR plus 9.00% per annum, of which the Margin Cash Component is 5.50% and the Margin PIK Component is 3.50%
Level IV	Less than or equal to 5.00:1.00 but greater than 4.00:1.00	The applicable rate is the Base Rate plus 9.00% per annum, of which the Margin Cash Component is 5.50% and the Margin PIK Component is 3.50%	The applicable rate is LIBOR plus 10.00% per annum, of which the Margin Cash Component is 5.50% and the Margin PIK Component is 4.50%
Level V	Greater than 5.00:1.00	The applicable rate is the Base Rate plus 10.00% per annum, of which the Margin Cash Component is 5.50% and the Margin PIK Component is 4.50%	The applicable rate is LIBOR plus 11.00% per annum, of which the Margin Cash Component is 5.50% and the Margin PIK Component is 5.50%

From and after the effective date of the May 2023 Fortress Credit Amendment, the relevant rate is as follows for Tranche 1:

Level	**Net EBITDA Leverage Ratio**	**Base Rate Loan**	**SOFR Loan**
Level I	Less than or equal to 2.00:1.00	The applicable rate is the Base Rate plus 9.00% per annum, of which the Margin Cash Component is 5.50% and the Margin PIK Component is 3.50%	The applicable rate is Adjusted Term SOFR plus 10.00% per annum, of which the Margin Cash Component is 5.50% and the Margin PIK Component is 4.50%
Level II	Less than or equal to 3.00:1.00 but greater than 2.00:1.00	The applicable rate is the Base Rate plus 10.00% per annum, of which the Margin Cash Component is 5.50% and the Margin PIK Component is 4.50%	The applicable rate is Adjusted Term SOFR plus 11.00% per annum, of which the Margin Cash Component is 5.50% and the Margin PIK Component is 5.50%
Level III	Less than or equal to 4.00:1.00 but greater than 3.00:1.00	The applicable rate is the Base Rate plus 11.00% per annum, of which the Margin Cash Component is 5.50% and the Margin PIK Component is 5.50%	The applicable rate is Adjusted Term SOFR plus 12.00% per annum, of which the Margin Cash Component is 5.50% and the Margin PIK Component is 6.50%
Level IV	Less than or equal to 5.00:1.00 but greater than 4.00:1.00	The applicable rate is the Base Rate plus 12.00% per annum, of which the Margin Cash Component is 5.50% and the Margin PIK Component is 6.50%	The applicable rate is Adjusted term SOFR plus 13.00% per annum, of which the Margin Cash Component is 5.50% and the Margin PIK Component is 7.50%
Level V	Greater than 5.00:1.00	The applicable rate is the Base Rate plus 13.00% per annum, of which the Margin Cash Component is 5.50% and the Margin PIK Component is 7.50%	The applicable rate is Adjusted Term SOFR plus 14.00% per annum, of which the Margin Cash Component is 5.50% and the Margin PIK Component is 8.50%

The interest rate for delayed draw term loans is based on the level of the Company's Net EBITDA Leverage Ratio, as defined in the Fortress Credit Agreement. The initial applicable rate for Tranche 1 is set at Level V (see table below). After the initial applicable rate period, the relevant rate is as follows for Tranche 1:

Level	Net EBITDA Leverage Ratio	Base Rate Loan	SOFR Loan
Level I	Less than or equal to 2.00:1.00	The applicable rate is the Base Rate plus 6.00% per annum, of which the Margin Cash Component is 5.50% and the Margin PIK Component is 0.50%	The applicable rate is Adjusted Term SOFR plus 7.00% per annum, of which the Margin Cash Component is 5.50% and the Margin PIK Component is 1.50%
Level II	Less than or equal to 3.00:1.00 but greater than 2.00:1.00	The applicable rate is the Base Rate plus 7.00% per annum, of which the Margin Cash Component is 5.50% and the Margin PIK Component is 1.50%	The applicable rate is Adjusted Term SOFR plus 8.00% per annum, of which the Margin Cash Component is 5.50% and the Margin PIK Component is 2.50%
Level III	Less than or equal to 4.00:1.00 but greater than 3.00:1.00	The applicable rate is the Base Rate plus 8.00% per annum, of which the Margin Cash Component is 5.50% and the Margin PIK Component is 2.50%	The applicable rate is Adjusted Term SOFR plus 9.00% per annum, of which the Margin Cash Component is 5.50% and the Margin PIK Component is 3.50%
Level IV	Less than or equal to 5.00:1.00 but greater than 4.00:1.00	The applicable rate is the Base Rate plus 9.00% per annum, of which the Margin Cash Component is 5.50% and the Margin PIK Component is 3.50%	The applicable rate is Adjusted term SOFR plus 10.00% per annum, of which the Margin Cash Component is 5.50% and the Margin PIK Component is 4.50%
Level V	Greater than 5.00:1.00	The applicable rate is the Base Rate plus 10.00% per annum, of which the Margin Cash Component is 5.50% and the Margin PIK Component is 4.50%	The applicable rate is Adjusted Term SOFR plus 11.00% per annum, of which the Margin Cash Component is 5.50% and the Margin PIK Component is 5.50%

Interest with respect to Tranche 1 and delayed draw term loans is payable monthly in accordance with the Cash Component/PIK Component split described in the foregoing table. With respect to Tranche 2, the relevant applicable rate was five percent (5.00%) prior to the effective date of the May 2023 Fortress Credit Amendment, and eight percent (8.00%) from and after the effective date of the May 2023 Fortress Credit Amendment and as of December 31, 2023, and is payable monthly as interest paid in kind.

