

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

FORM 10-Q

(Mark One)

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

For the quarterly period ended June 30, 2024

or

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

For the transition period from _____ to _____

Commission file number 001-33117

GLOBALSTAR, INC.

(Exact Name of Registrant as Specified in Its Charter)

Delaware

(State or Other Jurisdiction of
Incorporation or Organization)

41-2116508

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

**1351 Holiday Square Blvd.
Covington, Louisiana 70433**

(Address of Principal Executive Offices)

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

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

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

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

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

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

Large accelerated filer	<input checked="" type="checkbox"/>	Accelerated filer	<input type="checkbox"/>
Non-accelerated filer	<input type="checkbox"/>	Smaller reporting company	<input type="checkbox"/>
(Do not check if a smaller reporting company)		Emerging growth company	<input type="checkbox"/>

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

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

As of August 2, 2024, 1.9 billion shares of voting common stock were outstanding, 0.1 million shares of preferred stock were outstanding, and no shares of nonvoting common stock were authorized or outstanding. Unless the context otherwise requires, references to common stock in this Report mean the Registrant's voting common stock.

FORM 10-Q

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PART I - FINANCIAL INFORMATION

Item 1. Financial Statements.

GLOBALSTAR, INC.
CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS AND COMPREHENSIVE INCOME (LOSS)
(In thousands, except per share data)
(Unaudited)

	Three Months Ended		Six Months Ended	
	June 30, 2024	June 30, 2023	June 30, 2024	June 30, 2023
Revenue:				
Service revenue	\$ 57,635	\$ 48,648	\$ 111,100	\$ 101,602
Subscriber equipment sales	2,750	6,424	5,765	12,114
Total revenue	60,385	55,072	116,865	113,716
Operating expenses:				
Cost of services (exclusive of depreciation, amortization, and accretion shown separately below)	18,114	12,246	34,873	24,066
Cost of subscriber equipment sales	2,066	5,662	4,224	9,971
Marketing, general and administrative	10,353	10,122	20,999	19,753
Stock-based compensation	9,164	2,532	18,391	6,292
Reduction in the value of long-lived assets	—	—	305	—
Depreciation, amortization and accretion	22,110	21,890	44,207	43,823
Total operating expenses	61,807	52,452	122,999	103,905
(Loss) income from operations	(1,422)	2,620	(6,134)	9,811
Other (expense) income:				
Loss on extinguishment of debt	—	—	—	(10,403)
Interest income and expense, net of amounts capitalized	(3,644)	(5,070)	(7,429)	(7,102)
Foreign currency (loss) gain	(4,493)	2,038	(8,335)	3,945
Other	58	447	(791)	348
Total other expense	(8,079)	(2,585)	(16,555)	(13,212)
(Loss) income before income taxes	(9,501)	35	(22,689)	(3,401)
Income tax expense	182	26	190	70
Net (loss) income	\$ (9,683)	\$ 9	\$ (22,879)	\$ (3,471)
Other comprehensive loss:				
Foreign currency translation adjustments	1,864	(1,307)	4,257	(2,736)
Comprehensive loss	\$ (7,819)	\$ (1,298)	\$ (18,622)	\$ (6,207)
Net loss attributable to common shareholders (Note 7:)	(12,327)	(2,635)	(28,167)	(8,730)
Net loss per common share:				
Basic	\$ (0.01)	\$ 0.00	\$ (0.01)	\$ 0.00
Diluted	(0.01)	0.00	(0.01)	0.00
Weighted-average shares outstanding:				
Basic	1,884,208	1,813,393	1,883,406	1,812,617
Diluted	1,884,208	1,813,393	1,883,406	1,812,617

See accompanying notes to unaudited interim condensed consolidated financial statements.

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

ASSETS	June 30, 2024	December 31, 2023
Current assets:		
Cash and cash equivalents	\$ 64,334	\$ 56,744
Accounts receivable, net of allowance for credit losses of \$1,461 and \$2,312, respectively	43,148	48,743
Inventory	13,107	14,582
Prepaid expenses and other current assets	23,421	22,584
Total current assets	144,010	142,653
Property and equipment, net	620,553	624,002
Operating lease right of use assets, net	34,424	34,164
Intangible and other assets, net of accumulated amortization of \$13,634 and \$12,385, respectively	127,259	123,490
Total assets	\$ 926,246	\$ 924,309
LIABILITIES AND STOCKHOLDERS' EQUITY		
Current liabilities:		
Current portion of long-term debt	\$ 34,600	\$ 34,600
Accounts payable and accrued expenses	25,643	28,985
Accrued satellite construction costs	19,866	58,187
Payables to affiliates	522	459
Deferred revenue, net	57,712	53,677
Total current liabilities	138,343	175,908
Long-term debt	358,525	325,700
Operating lease liabilities	28,752	29,244
Other non-current liabilities	17,651	14,478
Total non-current liabilities	404,928	369,422
Commitments and contingencies (Note 5)		
Stockholders' equity:		
Preferred Stock of \$0.0001 par value; 99,700,000 shares authorized and none issued and outstanding at June 30, 2024 and December 31, 2023, respectively	—	—
Series A Perpetual Preferred Stock of \$0.0001 par value; 300,000 shares authorized and 149,425 issued and outstanding at June 30, 2024 and December 31, 2023, respectively	—	—
Voting Common Stock of \$0.0001 par value; 2,150,000,000 shares authorized; 1,892,156,225 and 1,881,194,682 shares issued and outstanding at June 30, 2024 and December 31, 2023, respectively	189	188
Additional paid-in capital	2,461,320	2,438,703
Accumulated other comprehensive income	9,327	5,070
Retained deficit	(2,087,861)	(2,064,982)
Total stockholders' equity	382,975	378,979
Total liabilities and stockholders' equity	\$ 926,246	\$ 924,309

See accompanying notes to unaudited interim condensed consolidated financial statements.