Convertible Notes

Immediately prior to Closing, on August 13, 2021, we issued $50,000,000 aggregate principal amount of Convertible Notes under the Convertible Note Purchase Agreement. At Closing, Legacy Airspan and certain of its subsidiaries who are party to the Fortress Credit Agreement entered into a joinder agreement to add Legacy Airspan and such subsidiaries as guarantors under the Convertible Note Purchase Agreement and to reaffirm the obligations and security intended to be granted thereby. On March 29, 2022, we and certain of our subsidiaries who are party to the Convertible Note Purchase Agreement entered into the March 2022 Fortress Convertible Note Agreement Amendment to, among other things, amend the financial covenants included in the Convertible Note Purchase Agreement, the conversion price of the Convertible Notes and the optional redemption provisions of the Convertible Notes. On May 18, 2023, the Company and certain of its subsidiaries who are party to the Fortress Convertible Note Agreement entered into the May 2023 Fortress Convertible Note Agreement Amendment to, among other things, effect a limited waiver of certain events of default under the Fortress Convertible Note Agreement, increase the interest rate on the Convertible Notes to 10.0% per annum, impose certain fees related to the Convertible Notes and the Fortress Convertible Note Agreement, and obtain certain consents related to the Transaction. On August 11, 2023, the Company and certain of our subsidiaries who are party to the Fortress Convertible Note Agreement entered into the August 2023 Fortress Convertible Note Agreement Amendment to, among other things, implement certain modifications to the Fortress Convertible Note Agreement relating to the Purchase Agreement and the Transaction. On November 14, 2023, the Company, Legacy Airspan and certain of our subsidiaries who are party to the Fortress Convertible Note Purchase and Guarantee Agreement entered into the November 2023 Fortress Convertible Note Agreement Amendment to, among other things, effect a limited waiver of certain events of default under the Fortress Convertible Note Agreement and establish certain new covenants. On December 22, 2023, the Company, and certain of its subsidiaries who are party to the Fortress Convertible Note Agreement entered into the December 2023 Fortress Convertible Note Agreement Amendment to, among other things, effect a limited waiver of certain existing and potential prospective events of default under the Fortress Convertible Note Agreement, establish certain new covenants, and defer the due date of certain cash payments of interest under the Fortress Convertible Notes. SoftBank has an indirect, non-controlling beneficial interest in Fortress, which is the collateral agent and trustee under the Convertible Note Purchase Agreement and the Convertible Notes. SoftBank has an indirect, non-controlling beneficial interest in each holder of Convertible Notes.

The Convertible Notes bear interest at the Base Rate, payable quarterly in arrears on March 31, June 30, September 30 and December 31 of each year, beginning on September 30, 2021. Under certain circumstances, a default interest will apply following an event of default under the Convertible Notes at a per annum rate equal to the lower of (i) the Base Rate plus 3.75% and (ii) the maximum amount permitted by law. The Convertible Notes mature on December 30, 2024, unless earlier accelerated, converted, redeemed or repurchased. The Convertible Notes are secured by substantially all of our assets and a pledge of the capital stock of our subsidiaries.

Prior to the March 2022 Fortress Convertible Note Agreement Amendment, each Convertible Note, together with all accrued but unpaid interest thereon, was convertible, in whole or in part, at the option of the holder thereof, at any time prior to the payment in full of the principal amount thereof (together with all accrued but unpaid interest thereon), into shares of our Common Stock at a conversion price equal to $12.50 per share. Pursuant to the March 2022 Fortress Convertible Note Agreement Amendment, the conversion price with respect to the Convertible Notes was decreased to $8.00 per share. The conversion price with respect to the Convertible Notes is subject to adjustment to reflect stock splits and subdivisions, stock and other dividends and distributions, recapitalizations, reclassifications, combinations and other similar changes in capital structure. The conversion price with respect to the Convertible Notes is subject to a broad-based weighted average anti-dilution adjustment in the event we issue, or are deemed to have issued, shares of our Common Stock, other than certain excepted issuances, at a price below the conversion price then in effect. In addition, pursuant to the March 2022 Fortress Convertible Note Agreement Amendment, if, during the period commencing on and including the date of the March 2022 Fortress Convertible Note Agreement Amendment and ending on and including the 15-month anniversary of the date of the March 2022 Fortress Convertible Note Agreement Amendment, there is no 30 consecutive trading day-period during which the average of the Daily VWAPs for such 30 consecutive trading day-period (after excluding the three highest and three lowest Daily VWAPs during such period) equals or exceeds $10.00 (as adjusted for stock splits, stock combinations, dividends, distributions, reorganizations, recapitalizations and the like), the conversion price with respect to the Convertible Notes will be reduced to the amount that such conversion price would otherwise have been had the conversion price with respect to the Convertible Notes been $6.00 on the date of the March 2022 Fortress Convertible Note Agreement Amendment. Notwithstanding the above, the number of shares of our Common Stock that may be acquired by a holder upon any conversion of a Convertible Note will be limited to the extent necessary to insure that, following such conversion, the total number of shares of our Common Stock then beneficially owned by that holder and its affiliates and any other person whose beneficial ownership of our Common Stock would be aggregated with the holder’s for purposes of Section 13(d) of the Exchange Act does not exceed 4.999% of the total number of issued and outstanding shares of our Common Stock (including the shares of our Common Stock issuable upon such conversion).

Upon the occurrence of a change of control, or if our Common Stock or other securities into which the Convertible Notes are then convertible cease to be listed for trading on a U.S. national securities exchange, in each case, prior to the maturity date of the Convertible Notes, a holder of Convertible Notes will have the right, at its option, to require us to repurchase for cash all or a portion of the holder's Convertible Notes at a repurchase price equal to the sum of (i) all of the principal to be repurchased, (ii) any accrued and unpaid interest thereon through the date of repurchase, and (iii) any applicable make-whole amount. In addition, a future voluntary prepayment of our senior secured debt under the Fortress Credit Agreement will grant a holder of Convertible Notes the right, at its option, to require us to repurchase for cash a proportionate amount of the holder's Convertible Notes at a repurchase price equal to the sum of (a) the principal to be repurchased, (b) any accrued and unpaid interest thereon to the date of repurchase, and (c) any applicable make-whole amount. In the event certain other events occur or conditions exist, including the issuance of certain Indebtedness (as defined in the Convertible Note Purchase Agreement), certain asset dispositions, and certain issuances of equity, a holder of Convertible Notes will have the right, at its option, to require us to repurchase for cash a portion of the holder's Convertible Notes at a repurchase price equal to the sum of (x) the principal to be repurchased, (y) any accrued and unpaid interest thereon to the date of repurchase, and (z) any applicable make-whole amount. In the event certain cash flow thresholds are exceeded or certain proceeds of condemnation or insurance are received and not reinvested, a holder of Convertible Notes will have the right, at its option, to require us to repurchase for cash a portion of the holder's Convertible Notes at a repurchase price equal to the sum of (A) all of the principal to be repurchased, and (B) any accrued and unpaid interest thereon to or through, as applicable, the date of repurchase.

The Convertible Notes will not be redeemable by us prior to the second anniversary of the issuance of the Convertible Notes. On or after such second anniversary, the Convertible Notes will be redeemable, in whole or in part, by us for cash, shares of our Common Stock or any combination thereof, at our option, if the last reported sale price of our Common Stock has been at least 130% of the "triggering price" then in effect for the 30 consecutive trading days ending on, and including, the trading day immediately preceding the date on which we provide notice of redemption to the holders of Convertible Notes at a redemption price equal to (i) all of the principal to be redeemed, (ii) any accrued and unpaid interest thereon through the date of redemption, and (iii) any applicable make-whole amount. The current "triggering price" is $12.50 per share, which triggering price is subject to adjustment in the same manner and at the same times as the conversion price with respect to the Convertible Notes is adjusted pursuant to the terms of the Convertible Notes, except that no adjustment will be made to the triggering price in connection with the Stock Threshold Reduction.

The terms of the Convertible Notes and the Convertible Note Purchase Agreement contain representations and warranties, events of default and affirmative and negative covenants, which include, among other things, certain restrictions on the ability to pay dividends, create liens, incur additional indebtedness, make investments, dispose of assets, consummate business combinations (except for permitted investments, as defined in the Convertible Note Purchase Agreement), and make distributions. In addition, financial covenants apply. Prior to the March 2022 Convertible Note Agreement Amendment, these financial covenants included (a) minimum liquidity of $5.0 million, (b) minimum last twelve-month revenue and (c) minimum last twelve-month EBITDA and certain other expenses including non-cash stock compensation, non-recurring costs in connection with the loan and Convertible Notes documentation and the Business Combination, warrant liabilities, and other noncash amortization expenses, in each case, determined in accordance with GAAP. Pursuant to the March 2022 Convertible Note Agreement Amendment, the financial covenants included in the Convertible Note Purchase Agreement were amended to increase the minimum liquidity requirement to an amount between $15.0 million and $20.0 million, depending on EBITDA performance levels and whether a default or event of default exists under the Convertible Note Purchase Agreement, and decrease the minimum last twelve-month revenue and EBITDA requirements. Pursuant to the May 2023 Fortress Note Purchase Amendment, the financial covenants included in the Fortress Note Purchase Agreement were amended to reduce the minimum liquidity requirement to a minimum of, prior to the closing of the Transaction, $2.0 million, and after the closing of the Transaction, $4.0 million. Revenue and EBITDA financial covenants are tested quarterly. The Convertible Notes are *pari passu* in right of payment and lien priority and are secured by a security interest in (a) all of the real, personal and mixed property in which liens are granted or purported to be granted pursuant to any of the collateral documents as security for the obligations, (b) all products, proceeds, rents and profits of such property, (c) all of each loan party's book and records and (d) all of the foregoing whether now owned or existing, in each case excluding certain excluded assets.

During the year ended December 31, 2023, we paid approximately $2.5 million in interest and $16.8 million in principal under the Convertible Notes. All debt owed by the Company to Fortress under the Fortress Credit Agreement and Convertible Notes under the Convertible Note Purchase Agreement is to be converted to equity under the terms of the Prepackaged Plan.

Indemnification Agreements

We have entered into separate indemnification agreements with our directors and executive officers, in addition to the indemnification provided for in the Certificate of Incorporation and our Bylaws. These agreements, among other things, require us to indemnify our directors and executive officers for certain expenses, including attorneys' fees, judgments, fines and settlement amounts incurred by a director or executive officer in any action or proceeding arising out of their services as one of our directors or executive officers or as a director or executive officer of any other company or enterprise to which the person provides services at our request. We believe that these provisions and indemnification agreements are necessary to attract and retain qualified persons as directors and officers.

The limitation of liability and indemnification provisions in the Certificate of Incorporation and our Bylaws may discourage stockholders from bringing a lawsuit against our directors for breach of their fiduciary duties. They may also reduce the likelihood of derivative litigation against directors and officers, even though an action, if successful, might benefit us and our stockholders. A stockholder's investment may decline in value to the extent we pay the costs of settlement and damage awards against directors and officers pursuant to these indemnification provisions.

Prior to the Closing, Legacy Airspan and New Beginnings had also entered into customary indemnification agreements with all of their respective directors and executive officers.

Legacy Airspan

SoftBank

On October 1, 2015, Legacy Airspan issued a warrant to SoftBank to purchase shares of Legacy Airspan's Series D Preferred Stock, par value $0.0001 per share, which was amended by Amendment No. 1, dated February 3, 2016, Amendment No. 2, dated July 1, 2016 and Amendment No. 3, dated July 3, 2017 (the "SoftBank Warrant"). In connection with the Business Combination, on March 8, 2021, concurrently with the execution of the Business Combination Agreement, SoftBank and New Beginnings entered into the an irrevocable proxy agreement (the "Proxy Agreement"), pursuant to which, among other things, SoftBank granted to the proxyholder named therein an irrevocable proxy and power of attorney with respect to any shares of Common Stock held by SoftBank representing in excess of 9.90% of our voting power in any applicable vote, consent, election, waiver or other action of our stockholders (the "Subject Shares"). Pursuant to the Proxy Agreement the proxyholder named in the Proxy Agreement will vote the Subject Shares in the same manner and proportion as all other shares of stock entitled or eligible to vote on the applicable matter, excluding any shares of stock held by SoftBank and its affiliates. As consideration for, among other things, SoftBank's cooperation with, participation in, and consent to the Business Combination and the entry into the Proxy Agreement, Legacy Airspan and SoftBank agreed to amend and restate the SoftBank Warrant to, among other things, (i) reduce the purchase price to $45.9875 per share and (ii) provide for the automatic net exercise of the warrant upon the completion of the Business Combination.