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

	Preferred Stock		Common Stock		Additional Paid-In Capital	Accumulated Other Comprehensive Income	Retained Deficit	Total
	Shares	Amount	Shares	Amount				
Balances – January 1, 2024	149	\$ —	1,881,195	\$ 188	\$ 2,438,703	\$ 5,070	\$ (2,064,982)	\$ 378,979
Net issuance of restricted stock awards and employee stock options and recognition of stock-based compensation	—	—	2,739	—	11,794	—	—	11,794
Series A Preferred Stock Dividends	—	—	—	—	(2,644)	—	—	(2,644)
Other	—	—	—	—	(272)	—	—	(272)
Other comprehensive income	—	—	—	—	—	2,393	—	2,393
Net loss	—	—	—	—	—	—	(13,196)	(13,196)
Balances – March 31, 2024	149	\$ —	1,883,934	\$ 188	\$ 2,447,581	\$ 7,463	\$ (2,078,178)	\$ 377,054
Net issuance of restricted stock awards, stock for employee stock options and stock for employee stock purchase plan and recognition of stock-based compensation	—	—	568	—	8,844	—	—	8,844
Other	—	—	—	—	39	—	—	39
Series A Preferred Stock Dividends	—	—	—	—	(2,644)	—	—	(2,644)
Issuance of stock in connection with License Agreement with XCOM	—	—	7,654	1	7,500	—	—	7,501
Other comprehensive income	—	—	—	—	—	1,864	—	1,864
Net loss	—	—	—	—	—	—	(9,683)	(9,683)
Balances – June 30, 2024	149	\$ —	1,892,156	\$ 189	\$ 2,461,320	\$ 9,327	\$ (2,087,861)	\$ 382,975

	Preferred Stock		Common Stock		Additional Paid-In Capital	Accumulated Other Comprehensive Income (Loss)	Retained Deficit	Total
	Shares	Amount	Shares	Amount				
Balances – January 1, 2023	149	\$ —	1,811,075	\$ 181	\$ 2,345,612	\$ 9,242	\$ (2,040,264)	\$ 314,771
Net issuance of restricted stock awards and stock for employee stock options and recognition of stock-based compensation	—	—	2,037	—	3,897	—	—	3,897
Series A Preferred Stock Dividends	—	—	—	—	(3,952)	—	—	(3,952)
Other	—	—	—	—	47	—	—	47
Other comprehensive loss	—	—	—	—	—	(1,429)	—	(1,429)
Net loss	—	—	—	—	—	—	(3,480)	(3,480)
Balances – March 31, 2023	149	\$ —	1,813,112	\$ 181	\$ 2,345,604	\$ 7,813	\$ (2,043,744)	\$ 309,854
Net issuance of restricted stock awards, stock for employee stock options and stock for employee stock purchase plan and recognition of stock-based compensation	—	—	860	—	2,510	—	—	2,510
Other	—	—	—	—	47	—	—	47
Series A Preferred Stock Dividends	—	—	—	—	(2,644)	—	—	(2,644)
Fair value of Thermo guarantee associated with the 2023 Funding Agreement	—	—	—	—	6,897	—	—	6,897
Other comprehensive loss	—	—	—	—	—	(1,307)	—	(1,307)
Net income	—	—	—	—	—	—	9	9
Balances – June 30, 2023	149	\$ —	1,813,972	\$ 181	\$ 2,352,414	\$ 6,506	\$ (2,043,735)	\$ 315,366

See accompanying notes to unaudited interim condensed consolidated financial statements.

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

	Six Months Ended	
	June 30, 2024	June 30, 2023
Cash flows provided by operating activities:		
Net loss	\$ (22,879)	\$ (3,471)
Adjustments to reconcile net loss to net cash provided by operating activities:		
Depreciation, amortization and accretion	44,207	43,823
Stock-based compensation expense	18,391	6,292
Noncash interest and accretion expense	4,646	9,760
Unrealized foreign currency loss (gain)	8,361	(4,008)
Write off of debt discount and deferred financing costs upon extinguishment of debt	—	10,194
Other, net	2,259	(1,690)
Changes in operating assets and liabilities:		
Accounts receivable	8,195	(2,100)
Inventory	1,148	12
Prepaid expenses and other current assets	(88)	(1,151)
Other assets	1,261	42
Accounts payable and accrued expenses	(2,685)	(3,445)
Payables to affiliates	63	(42)
Other non-current liabilities	1,843	21
Deferred revenue	1,764	(11,244)
Net cash provided by operating activities	66,486	42,993
Cash flows used in investing activities:		
Payments under the satellite procurement agreement	(45,214)	(108,664)
Payments under the launch services agreement	(16,000)	—
Payments for other network upgrades to support the Service Agreements	(3,845)	(6,898)
Payments of capitalized interest	(3,954)	(5,263)
Payments for network upgrades to support product development	(4,777)	(3,422)
Purchase of intangible assets	(668)	(389)
Net cash used in investing activities	(74,458)	(124,636)
Cash flows provided by financing activities:		
Principal and interest payments of the 2019 Facility Agreement	—	(148,281)
Proceeds from 2023 13% Notes	—	190,000
Proceeds from 2023 Funding Agreement	37,747	87,730
Principal payment of 2021 Funding Agreement	(17,300)	—
Dividends paid on Series A Preferred Stock	(5,288)	(6,595)
Payments for debt issuance costs	—	(8,530)
Proceeds from issuance of common stock and exercise of options	1,085	498
Net cash provided by financing activities	16,244	114,822
Effect of exchange rate changes on cash and cash equivalents	(682)	73
Net increase in cash and cash equivalents	7,590	33,252
Cash and cash equivalents, beginning of period	56,744	32,082
Cash and cash equivalents, end of period ⁽¹⁾	\$ 64,334	\$ 65,334

	Six Months Ended	
	June 30, 2024	June 30, 2023
Supplemental disclosure of cash flow information:		
Cash paid for interest	\$ 6,694	\$ 7,554
Supplemental disclosure of non-cash financing and investing activities:		
Increase in capitalized accrued interest for network upgrades	\$ 4,398	\$ 1,609
Capitalized accretion of debt discount and amortization of prepaid financing costs	4,034	1,772
Accrued satellite construction assets	19,866	54,228
Re-characterization of 2021 Funding Agreement to debt	—	87,950
Fair value of common stock issued for XCOM SSA	7,500	—
Construction in progress assets acquired through XCOM SSA	2,754	—

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

See accompanying notes to unaudited interim condensed consolidated financial statements.



GLOBALSTAR, INC.

NOTES TO UNAUDITED INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

1. BASIS OF PRESENTATION

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

The Company has prepared the accompanying unaudited interim condensed consolidated financial statements in accordance with generally accepted accounting principles in the United States of America (“U.S. GAAP”) for interim financial information. Certain information and footnote disclosures normally included in financial statements have been condensed or omitted pursuant to the rules and regulations of the Securities and Exchange Commission (the “SEC”); however, management believes the disclosures made are adequate to make the information presented not misleading. These financial statements and notes should be read in conjunction with the consolidated financial statements and notes thereto included in the Globalstar Annual Report on Form 10-K for the year ended December 31, 2023, as filed with the SEC on February 29, 2024 (the “2023 Annual Report”).

The preparation of condensed consolidated financial statements in conformity with U.S. GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from estimates. The Company evaluates estimates on an ongoing basis. The Company has made certain reclassifications to prior period condensed consolidated financial statements to conform to current period presentation.