As further described above under "*Certain Relationships and Related Person Transactions — Airspan — Amended Credit Agreement*" and "*Certain Relationships and Related Person Transactions — Airspan — Convertible Notes*," SoftBank has an indirect, non-controlling beneficial interest in Fortress, which is the agent and principal lender under the Fortress Credit Agreement and the collateral agent and trustee under the Convertible Note Purchase Agreement and the Convertible Notes, and also has an indirect, non-controlling beneficial interest in each Convertible Notes Purchaser.

SoftBank is a subordinated lender to Legacy Airspan under the term loan agreement, dated February 9, 2016, as amended by amendments thereto, including Amendment No. 5 thereto dated as of December 30, 2020 (the "SoftBank Working Capital Agreement"). At December 31, 2022, there was approximately $41.5 million aggregate principal amount of indebtedness outstanding under the SoftBank Working Capital Agreement. The SoftBank Working Capital Agreement bears interest at a rate of 9% per annum. Since January 1, 2021, we have paid no principal and have accrued, but not yet paid any interest, under the SoftBank Working Capital Agreement.

We derived approximately $0.4 million in revenue from sales of products and services to SoftBank from January 1, 2023 through December 31, 2023.

Reliance

We are a supplier of products to Reliance. Reliance has accounted for approximately $26.1 million of our revenues between January 1, 2023 through December 31, 2023. Prior to the Closing, Reliance held an aggregate of 162,602 shares of Legacy Airspan's Series D Preferred Stock.

Related Party Transactions Policies

Our Code of Business Conduct and Ethics requires us to avoid, wherever possible, all related party transactions that could result in actual or potential conflicts of interests, except under guidelines approved by our Board (or the audit committee). A conflict-of-interest situation can arise when a person takes actions or has interests that may make it difficult to perform his or her work objectively and effectively. Conflicts of interest may also arise if a person, or a member of his or her family, receives improper personal benefits as a result of his or her position.

Our audit committee, pursuant to its written charter, is responsible for reviewing and approving related-party transactions to the extent we enter into such transactions. The audit committee will consider all relevant factors when determining whether to approve a related party transaction, including whether the related party transaction is on terms no less favorable to us than terms generally available from an unaffiliated third-party under the same or similar circumstances and the extent of the related party's interest in the transaction. No director may participate in the approval of any transaction in which he or she is a related party, but that director is required to provide the audit committee with all material information concerning the transaction. We also expect to require each of our directors and executive officers to complete a directors' and officers' questionnaire that elicits information about related party transactions.

These procedures are intended to determine whether any such related party transaction impairs the independence of a director or presents a conflict of interest on the part of a director, employee or officer.

Director Independence

NYSE American listing standards require that a majority of our board of directors be independent. An "independent director" is defined generally as a person other than an officer or employee of the company or its subsidiaries or any other individual having a relationship which in the opinion of the company's board of directors, would interfere with the director's exercise of independent judgment in carrying out the responsibilities of a director. Our board of directors has determined that Messrs. Flynn and Jarvis are "independent directors" as defined in the NYSE American listing standards and applicable SEC rules. Our independent directors have regularly scheduled meetings at which only independent directors are present.

Item 14. Principal Accountant Fees and Services.

Principal Accounting Fees and Services

The aggregate fees billed by Grant Thornton LLP for professional services rendered to us for the years ended December 31, 2023 and 2022 are set forth in the table below.

	For the Fiscal Years Ended December 31,	
	2023	2022
Audit Fees[(1)]	$ 761,611	$ 737,639
Audit-Related Fees[(2)]	-	-
Tax Fees[(3)]	43,994	-
All Other Fees[(4)]	459	1,067
Total	$ 806,064	$ 738,706

(1) Audit fees consist of fees billed for professional services rendered for the audit of our consolidated financial statements, reviews of interim financial information and services that are normally provided by our independent auditors in connection with statutory and regulatory filings or engagements.

(2) Audit-related fees consist of fees that are reasonably related to the performance of the audit or review of our financial statements and are not reported as audit fees.

(3) Tax fees consist of fees for professional services rendered for tax compliance, tax advice, and tax planning.

(4) Other fees consist of fees not otherwise reported as audit fees, audit-related fees or tax fees.

We expect a representative of Grant Thornton LLP to be present at our stockholders' meeting and be able to make a statement and be available to respond to questions.

Pre-Approval Policy

Our Audit Committee Charter requires the Audit Committee to review and pre-approve all audit services and all permissible non-audit services to be performed for us by our independent registered public accounting firm, other than non-audit services that are subject to exceptions to pre-approval available under applicable laws and rules related to immaterial aggregate amounts of services. All services provided by of our independent registered public accounting firm for the fiscal years ended December 31, 2023 and 2022 were pre-approved by the Audit Committee.

PART IV

Item 15. Exhibits and Financial Statement Schedules.

(1) Financial Statements. See "Index to Consolidated Financial Statements" in Part II, Item 8 of this Annual Report on Form 10-K.

(2) Financial Statement Schedules. All schedules are omitted either because they are not required or the required information is shown in the consolidated financial statements or notes thereto.

(3) Exhibits. The exhibits listed on the accompanying "Exhibit Index" are filed or incorporated by reference as part of this Annual Report on Form 10-K, unless otherwise indicated.

Item 16. Form 10-K Summary

Not applicable.

Exhibit Index

Exhibit Number	Description	Incorporated by Reference		
		Form	Exhibit	Filing Date
2.1†	Business Combination Agreement, dated as of March 8, 2021, by and among New Beginnings, Merger Sub and Legacy Airspan	S-4	2.1	05/14/2021
2.2	Stock Purchase Agreement, dated as of March 8, 2023, by and among Airspan Networks Holdings Inc, Airspan Networks Inc., Mimosa Networks, Inc., and Radisys Corporation	8-K	2.1	03/09/2023
2.3	Amendment No. 1 to Stock Purchase Agreement, dated as of July 22, 2023	8-K	2.2	07/25/2023
3.1	Second Amended and Restated Certificate of Incorporation	8-K	3.1	08/19/2021
3.2	Amended and Restated Bylaws	10-K	3.2	04/08/2022
4.1	Specimen Common Stock Certificate	8-K	4.1	08/19/2021
4.2	Specimen Public Warrant and Private Placement Warrant Certificate	S-1	4.3	10/22/2020
4.3	Warrant Agreement, dated October 29, 2020, by and between New Beginnings and Continental Stock Transfer & Trust Company, as warrant agent	8-K	4.1	11/02/2020
4.4	Warrant Agreement, dated August 13, 2021 by and between the Company and Continental Stock Transfer & Trust Company, as warrant agent	8-K	4.4	08/19/2021
4.5	Specimen Post-Combination Warrant Certificate	S-4	4.6	6/21/2021
4.6†*	Customer Warrant, dated March 5, 2021, by and between Legacy Airspan and DISH Network Corporation	S-1	4.6	9/10/2021
4.7	Description of Securities Registered Pursuant to Section 12 of the Exchange Act	10-K	4.7	4/08/2022
10.1	Amended and Restated Registration Rights and Lock-Up Agreement, dated as of August 13, 2021, by and among the Company, certain equityholders of the Company named therein and certain equityholders of Legacy Airspan named therein	8-K	10.1	08/19/2021
10.2†^	Waiver and Consent, Second Amendment, Restatement, Joinder and Omnibus Amendment to Credit Agreement and Other Loan Documents, dated as of August 13, 2021, by and among the Company, Airspan Networks Inc., certain of its subsidiaries, as guarantors, DBFIP ANI LLC, as administrative and collateral agent, and the holders of the Convertible Notes party thereto	8-K	10.3	08/19/2021
10.3†	Stockholder Support Agreement, dated as of March 8, 2021, by and among the Company and certain stockholders of Legacy Airspan party thereto	S-4	10.2	05/14/2021
10.4	Form of Subscription Agreement	S-4	10.3	5/14/2021
10.9#	2021 Stock Incentive Plan	S-4	10.11	05/14/2021
10.10#	Form of Stock Option Award under 2021 Stock Incentive Plan for Chief Executive Officer and Chief Financial Officer	S-4	10.12	05/14/2021
10.11#	Form of Stock Option Award under 2021 Stock Incentive Plan for Other Employees	S-4	10.13	05/14/2021
10.12#	Form of Stock Option Award under 2021 Stock Incentive Plan for Non-Employee Directors	S-4	10.14	05/14/2021
10.13#	Form of MIP RSU	S-4	10.15	05/14/2021
10.14#	Form of RSU Award under 2021 Stock Incentive Plan	10-K	10.14	4/08/2022
10.15#	Form of Exchanged Restricted Stock Award	S-4	10.16	05/14/2021
10.16#	Form of RSU for Exchanged Restricted Stock	S-4	10.17	05/14/2021
10.18#	Employment Letter Agreement dated October 7, 2009 between Airspan Networks Inc. and David Brant	S-4	10.20	05/14/2021

10.19#	Employment Offer Letter dated February 8, 2001, as amended, between Airspan Networks Inc. and Henrik Smith-Petersen	S-4	10.21	05/14/2021
10.20†	Convertible Note Purchase Agreement, dated August 6, 2015, by and between Airspan Networks Inc. and Golden Wayford Limited	S-4	10.23	05/14/2021
10.21†^	Amendment No. 1 to Convertible Note Purchase Agreement, dated August 19, 2016, by and between Airspan Networks Inc. and Golden Wayford Limited	S-4	10.24	05/14/2021
10.22†	Amendment No. 2 to Convertible Note Purchase Agreement, dated November 28, 2017, by and between Airspan Networks Inc. and Golden Wayford Limited	S-4	10.25	05/14/2021
10.23	Term Loan Agreement, dated February 9, 2016, by and between SoftBank Group Capital Limited and Airspan Networks Inc.	S-4	10.26	05/14/2021
10.24	Amendment No. 1 to Term Loan Agreement, dated July 12, 2016, by and between SoftBank Group Capital Limited and Airspan Networks Inc.	S-4	10.27	05/14/2021
10.25	Amendment No. 2 to Term Loan Agreement, dated July 3, 2017, by and between SoftBank Group Capital Limited and Airspan Networks Inc.	S-4	10.28	05/14/2021
10.26	Amendment No. 3 to Term Loan Agreement, dated May 23, 2019, by and between SoftBank Group Capital Limited and Airspan Networks Inc.	S-4	10.29	05/14/2021
10.27	Amendment No. 4 to Term Loan Agreement, dated March 30, 2020, by and between SoftBank Group Capital Limited and Airspan Networks Inc.	S-4	10.30	05/14/2021
10.28	Amendment No. 5 to Term Loan Agreement, dated December 30, 2020, by and between SoftBank Group Capital Limited and Airspan Networks Inc.	S-4	10.31	05/14/2021
10.29	Amendment to Amendment No. 5 to Loan Agreement, dated as of February 12, 2021, by and between SoftBank Group Capital Limited and Airspan Networks Inc.	S-4	10.32	05/14/2021
10.30	Irrevocable Proxy and Power of Attorney, dated March 8, 2021, by and among SoftBank Group Capital Limited and the Registrant	S-4	10.33	05/14/2021
10.31*	Master Services Agreement, dated November 25, 2019, by and between Gogo Business Aviation LLC and Airspan Networks Inc.	S-4	10.34	05/14/2021
10.32*	Supply and Product Support Agreement, dated November 25, 2019, by and between Gogo Business Aviation LLC and Airspan Networks Inc.	S-4	10.35	05/14/2021
10.33*	OFDMA Smallcell License Agreement, dated August 25, 2014, by and between QUALCOMM Incorporated and Airspan Networks Inc.	S-4	10.35	06/21/2021
10.34*	Amendment to OFDMA Smallcell License Agreement, dated July 1, 2015, by and between QUALCOMM Incorporated and Airspan Networks Inc.	S-4	10.36	06/21/2021
10.35*	Components Supply Agreement, dated November 14, 2015, by and between QUALCOMM CDMA Technologies Asia-Pacific Pte. Ltd. and Airspan Networks Inc.	S-4	10.37	06/21/2021
10.36†*	Supply Agreement between Airspan Networks Inc. and Hon Hai Ind. Co., Ltd., effective April 1, 2016	S-4	10.38	06/21/2021
10.38*	Amendment to Components Supply Agreement, dated January 19, 2017, by and between QUALCOMM CDMA Technologies Asia-Pacific Pte. Ltd. and Airspan Networks Inc.	S-4	10.40	06/21/2021
10.39*	Amendment to Components Supply Agreement, dated January 23, 2018, by and between QUALCOMM CDMA Technologies Asia-Pacific Pte. Ltd. and Airspan Networks Inc.	S-4	10.41	06/21/2021