These unaudited interim condensed consolidated financial statements include the accounts of Globalstar and all its subsidiaries. Intercompany transactions and balances have been eliminated in the consolidation. In the opinion of management, the information included herein includes all adjustments, consisting of normal recurring adjustments, that are necessary for a fair presentation of the Company’s condensed consolidated statements of operations, consolidated balance sheets, condensed consolidated statements of stockholders’ equity and condensed consolidated statements of cash flows for the periods presented. The results of operations for the three and six months ended June 30, 2024 are not necessarily indicative of the results that may be expected for the full year or any future period.

Recently Issued Accounting Pronouncements

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

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

2. REVENUE

Disaggregation of Revenue

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

	Three Months Ended		Six Months Ended	
	June 30, 2024	June 30, 2023	June 30, 2024	June 30, 2023
Service revenue:				
Subscriber services				
Duplex	\$ 4,965	\$ 6,359	\$ 9,720	\$ 12,110
SPOT	10,379	11,039	20,622	22,353
Commercial IoT	6,716	5,356	13,153	10,534
Wholesale capacity services	34,700	25,478	66,329	55,889
Engineering and other services	875	416	1,276	716
Total service revenue	57,635	48,648	111,100	101,602
Subscriber equipment sales	2,750	6,424	5,765	12,114
Total revenue	\$ 60,385	\$ 55,072	\$ 116,865	\$ 113,716

The Company is the operator for certain satellite-enabled services offered by Apple ("Partner") (the "Services") pursuant to the agreement (the "Service Agreement") and certain related ancillary agreements (such agreements, together with the Service Agreement, the "Service Agreements"). The Service Agreements generally require Globalstar to allocate network capacity to support the Services, which launched in November 2022. Revenue associated with the Service Agreements is included in "Wholesale capacity services" in the table above.

As consideration for the services provided by Globalstar under the Service Agreements, payments include a fixed service fee, payments relating to certain service-related operating expenses and capital expenditures, additional fees related to enhanced services, and potential bonus payments subject to satisfaction of certain licensing, service and other related criteria.

The Company also has an agreement with a government services company to utilize the Company's satellite network for a mission critical service for government applications. Revenue associated with this agreement is included in "Wholesale capacity services" in the table above.

Accounts Receivable

The Company records trade accounts receivable from its customers, including MSS subscribers and its wholesale capacity customers, when it has a contractual right to receive payment either on demand or on fixed or determinable dates in the future.

The Company's receivable balances by type and classification are presented in the table below net of allowance for credit losses and may include amounts related to earned but unbilled receivables (amounts in thousands).

	As of:	
	June 30, 2024	December 31, 2023
Accounts receivable, net of allowance for credit losses		
Subscriber accounts receivable	\$ 14,093	\$ 14,474
Wholesale capacity accounts receivable	29,055	34,269
Total accounts receivable, net of allowance for credit losses	\$ 43,148	\$ 48,743

As discussed in Note 5: Commitments and Contingencies, the Company entered into a satellite procurement agreement and a launch services agreement. The new satellites purchased under the satellite procurement agreement will replenish the Company's HIBLEO-4 U.S.-licensed system. Pursuant to the Service Agreements, payments are expected to be paid to the Company on a straight-line basis commencing with the launch of these new satellites through their estimated useful life ("Phase 2 Service Period"). Based on construction in progress incurred by Globalstar, amounts expected to be billed by the Company associated with this phase of the Service Agreements were \$219.0 million as of June 30, 2024.

Contract Liabilities

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

	As of:	
	June 30, 2024	December 31, 2023
Short-term contract liabilities		
Subscriber contract liabilities	\$ 22,547	\$ 22,816
Wholesale capacity contract liabilities, net of contract asset	35,165	30,861
Total short-term contract liabilities	\$ 57,712	\$ 53,677
Long-term contract liabilities		
Subscriber contract liabilities	\$ 1,533	\$ 1,632
Wholesale capacity contract liabilities, net of contract asset	—	1,581
Total long-term contract liabilities	\$ 1,533	\$ 3,213
Total contract liabilities	\$ 59,245	\$ 56,890

For subscriber contract liabilities, the amount of revenue recognized during the six months ended June 30, 2024 and 2023 from performance obligations included in the contract liability balance at the beginning of these periods was \$12.8 million and \$14.0 million, respectively. For wholesale capacity contract liabilities, the amount of revenue recognized during the six months ended June 30, 2024 and 2023 from performance obligations included in the contract liability balance at the beginning of these periods was \$25.9 million and \$33.5 million, respectively.

The duration of the Company's contracts with subscribers is generally one year or less. The Service Agreements have no expiration date; therefore, the related contract liabilities may be recognized into revenue over various periods driven by the expected related service or recoupment periods.

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

	As of:	
	June 30, 2024	December 31, 2023
Wholesale capacity contract liabilities, net:		
Additional consideration associated with the 2021 and 2023 Funding Agreements ⁽²⁾	\$ 14,461	\$ 16,104
Advanced payments for services expected to be performed with the ground spare satellite launched in June 2022 during Phases 1 and 2	22,793	23,673
Advanced payments contractually owed for services expected to be performed with the next-generation satellite constellation prior to the Phase 2 Service Period	12,698	14,204
Advanced payments for the Phase 1 service fee, service-related operating and capital expenditures and other services	27,770	19,907
Other advanced payments associated with future performance obligations	5,063	5,219
Contract asset ⁽¹⁾	(47,620)	(46,665)
Wholesale capacity contract liabilities, net	\$ 35,165	\$ 32,442

(1) Primarily includes warrants with an initial fair value at the time of issuance of \$48.3 million which was recorded in equity with an offset to a contract asset on the Company's consolidated balance sheets. The fair value of the Warrants is recorded as a reduction to revenue over the period in which the Company performs its performance obligations through the estimated completion of the contract term, consistent with the period in which the customer benefits from the services provided.

(2) Includes debt discounts associated with the amended 2021 and 2023 Funding Agreements. The offset was recorded to deferred revenue and is being recognized into revenue over the Phase 1 and 2 Service Periods.

3. PROPERTY AND EQUIPMENT

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

	As of:	
	June 30, 2024	December 31, 2023
Globalstar System:		
Space component	\$ 1,230,975	\$ 1,230,975
Ground component	104,657	106,757
Construction in progress:		
Space component	281,030	240,732
Ground component	6,014	6,814
Other	8,327	9,574
Total Globalstar System	1,631,003	1,594,852
Internally developed and purchased software	24,484	23,310
Equipment	13,758	11,905
Land and buildings	2,817	2,677
Leasehold improvements	2,174	2,147
Total property and equipment	1,674,236	1,634,891
Accumulated depreciation	(1,053,683)	(1,010,889)
Total property and equipment, net	\$ 620,553	\$ 624,002

In 2022, the Company entered into an agreement with MDA for the purchase of new satellites that will replenish the Company's HIBLEO-4 U.S.-licensed system. In 2023, the Company entered into an agreement with SpaceX providing for the launch of the first set of satellites under the agreement with MDA. Refer to Note 5: Commitments and Contingencies for further discussion of these agreements.