10.40*	Amendment to Components Supply Agreement, dated October 23, 2019, by and between QUALCOMM CDMA Technologies Asia-Pacific Pte. Ltd. and Airspan Networks Inc.	S-4	10.42	06/21/2021
10.41	Amendment One to Supply Agreement, dated as of January 1, 2018, between Airspan Networks Inc., Cloud Network Technology Singapore Pte. Ltd. and Hon Hai Ind. Co., Ltd.	S-4	10.43	06/21/2021
10.42	Amendment Two to Supply Agreement, dated effective as of February 21, 2020, between Airspan Networks Inc. and Hon Hai Ind. Co., Ltd.	S-4	10.44	06/21/2021
10.43†^	Assignment of Loan dated December 30, 2020 by Pacific Western Bank, as existing agent and lender, Ally Bank, as existing lender, and DBFIP ANI LLC and Pendrell Corporation, as buyers	S-4	10.45	06/21/2021
10.44^	Resignation and Assignment Agreement, entered into as of December 30, 2020, by and among Pacific Western Bank, as agent, DBFIP ANI LLC, as successor agent, Airspan Networks Inc. and each of the other borrowers and guarantors party thereto	S-4	10.46	06/21/2021
10.45	First Amendment to Credit Agreement, dated as of June 14, 2021, by and among Airspan Networks Inc., certain of its subsidiaries, as guarantors, and DBFIP ANI LLC, as administrative and collateral agent	S-4	10.47	06/21/2021
10.46†	Limited Consent, dated March 8, 2021, among Airspan Networks Inc., as borrower, certain subsidiaries of Airspan Networks Inc., as guarantors, DBFIP ANI LLC, as administrative agent and collateral agent, and the lenders from time to time party to the Fortress Credit Agreement.	S-4	10.48	06/21/2021
10.47	Third Amendment and Waiver to Credit Agreement and Other Loan Documents, dated as of March 29, 2022, by and among Airspan Networks Inc., as borrower, the Company, as holdings, certain of the Company's other subsidiaries, as guarantors, the lenders party thereto and DBFIP ANI LLC, as administrative agent and collateral agent	8-K	10.1	03/30/2022
10.48	Form of Director and Officer Indemnification Agreement.	S-4	10.50	06/21/2021
10.49	Senior Secured Convertible Note Purchase and Guarantee Agreement, dated July 30, 2021, by and among the Company, Artemis Merger Sub Corp., DBFIP ANI LLC, as agent, collateral agent and trustee and the purchasers party thereto.	8-K	10.1	08/02/2021
10.50†^	Joinder Agreement, dated as of August 13, 2021, by Airspan Networks Holdings Inc. and the guarantors party thereto to DBFIP ANI LLC, in its capacities as administrative agent, collateral agent and trustee for the holders of the Convertible Notes	8-K	10.48	08/19/2021
10.51	Third Amendment and Waiver to Credit Agreement and Other Loan Documents, dated as of March 29, 2022, by and among Legacy Airspan, as borrower, the Company, as holdings, certain of the Company's other subsidiaries who are party to the Fortress Credit Agreement, as guarantors, the lenders party thereto and Fortress, as administrative agent and collateral agent.	8-K	10.1	03/30/2022
10.52	First Amendment and Waiver to Senior Secured Convertible Note Purchase and Guarantee Agreement and Other Note Documents, dated as of March 29, 2022, by and among the Company, as issuer, certain of the Company's subsidiaries who are party to the Convertible Note Purchase Agreement, as guarantors, the Holders and Fortress, as agent, collateral agent and trustee	8-K	10.2	03/30/2022

10.53	Form of Amended and Restated Convertible Note incorporated by reference to Annex A of the First Amendment and Waiver to Senior Secured Convertible Note Purchase and Guarantee Agreement and Other Note Documents filed as Exhibit 10.52 to this Annual Report on Form 10-K)	8-K	10.3	03/30/2022
10.54	Airspan Networks Holdings Inc. Amended and Restated 2021 Stock Incentive Plan (incorporated by reference to Appendix A to our Definitive Proxy Statement filed with the SEC on May 10, 2022)	DEF 14A	Appendix A	05/10/2022
10.55	Second Amendment, Limited Waiver and Consent under Senior Secured Convertible Note Purchase and Guarantee Agreement and Other Note Documents, dated as of November 14, 2022, by and among the Company, as issuer, certain of the Company's subsidiaries who are party to the Convertible Note Purchase Agreement, as guarantors, the Holders and Fortress, as agent, collateral agent and trustee	10-K	10.55	3/16/2023
10.56	Fourth Amendment, Limited Waiver and Consent under Credit Agreement and Other Loan Documents, dated as of November 14, 2022, by and among Legacy Airspan, as borrower, the Company, as holdings, certain of the Company's other subsidiaries who are party to the Fortress Credit Agreement, as guarantors, the lenders party thereto and Fortress, as administrative agent and collateral agent.	10-K	10.56	3/16/2023
10.57†	Limited Waiver and Consent, Second Amendment and Restatement of Credit Agreement and Reaffirmation of Loan Documents, dated May 18, 2023, among Airspan Networks Inc., Airspan Networks Holdings Inc., certain of its subsidiaries, as guarantors, the lenders party thereto and DBFIP ANI LLC, as administrative agent and collateral agent	8-K/A	10.1	05/26/2023
10.58	Form of Second Amended and Restated Senior Secured Convertible Note	8-K/A	10.2	05/26/2023
10.59†	Limited Waiver and Consent, Third Amendment to Senior Secured Convertible Note Purchase and Guarantee Agreement and Reaffirmation of Note Documents, dated May 18, 2023, among Airspan Networks Inc., Airspan Networks Holdings Inc., certain of its subsidiaries, as guarantors, the purchasers party thereto and DBFIP ANI LLC, as agent, collateral agent and trustee	8-K/A	10.3	05/26/2023
10.60	Specimen Public Warrant	8-K/A	10.4	05/26/2023
10.61#	Amended Employment Agreement, dated May 18, 2023, between Eric Stonestrom and Airspan Networks Holdings Inc.	8-K/A	10.5	05/26/2023
10.62	Letter Agreement, dated June 30, 2023, among DBFIP ANI LLC, Airspan Networks Holdings Inc. (f/k/a New Beginnings Acquisition Corp.), Airspan Networks Inc., Airspan IP Holdco LLC, Airspan Networks (SG) Inc., Mimosa Networks, Inc., Mimosa Networks International, LLC, Airspan Communications Limited, Airspan Networks Ltd. and Airspan Japan KK	8-K	10.1	07/07/2023
10.63	Consent and Partial Release and Amendment No. 1 to Loan Documents, dated as of August 11, 2023, among Airspan Networks Inc., Airspan Networks Holdings Inc., certain of its subsidiaries, as guarantors, the lenders party thereto and DBFIP ANI LLC, as administrative agent and collateral agent	8-K	10.1	08/11/2023
10.64	Consent and Partial Release and Fourth Amendment to Note Documents, dated as of August 11, 2023, among Airspan Networks Inc., Airspan Networks Holdings Inc., certain of its subsidiaries, as guarantors, the purchasers party thereto and DBFIP ANI LLC, as collateral agent and trustee	8-K	10.2	08/11/2023

10.65†	Limited Waiver and Consent, Third Amendment and Restatement of Credit Agreement and Reaffirmation of Loan Documents, dated November 14, 2023, among Airspan Networks Inc., Airspan Networks Holdings Inc., certain of its subsidiaries, as guarantors, the lenders party thereto and DBFIP ANI LLC, as administrative agent and collateral agent	8-K	10.1	11/16/2023
10.66†	Limited Waiver and Consent, Fourth Amendment to Senior Secured Convertible Note Purchase and Guarantee Agreement and Reaffirmation of Note Documents, dated November 14, 2023, among Airspan Networks Inc., Airspan Networks Holdings Inc., certain of its subsidiaries, as guarantors, the purchasers party thereto and DBFIP ANI LLC, as agent, collateral agent and trustee	8-K	10.2	11/16/2023
10.67†	Limited Waiver and Consent, Fourth Amendment and Restatement of Credit Agreement and Reaffirmation of Loan Documents, dated December 22, 2023, among Airspan Networks Inc., Airspan Networks Holdings Inc., certain of its subsidiaries, as guarantors, the lenders party thereto and DBFIP ANI LLC, as administrative agent and collateral agent	8-K	10.1	12/29/2023
10.68†	Limited Waiver and Consent, Fifth Amendment to Senior Secured Convertible Note Purchase and Guarantee Agreement and Reaffirmation of Note Documents, dated December 22, 2023, among Airspan Networks Inc., Airspan Networks Holdings Inc., certain of its subsidiaries, as guarantors, the purchasers party thereto and DBFIP ANI LLC, as agent, collateral agent and trustee	8-K	10.2	12/29/2023
10.69^	Limited Waiver and Consent, Fifth Amendment and Restatement of Credit Agreement and Reaffirmation of Loan Documents, dated February 28, 2024, among Airspan Networks Inc., Airspan Networks Holdings Inc., certain of its subsidiaries, as guarantors, the lenders party thereto and DBFIP ANI LLC, as administrative agent and collateral agent	8-K	10.1	3/5/2024
10.70	Limited Waiver and Consent, Sixth Amendment to Senior Secured Convertible Note Purchase and Guarantee Agreement and Reaffirmation of Note Documents, dated February 28, 2024, among Airspan Networks Inc., Airspan Networks Holdings Inc., certain of its subsidiaries, as guarantors, the purchasers party thereto and DBFIP ANI LLC, as agent, collateral agent and trustee	8-K	10.2	3/5/2024
10.71^	Limited Waiver and Consent, Sixth Amendment and Restatement of Credit Agreement and Reaffirmation of Loan Documents, dated March 7, 2024, among Airspan Networks Inc., Airspan Networks Holdings Inc., certain of its subsidiaries, as guarantors, the lenders party thereto and DBFIP ANI LLC, as administrative agent and collateral agent	8-K	10.1	3/12/2024
10.71	Limited Waiver and Consent, Seventh Amendment to Senior Secured Convertible Note Purchase and Guarantee Agreement and Reaffirmation of Note Documents, dated March 7, 2024, among Airspan Networks Inc., Airspan Networks Holdings Inc., certain of its subsidiaries, as guarantors, the purchasers party thereto and DBFIP ANI LLC, as agent, collateral agent and trustee	8-K	10.2	3/12/2024
10.72	Amendment No. 1 to Limited Waiver and Consent, Sixth Amendment and Restatement of Credit Agreement and Reaffirmation of Loan Documents, dated March 25, 2024, among Airspan Networks Inc., Airspan Networks Holdings Inc., certain of its subsidiaries, as guarantors, the lenders party thereto and DBFIP ANI LLC, as administrative agent and collateral agent	8-K	10.1	3/28/2024