As of June 30, 2024, the Company has incurred \$208.9 million and \$19.5 million for milestones completed under the agreements with MDA and SpaceX, respectively. These costs, as well as associated personnel costs and capitalized interest, are reflected in the "space component" of construction in progress in the table above.

4. LONG-TERM DEBT AND OTHER FINANCING ARRANGEMENTS

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

	As of:					
	June 30, 2024			December 31, 2023		
	Principal Amount	Unamortized Discount and Deferred Financing Costs	Carrying Value	Principal Amount	Unamortized Discount and Deferred Financing Costs	Carrying Value
2023 Funding Agreement	\$ 155,000	\$ 13,602	\$ 141,398	\$ 117,253	\$ 15,433	\$ 101,820
2021 Funding Agreement	58,150	4,231	53,919	75,450	6,888	68,562
2023 13% Notes	212,652	14,844	197,808	205,958	16,040	189,918
Total debt	\$ 425,802	\$ 32,677	\$ 393,125	\$ 398,661	\$ 38,361	\$ 360,300
Less: current portion	34,600	—	34,600	34,600	—	34,600
Long-term debt	\$ 391,202	\$ 32,677	\$ 358,525	\$ 364,061	\$ 38,361	\$ 325,700

The principal amounts shown above include payment of in-kind interest, as applicable. The carrying value is net of deferred financing costs and any discounts to the loan amounts at issuance, including accretion. As of June 30, 2024, the current portion of long-term debt is associated with the 2021 Funding Agreement and represents the amounts to be paid under the Service Agreements during the next twelve months.

2023 Funding Agreement

In 2023, the Service Agreements were amended to provide for, among other things, payment of up to \$252 million to the Company (the “2023 Funding Agreement”), which the Company intends to use to fund 50% of the amounts due under its agreement with MDA, as well as launch, insurance and ancillary costs incurred in connection with the construction and launch of these satellites.

The total amount paid to the Company under the 2023 Funding Agreement, including fees, is expected to be recouped from amounts payable under the Service Agreements beginning no later than the third quarter of 2025. For as long as any amount funded under the 2023 Funding Agreement is outstanding, the Company will be subject to certain covenants. The Company’s obligations under the 2023 Funding Agreement are secured by a first-priority lien over substantially all of the assets of the Company and its domestic subsidiaries. Thermo guaranteed certain of the Company’s obligations under the 2023 Funding Agreement and Service Agreements. See further discussion regarding Thermo’s guarantee in Note 6: Related Party Transactions.

As the Company makes draws under the 2023 Funding Agreement, the amount of each draw is recorded at fair value using a discounted cash flow model. The Company records a debt discount for the difference between the fair value of the debt and the proceeds received and accretes this debt discount to interest expense through the maturity date using an effective interest rate method. There has been one draw this year in February 2024 for total proceeds of \$37.7 million with a fair value of \$37.2 million. This difference was attributed to the economic benefit received due to the existing customer relationship.

2021 Funding Agreement

During 2021, the Company received payments under the amended 2021 Funding Agreement, totaling \$94.2 million. The Company’s obligations under the 2021 Funding Agreement are secured by a first-priority lien in substantially all of the assets of the Company and its domestic subsidiaries. This funding is being recouped as services are performed by the Company over the estimated Phase 1 Service Period with the last recoupment to be made in the first quarter of 2026. During the six months ended June 30, 2024, a total of \$17.3 million has been recouped pursuant to the terms of the 2021 Funding Agreement.

2023 13% Notes

In 2023, the Company completed the sale of \$200.0 million in aggregate principal amount of non-convertible 13% Senior Notes due 2029 (the “2023 13% Notes”). The 2023 13% Notes are senior, unsecured obligations of the Company, have a stated maturity of September 15, 2029 and bear interest initially at a rate of 13.00% per annum payable semi-annually in arrears. Pursuant to the Service Agreements, the Company has agreed to pay cash interest on the 2023 13% Notes at a rate of 6.5% per annum and PIK interest at a rate of 6.5% per annum. In March 2024, the Company made an interest payment totaling \$13.4 million, of which \$6.7 million was paid in cash and \$6.7 million was paid-in-kind, increasing the principal balance outstanding under the 2023 13% Notes.

Series A Preferred Stock

In 2022, the Company issued 149,425 shares of its 7.0% Perpetual Preferred Stock, Series A, liquidation preference \$1,000 per share (the “Series A Preferred Stock”) with a fair value of \$105.3 million. The shares of Series A Preferred Stock do not possess voting rights, other than certain matters specifically affecting the rights and obligations of the Series A Preferred.

Holders of Series A Preferred Stock are entitled to receive, when, as and if declared by the Company's Board of Directors or a committee thereof, cumulative cash dividends based on the liquidation preference of the Series A Preferred Stock, at a fixed rate equal to 7.00% per annum, payable quarterly in arrears on January 1, April 1, July 1 and October 1 of each year. Through June 30, 2024, the Company paid dividends approved by the Company's Board of Directors totaling \$5.3 million.

Fair Value of Debt and Other Financing Arrangements

The Company believes it is not practicable to determine the fair value of its debt agreements on a recurring basis without incurring significant additional costs. Unlike typical long-term debt, certain terms for these instruments are not readily available and generally involve a variety of factors, including due diligence by the debt holders.

5. COMMITMENTS AND CONTINGENCIES

Service Agreements

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

Satellite Procurement Agreement and Launch Services Agreement

The Company has a satellite procurement agreement with MDA pursuant to which the Company will acquire at least 17 satellites (and up to 26 satellites) with an amended contract price of \$329.5 million, with initial delivery expected to occur in 2025. In addition, MDA will procure a satellite operations control center for \$4.9 million as well as other equipment for \$3.7 million.

As more fully described in the Company's Current Report on Form 8-K filed with the Commission on August 31, 2023, Globalstar entered into a Launch Services Agreement with SpaceX and certain related ancillary agreements (the “Launch Services Agreements”), providing for the launch of the first set of the satellites the Company is acquiring pursuant to the satellite procurement agreement with MDA. The Launch Services Agreements provide a launch window from April to September 2025.

The Service Agreements provide for the Company to receive service payments equal to 95% of the approved capital expenditures under each contract.

6. RELATED PARTY TRANSACTIONS

Transactions with Thermo

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

Payables to Thermo related to normal purchase transactions were \$0.5 million as of June 30, 2024 and December 31, 2023.