10.73	Amendment No. 1 to Limited Waiver and Consent, Seventh Amendment to Senior Secured Convertible Note Purchase and Guarantee Agreement and Reaffirmation of Note Documents, dated March 25, 2024, among Airspan Networks Inc., Airspan Networks Holdings Inc., certain of its subsidiaries, as guarantors, the purchasers party thereto and DBFIP ANI LLC, as agent, collateral agent and trustee	8-K	10.2	3/28/2024
10.74†	Restructuring Support Agreement by and among Airspan Networks Holdings Inc. and the other parties thereto, dated March 29, 2024	8-K	10.1	4/1/2024
10.75†^	Senior Secured Superpriority Debtor-In-Possession Term Loan Credit Agreement, among Airspan Networks Inc., Airspan Networks Holdings Inc., DBFIP ANI LLC and the other parties thereto, dated April 8, 2024	8-K	10.1	4/12/2024
10.76†	Security Agreement, among Airspan Networks Inc., Airspan Networks Holdings Inc., DBFIP ANI LLC and the other parties thereto, dated April 8, 2024	8-K	10.2	4/12/2024
21.1	Subsidiaries of the Company			
31.1	Certification of Principal Executive Officer pursuant to Rule 13a-14(a) and Rule 15d-14(a) under the Exchange Act, as adopted pursuant to Section 302 of the Sarbanes Oxley Act of 2002.			
31.2	Certification of Principal Financial Officer pursuant to Rule 13a-14(a) and Rule 15d-14(a) under the Exchange Act, as adopted pursuant to Section 302 of the Sarbanes Oxley Act of 2002.			
32.1**	Certification of Principal Executive Officer pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes Oxley Act of 2002.			
32.2**	Certification of Principal Financial Officer pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes Oxley Act of 2002.			
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.LAB	XBRL Taxonomy Extension Label Linkbase Document			
101.PRE	XBRL Taxonomy Extension Presentation Linkbase Document			
104	Cover Page Interactive Data File (Formatted as Inline XBRL and contained in Exhibit 101)			

# Indicates management contract or compensatory plan or arrangement.

† Certain of the exhibits and schedules to this Exhibit have been omitted in accordance with Regulation S-K Item 601(a)(5). The Company agrees to furnish a copy of all omitted exhibits and schedules to the SEC upon its request.

^ Certain provisions of this Exhibit have been omitted in accordance with Regulation S-K Item 601(a)(6)

* Certain provisions of this Exhibit have been omitted in accordance with Regulation S-K Item 601(b)(10)(iv).

** In accordance with Item 601(b)(32)(ii) of Regulation S-K and SEC Release No. 34-47986, the certifications furnished in Exhibits 32.1 and 32.2 herewith are deemed to accompany this Form 10-K and will not be deemed filed for purposes of Section 18 of the Exchange Act. Such certifications will not be deemed to be incorporated by reference into any filings under the Securities Act or the Exchange Act.

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, on October 4, 2024.

AIRSPAN NETWORKS HOLDINGS INC.

By: /s/ Glenn Laxdal
Name: Glenn Laxdal
Title: Chief Executive Officer

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

Signature	Title	Date
/s/ Glenn Laxdal Glenn Laxdal	Chief Executive Officer and Director (Principal Executive Officer)	October 4, 2024
/s/ David Brant David Brant	Senior Vice President and Chief Financial Officer (Principal Financial and Accounting Officer)	October 4, 2024
/s/ Marc Heimowitz Marc Heimowitz	Director	October 4, 2024
/s/ Michael T. Flynn Michael T. Flynn	Director	October 4, 2024
/s/ Scot B. Jarvis Scot B. Jarvis	Director	October 4, 2024

Exhibit 21.1

Subsidiaries of the Company

Name of Subsidiary	Jurisdiction of Incorporation
Airspan Networks Inc.	Delaware
Airspan IP Holdco LLC	Delaware
Airspan Networks (SG) Inc.	Delaware
Airspan Communications Limited	United Kingdom
Airspan Networks (Beijing) Co Ltd	China
P.T. Airspan Networks Indonesia	Indonesia
Airspan Japan K.K.	Japan
Airspan Networks Pty Limited	Australia
Airspan Networks (India) Private Limited	India
Airspan Networks Ltd	Israel
Airspan Communications Ltd	Nepal
Airspan Networks (Poland) Sp z.o.o.	Poland
Airspan Networks (Finland) OY	Finland
Airspan Solutions Limited	Israel
Cong ty TNHH Airspan Vietnam	Vietnam

Exhibit 31.1

CERTIFICATIONS

I, Glenn Laxdal, certify that:

1. I have reviewed this Annual Report on Form 10-K of Airspan Networks Holdings Inc.;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

    a. Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

    b. Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

    c. Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

    d. Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):

    a. All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

    b. Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: October 4, 2024

By:	/s/ Glenn Laxdal
Name:	Glenn Laxdal
Title:	Chief Executive Officer (Principal Executive Officer)

Exhibit 31.2

CERTIFICATIONS

I, David Brant, certify that:

1. I have reviewed this Annual Report on Form 10-K of Airspan Networks Holdings Inc.;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

    a. Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

    b. Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

    c. Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

    d. Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):

    a. All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

    b. Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: October 4, 2024

By:	/s/ David Brant
Name:	David Brant
Title:	Chief Financial Officer (Principal Financial Officer)

Exhibit 32.1

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

I, Glenn Laxdal, Chief Executive Officer of Airspan Networks Holdings Inc. (the “Company”), certify, pursuant to 18 U.S.C. Section 1350, that, to my knowledge:

1. the Annual Report on Form 10-K of the Company for the year ended December 31, 2023 (the “Report”) fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934, as amended; and

2. the information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

Date: October 4, 2024

By:	/s/ Glenn Laxdal
Name:	Glenn Laxdal
Title:	Chief Executive Officer (Principal Executive Officer)

Exhibit 32.2

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

I, David Brant, Chief Financial Officer of Airspan Networks Holdings Inc. (the “Company”), certify, pursuant to 18 U.S.C. Section 1350, that, to my knowledge:

1. the Annual Report on Form 10-K of the Company for the year ended December 31, 2023 (the “Report”) fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934, as amended; and

2. the information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

Date: October 4, 2024

By: /s/ David Brant
Name: David Brant
Title: Chief Financial Officer
(Principal Financial Officer)