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

Lease Agreement

The Company has a lease agreement with Thermo Covington, LLC for the Company's headquarters office. Annual lease payments increase at a rate of 2.5% per year. 2024 lease payments will be \$1.6 million. The lease term is ten years and will expire in January 2029. During each of the six months ended June 30, 2024 and 2023, the Company incurred lease expense of \$0.8 million under this lease agreement.

Perpetual Preferred Stock

Thermo's ownership portion in the Company's Series A Preferred Stock is \$136.7 million. Holders of Series A Preferred Stock are entitled to receive, when, as and if declared by our Board of Directors, cumulative cash dividends based on the liquidation preference of the Series A Preferred Stock, at a fixed rate equal to 7.00% per annum, payable quarterly in arrears on January 1, April 1, July 1 and October 1 of each year. During 2024, the Company made dividend payments to Thermo, which were approved by the Company's Board of Directors, totaling \$4.8 million.

Service Agreements

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

Guarantee with 2023 Funding Agreement

Amounts payable by the Company in connection with the 2023 Funding Agreement and certain other obligations under the Service Agreements are guaranteed by Thermo. As consideration for Thermo's guarantee, the Company issued to Thermo warrants to purchase 10.0 million shares of the Company's common stock at an exercise price equal to \$2.00 per share (as calculated pursuant to the agreement). 5.0 million of these warrants vested immediately upon effectiveness of Thermo's guarantee, which occurred in December 2023, and the remaining 5.0 million warrants vest if and when Thermo advances aggregate funds of \$25.0 million or more to the Company or a permitted third party pursuant to the terms of Thermo's guarantee. These warrants expire five years after the date of issuance.

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

Governance

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

Agreements with XCOM Labs, Inc.

Dr. Paul E. Jacobs is the Chief Executive Officer of Globalstar and also serves as the Executive Chairman of Virewirx (formerly XCOM Labs) and is the controlling stockholder of Virewirx. In connection with the August 2023 License Agreement, Globalstar issued 60.6 million shares of its common stock, representing a transaction value of approximately \$68.7 million, to XCOM. Of the consideration paid for the License Agreement, 16.7 million shares were issued to Dr. Jacobs. Dr. Jacobs does not have any family relationships with any director or executive officer of the Company and has not been directly or indirectly involved in any related party transactions with the Company, except for transactions related to the License Agreement and the SSA.

The Company and XCOM also executed a Support Services Agreement ("SSA") pursuant to which XCOM is required to provide certain services to the Company. Fees payable by Globalstar pursuant to the SSA are based on costs incurred. The first payment of \$11.9 million was paid in August 2023 for an initial service period of approximately nine months under the SSA. In June 2024, the Company issued Virewirx 7.7 million shares of Globalstar common stock, representing a transaction value of \$8.1 million. This issuance included \$7.5 million for costs incurred under the SSA, as well as the release of holdback shares under the License Agreement. The SSA payment covers a period of approximately six months of service costs and was recorded as a prepaid asset upon issuance on the Company's consolidated balance sheet. In June 2024, Virewirx sold 4.5 million of the total 7.7 million shares in a private placement transaction to an affiliate of the Thermo Companies.

7. NET LOSS PER SHARE

The following table sets forth the computation of basic and diluted loss per common share during each of the three and six months ended June 30, 2024 and 2023 (amounts in thousands, except per share data):

	Three Months Ended		Six Months Ended	
	June 30, 2024	June 30, 2023	June 30, 2024	June 30, 2023
Numerator:				
Net (loss) income	\$ (9,683)	\$ 9	\$ (22,879)	\$ (3,471)
Effect of Series A Preferred Stock dividends	(2,644)	(2,644)	(5,288)	(5,259)
Adjusted net loss attributable to common shareholders	\$ (12,327)	\$ (2,635)	\$ (28,167)	\$ (8,730)
Denominator:				
Weighted average shares outstanding - basic and diluted	1,884,208	1,813,393	1,883,406	1,812,617
Net loss per common share - basic and diluted	\$ (0.01)	\$ 0.00	\$ (0.01)	\$ 0.00

For the three months ended June 30, 2024 and 2023, 17.5 million and 18.2 million shares, respectively, of potential common stock were excluded from diluted shares outstanding because the effects of such securities would be anti-dilutive. For the six months ended June 30, 2024 and 2023, 19.2 million and 19.0 million shares, respectively, of potential common stock were excluded from diluted shares outstanding because the effects of such securities would be anti-dilutive.

Included in these shares for all periods presented is a portion of the 49.1 million Warrants issued under the Service Agreements in 2022 based on the treasury stock method. During 2023, 5.0 million of the warrants that were issued to Thermo for its guarantee of the 2023 Funding Agreement vested; none of these warrants are included in the potentially dilutive securities for the periods presented due to the exercise price of the warrants relative to the average market price of Globalstar common stock during the periods. Also excluded from the amounts above are 5.0 million unvested warrants associated with Thermo's guarantee of the 2023 Funding Agreement; these warrants vest only if Thermo advances aggregate funds of \$25.0 million or more to the Company or a permitted third party pursuant to the terms of Thermo's guarantee.

As discussed in Note 4: Long-Term Debt and Other Financing Arrangements and as reflected in table above, the Company's Board of Directors approved the payment of dividends for each of the three and six months ended June 30, 2024 and 2023, respectively, on its Series A Preferred Stock. This amount adjusts the numerator used to calculate loss per share.

Item 2. Management's Discussion and Analysis of Financial Condition and Results of Operations.

Certain statements contained in or incorporated by reference into this Quarterly Report on Form 10-Q (this "Report"), other than purely historical information, including, but not limited to, estimates, projections, statements relating to our business plans, objectives and expected operating results, and the assumptions upon which those statements are based, are forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995. These forward-looking statements generally are identified by the words "believe," "project," "expect," "anticipate," "estimate," "intend," "strategy," "plan," "may," "should," "will," "would," "will be," "will continue," "will likely result," and similar expressions, although not all forward-looking statements contain these identifying words. These forward-looking statements are based on current expectations and assumptions that are subject to risks and uncertainties which may cause actual results to differ materially from the forward-looking statements. Forward-looking statements, such as the statements regarding our ability to identify and realize opportunities and to generate the expected revenues and other benefits of the XCOM License Agreement, our ability to integrate the licensed technology into our current line of business, the ability of Dr. Jacobs and other new employees to drive innovation and growth, our ability to develop and expand our business (including our ability to monetize our spectrum rights), our anticipated capital spending, our ability to manage costs, our ability to exploit and respond to technological innovation, the effects of laws and regulations (including tax laws and regulations) and legal and regulatory changes (including regulation related to the use of our spectrum), the opportunities for strategic business combinations and the effects of consolidation in our industry on us and our competitors, our anticipated future revenues, our anticipated financial resources, our expectations about the future operational performance of our satellites (including their projected operational lives), our expectations for future increases in our revenue and profitability, our performance and financial results under the Service Agreements, the expected strength of and growth prospects for our existing customers and the markets that we serve, commercial acceptance of new products, problems relating to the ground-based facilities operated by us or by independent gateway operators, worldwide economic, geopolitical and business conditions and risks associated with doing business on a global basis, business interruptions due to natural disasters, unexpected events or public health crises, including viral pandemics such as the COVID-19 coronavirus, and other statements contained in this Report regarding matters that are not historical facts, involve predictions. Risks and uncertainties that could cause or contribute to such differences include, without limitation, those in Item 1A. Risk Factors in our Annual Report on Form 10-K for the fiscal year ended December 31, 2023, as filed with the Securities and Exchange Commission (the "SEC") on February 29, 2024 (the "2023 Annual Report"). We do not intend, and undertake no obligation, to update any of our forward-looking statements after the date of this Report to reflect actual results or future events or circumstances.

New risk factors emerge from time to time, and it is not possible for us to predict all risk factors, nor can we assess the impact of all factors on our business or the extent to which any factor, or combination of factors, may cause actual results to differ materially from those contained in any forward-looking statements. We undertake no obligation to update publicly or revise any forward-looking statements. You should not rely upon forward-looking statements as predictions of future events or performance. We cannot assure you that the events and circumstances reflected in the forward-looking statements will be achieved or occur. These cautionary statements qualify all forward-looking statements attributable to us or persons acting on our behalf.

This "Management's Discussion and Analysis of Financial Condition" should be read in conjunction with the "Management's Discussion and Analysis of Financial Condition" and information included in our 2023 Annual Report.

Overview

Mobile Satellite Services Business

Globalstar, Inc. ("we," "us" or the "Company") provides Mobile Satellite Services ("MSS") including voice and data communications services as well as wholesale capacity services through its global satellite network. We offer these services over our network of in-orbit satellites and ground stations ("gateways"), pursuant to our spectrum licenses, which we refer to collectively as the Globalstar System.

Globalstar System

Our constellation of Low Earth Orbit ("LEO") satellites were designed to maximize the probability that at least one satellite is visible from any point on the Earth's surface between the latitudes 70° north and 70° south. Our goal is to provide service levels and call or message success rates equal to or better than our MSS competitors so our products and services are attractive to potential customers.

Our ground network includes our ground equipment, which uses technology permitting communication to multiple satellites. Our system architecture provides full frequency re-use. This maximizes satellite diversity (which maximizes quality) and network capacity as we can reuse the assigned spectrum in every satellite beam in every satellite.

In 2022, we entered into a satellite procurement agreement with Macdonald, Dettwiler and Associates Corporation ("MDA") pursuant to which we expect to acquire at least 17 and up to 26 satellites. We filed an application with the Federal Communications Commission (the "FCC") to replenish our HIBLEO-4 U.S.-licensed system with these satellites and operate them under an additional fifteen-year license term to provide long-term continuity of our MSS. The technical specifications and design of these replacement satellites are similar to our current satellites. The satellite procurement agreement requires delivery of the 17 new satellites by 2025. In 2023, we entered into a Launch Services Agreement with Space Exploration Technologies Corp. ("SpaceX") and certain related ancillary agreements (the "Launch Services Agreements"), providing for the launch of the first set of these satellites during 2025. Under the Service Agreements, subject to certain terms and conditions, we will receive payments equal to 95% of the approved capital expenditures under the satellite procurement agreement and Launch Services Agreements (to be paid on a straight-line basis over the useful life of the satellites) beginning with the commencement of the Phase 2 Service Period (the "Approved Capital Expenditure Payments").

Spectrum and Regulatory Structure

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

Business Strategy

Our competitive advantages are leveraged through our ability to successfully deliver wholesale satellite capacity, communications products and services, and terrestrial spectrum and network solutions.

Wholesale Satellite Capacity

Wholesale satellite capacity services include satellite network access and related services using our satellite spectrum and network of satellites and gateways. For instance, we are the operator for certain satellite-enabled services offered by our Partner pursuant to the Service Agreements. The Service Agreements generally require us to allocate network capacity to support the Services and Partner to enable Band 53/n53 for use in cellular-enabled devices designated by Partner for use with the Services. As consideration for the Services provided by us, payments to us include a fixed service fee, payments relating to certain service-related operating expenses and capital expenditures, additional fees related to enhanced services, and potential bonus payments subject to satisfaction of certain licensing, service and related criteria. Wholesale satellite capacity services also include services performed pursuant to an agreement with a government services company to utilize our satellite network for a mission critical service for government applications.

For the six months ended June 30, 2024 and 2023, our wholesale capacity customer under the Service Agreements was responsible for 56% and 49%, respectively, of our revenue; except for this customer, no other customer was responsible for more than 10% of our revenue.

Communications Products and Services

We provide wireless communications services across the globe in order to meet our customers' increasing desire for connectivity. In addition to supporting Internet of Things ("IoT") data transmissions in a variety of applications, we provide reliable connectivity in areas not served or underserved by terrestrial wireless and wireline networks and in circumstances where terrestrial networks are not operational due to natural or man-made disasters.

We currently provide the following communications products and services to our subscribers:

- voice communication and data transmissions ("Duplex");
- communication and data transmissions using our SPOT family of mobile devices that transmit messages and the location of the device ("SPOT"); and
- data transmissions using a mobile or fixed device that transmits its location and other information to a central monitoring station, including our commercial IoT products ("Commercial IoT").

As of June 30, 2024, we had approximately 785,000 subscribers worldwide. For our subscriber driven revenue, the specialized needs of our global customers span many industries. The number of Commercial IoT devices on our network has increased 9% over the last twelve months. Satellite IoT connectivity has become more critical to a growing number of sectors and use cases, and we plan to continue to evolve and develop our IoT initiatives.

We compete aggressively on price and strive for differentiation in the solutions that we offer to our customers. As technological advancements are made, we continue to explore opportunities to develop new products and provide new services over our network to meet the needs of our existing and prospective customers.

Terrestrial Spectrum and Network Solutions

We are authorized to provide terrestrial broadband services over 11.5 MHz of our licensed MSS spectrum at 2483.5 to 2495 MHz throughout the United States of America and its Territories. The Third Generation Partnership Project (“3GPP”) has designated the 11.5 MHz terrestrial band as Band 53 with 5G variant of our Band 53, known as n53.

We have terrestrial licenses in 11 countries, resulting in approximately 10.3 billion MHz-POPs (megahertz of our spectrum authority in each country multiplied by a total population of approximately 821 million over the covered area). Prospective spectrum partners, including cable companies, wireless carriers, system integrators, utilities and other infrastructure operators, are able to benefit from access to uniform and increasingly “borderless” spectrum working across geographies. Our expanding portfolio of terrestrial spectrum represents a substantial opportunity for us. The Service Agreements significantly enhance the device ecosystem for Band 53/n53.

We have an Intellectual Property License Agreement (the “License Agreement”) with Virewirx, Inc. (formerly XCOM Labs, Inc.) (“Licensor” or “XCOM”). Under the License Agreement, we purchased an exclusive right and license (the “License”) as well as certain Intellectual Property Assets (as defined in the License Agreement) relating to the development and commercialization of XCOM’s key novel technologies for wireless spectrum innovations, including XCOM Radio Access Network (XCOM RAN) systems, XCOM’s commercially available coordinated multi-point radio system. Bringing together Globalstar’s terrestrial spectrum and relationships with leading partners around the world with XCOM’s differentiated technology, which we believe is well suited for high-performance applications, creates a significant opportunity to deliver for private network customers with mission-critical needs.

Performance Indicators

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

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

Comparison of the Results of Operations for the three and six months ended June 30, 2024 and 2023

Revenue

Our revenue is categorized as service revenue and equipment revenue. We provide services to customers using technology from our satellite and ground network. Equipment revenue is generated from the sale of devices that work over our network. For the three months ended June 30, 2024, total revenue increased 10% to \$60.4 million from \$55.1 million for the same period in 2023. For the six months ended June 30, 2024, total revenue increased 3% to \$116.9 million from \$113.7 million for the same period in 2023. See below for a discussion of the main fluctuations in revenue.

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

	Three Months Ended June 30, 2024		Three Months Ended June 30, 2023		Six Months Ended June 30, 2024		Six Months Ended June 30, 2023	
	Revenue	% of Total Revenue	Revenue	% of Total Revenue	Revenue	% of Total Revenue	Revenue	% of Total Revenue
Service revenue:								
Subscriber services								
Duplex	\$ 4,965	8 %	\$ 6,359	11 %	\$ 9,720	8 %	\$ 12,110	10 %
SPOT	10,379	17	11,039	20	20,622	18	22,353	20
Commercial IoT	6,716	11	5,356	10	13,153	11	10,534	9
Wholesale capacity services	34,700	57	25,478	46	66,329	57	55,889	49
Engineering and other services	875	1	416	1	1,276	1	716	1
Total service revenue	\$ 57,635	94 %	\$ 48,648	88 %	\$ 111,100	95 %	\$ 101,602	89 %

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

	Three Months Ended June 30,		Six Months Ended June 30,	
	2024	2023	2024	2023
Average number of subscribers for the period:				
Duplex	27,893	34,974	28,715	36,047
SPOT	246,182	261,734	248,329	264,162
Commercial IoT	508,518	466,609	506,793	467,059
Other	302	385	306	395
Total	782,895	763,702	784,143	767,663
ARPU (monthly):				
Duplex	\$ 59.33	\$ 60.61	\$ 56.42	\$ 55.99
SPOT	14.05	14.06	13.84	14.10
Commercial IoT	4.40	3.83	4.33	3.76

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

Wholesale capacity service revenue includes revenue generated from satellite network access and related services. Engineering and other service revenue includes revenue generated primarily from terrestrial spectrum and network solutions as well as certain governmental and engineering service contracts; none of these service revenue items are subscriber driven. Accordingly, we do not present ARPU for wholesale capacity service revenue and engineering and other service revenue reflected in the table above.

Service Revenue

Duplex service revenue decreased \$1.4 million, or 22%, and \$2.4 million, or 20%, respectively, for the three and six month periods ended June 30, 2024, compared to the same periods in 2023. For both periods, the decrease in revenue was due to fewer average subscribers resulting from churn exceeding gross activations over the last twelve months as we no longer manufacture and sell Duplex devices in favor of other use cases for our network assets, including wholesale capacity services.

SPOT service revenue decreased 6% and 8%, respectively, for the three and six months ended June 30, 2024, compared to the same periods in 2023. For both periods, the decrease in revenue was due to fewer average subscribers. However, gross subscriber additions were up nearly 40% from the first quarter of 2024 to the second quarter of 2024; this increase is due in part to the seasonality of SPOT subscriber activations and also to the recovery of SPOT device production and subsequent subscriber activations.

Commercial IoT service revenue increased 25% for both the three and six months ended June 30, 2024 compared to the same periods in 2023. This increase was due to higher average subscribers and ARPU. Gross subscriber additions were up 20% from the first quarter of 2024 to the second quarter of 2024 and up 24% compared to the second quarter of 2023. The increase in ARPU was due to higher usage on the network as well as the mix of subscribers on various rate plans.

Wholesale capacity service revenue increased \$9.2 million and \$10.4 million, respectively, for the three and six months ended June 30, 2024 compared to the same periods in 2023. The vast majority of wholesale capacity revenue reflects fixed service fees under the Service Agreements, including fees related to enhanced services beginning in 2024. Additionally, we signed an agreement in the first quarter of 2024 with a government services company to utilize our satellite network for a mission critical service for government applications. The \$2.5 million proof of concept phase commenced in February 2024 and is progressing as planned. Revenue associated with this contract is currently included in "Wholesale capacity service revenue." This agreement has a five-year term and, if the project is implemented, contains annual minimum revenue commitments escalating to \$20 million during the fifth year, with potential for further upside through the agreement's revenue share arrangement.

Operating Expenses

Total operating expenses increased to \$61.8 million from \$52.5 million and to \$123.0 million from \$103.9 million for the three and six months ended June 30, 2024 compared to the same periods in 2023. The main contributors to the variances in operating expenses are explained in detail below.

Cost of Services

Cost of services increased \$5.9 million and \$10.8 million for the three and six months ended June 30, 2024 compared to the same periods in 2023, respectively. These increases are due in part to network expansion in connection with services provided under the Service Agreements; a substantial portion of network-related costs are reimbursed thereunder and this consideration is recognized as revenue in accordance with the terms of the contract. In line with our new and upgraded ground infrastructure, for the three and six month periods, gateway operating costs, such as maintenance and personnel costs, increased \$2.5 million and \$6.3 million, respectively. We do not expect the operating costs that support existing Phase 1 services to increase meaningfully beyond current levels. In connection with the August 2023 License Agreement with XCOM, we entered into a Support Services Agreement (the "SSA"). During the three and six months ended June 30, 2024, we recognized \$2.1 million and \$3.3 million, respectively, in expense associated with the SSA and other ancillary costs, of which the majority were noncash. Costs to support new product development also contributed to the increase in the three and six months ended June 30, 2024.

Stock-Based Compensation

Stock-based compensation expense increased \$6.6 million and \$12.1 million for the three and six months ended June 30, 2024 compared to the same periods in 2023, respectively. These increases were due primarily to restricted stock units ("RSUs") granted to certain executives in connection with the License Agreement in August 2023. We granted 44.5 million RSUs, which are earned over a four-year performance period and vest upon Globalstar common stock trading at various price levels throughout the performance period. The total fair value of the RSUs was \$39.5 million and is being recognized over the derived service period of 2.6 years; nearly 60% of the compensation cost for these RSU's will be recognized during 2024.

Other (Expense) Income

Loss on Extinguishment of Debt

We recorded a loss on extinguishment of debt of \$10.4 million during the first quarter of 2023 following the full pay-off of the 2019 Facility Agreement in March 2023. The extinguishment loss was recognized due to the remaining deferred financing costs and debt discount associated with the instrument at the time of repayment. Similar activity did not occur in 2024.

Interest Income and Expense

Interest income and expense, net, decreased \$1.4 million and increased \$0.3 million during the three and six months ended June 30, 2024 compared to the same periods in 2023, respectively. For the three month period, higher capitalized interest (which decreases interest expense) was offset by higher gross interest costs. For the six month period, higher gross interest costs were offset by higher capitalized interest. Higher capitalized interest was due to a higher construction in progress balance.

Foreign Currency (Loss) Gain

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

We recorded net foreign currency losses of \$4.5 million and \$8.3 million, respectively, during the three and six months ended June 30, 2024. We recorded foreign currency gains of \$2.0 million and \$3.9 million, respectively, during the three and six months ended June 30, 2023. Many of our foreign subsidiaries have USD-denominated intercompany payable balances, which impact the foreign currency gains and losses recorded each reporting period. In this instance, foreign currency gains result from other currencies strengthening relative to the U.S. dollar; inversely, foreign currency losses result from the U.S. dollar strengthening relative to other currencies.

Liquidity and Capital Resources

Overview

Our principal sources of liquidity include cash on hand, cash flows from operations and proceeds from the Funding Agreements. These liquidity sources are expected to meet our short-term and long-term liquidity needs for funding our operating costs, capital expenditures and financing obligations, including scheduled recoupments under the 2021 Funding Agreement (defined below), interest on our 13% Notes (defined below), and dividends on our perpetual preferred stock. In addition, we have issued warrants under the Service Agreements and to Thermo in connection with its guaranty of the 2023 Funding Agreement (defined below). These warrants could become a source of liquidity if exercised.

As of June 30, 2024 and December 31, 2023, we held cash and cash equivalents of \$64.3 million and \$56.7 million, respectively.

The principal amount of our debt outstanding was \$425.8 million at June 30, 2024, compared to \$398.7 million at December 31, 2023. This increase was due to the following:

- PIK interest payment to the lenders of the 2023 13% Notes (as defined below) of \$6.7 million; and
- Issuance of debt under the 2023 Funding Agreement (as defined below) totaling \$37.7 million; offset by
- Recoupment under the 2021 Funding Agreement (as defined below) totaling \$17.3 million.

Cash Flows for the six months ended June 30, 2024 and 2023

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

	Six Months Ended	
	June 30, 2024	June 30, 2023
Net cash provided by operating activities	\$ 66,486	\$ 42,993
Net cash used in investing activities	(74,458)	(124,636)
Net cash provided by financing activities	16,244	114,822
Effect of exchange rate changes on cash and cash equivalents	(682)	73
Net increase in cash and cash equivalents	\$ 7,590	\$ 33,252

Cash Flows Provided by Operating Activities

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

Net cash provided by operating activities during the six months ended June 30, 2024 was \$66.5 million compared to \$43.0 million during the same period in 2023. This improvement was due to favorable working capital changes as a result of the timing of recognition of accounts receivable and deferred revenue under the Service Agreements, specifically related to the timing of receipt and the amount of service fees.

Cash Flows Used in Investing Activities

Net cash used in investing activities was \$74.5 million for the six months ended June 30, 2024 compared to \$124.6 million for the same period in 2023. Net cash used in investing activities during both periods primarily included network upgrades associated with the Service Agreements and payments of capitalized interest. The timing of milestone payments made to our next-generation satellite vendors was the primary driver of the decrease in cash used during 2024.

Cash Flows Provided by Financing Activities

Net cash provided by financing activities was \$16.2 million during the six month period ended June 30, 2024 compared to net cash provided by financing activities of \$114.8 million for the same period in 2023. In February 2024 and April 2023, we received proceeds from the 2023 Funding Agreement totaling \$37.7 million and \$87.7 million, respectively, which were used to pay amounts owed to MDA. Pursuant to the terms of the 2021 Funding Agreement, scheduled recoupment payments totaling \$17.3 million were made during 2024 (these payments began in the third quarter of 2023). During the first quarter of 2023, we received proceeds from the sale of the 2023 13% Notes, which were used to pay the remaining principal amount due under the 2019 Facility Agreement and financing costs. Finally, during both 2024 and 2023, we paid cash dividends to our preferred equity holders.

Indebtedness

For further discussion on all of our debt and other financing arrangements, see Note 4: Long-Term Debt and Other Financing Arrangements to our condensed consolidated financial statements.

Funding Agreements

The Service Agreements provide for, among other things, payment of up to \$252 million to us (the "2023 Funding Agreement") which we intend to use to fund 50% of amounts due under the satellite procurement agreement with MDA, as well as launch, insurance and ancillary costs incurred in connection with the construction and launch of these satellites. The remaining amount of the satellite costs is expected to be funded from our operating cash flows. The outstanding balance under the 2023 Funding Agreement was \$155.0 million as of June 30, 2024.

The amount of the Funding Agreement and fees payable thereon are expected to be recouped from amounts payable for services provided by us under the Service Agreements in installments for a period of 16 quarters beginning no later than the third quarter of 2025. For as long as any portion of the 2023 Funding Agreement is outstanding, we will be subject to certain covenants. Our repayment obligations under the 2023 Funding Agreement are secured by a first-priority lien on substantially all of our assets. Additionally, Thermo guaranteed certain of our obligations under the Funding Agreements. As consideration for Thermo's guarantee, we issued to Thermo warrants to purchase 10.0 million shares of our common stock.

During 2021, we received payments totaling \$94.2 million (the "2021 Funding Agreement"), which are being recouped as services are performed by us over the Phase 1 Service Period with the last recoupment to be made in the first quarter of 2026. During the first six months June 30, 2024, a total of \$17.3 million has been recouped. The outstanding balance under the 2021 Funding Agreement was \$58.2 million as of June 30, 2024.

2023 13% Notes

In 2023, we completed the sale of \$200.0 million in aggregate principal amount of non-convertible 13% Senior Notes due 2029 (the "2023 13% Notes"). The 2023 13% Notes are our senior, unsecured obligations and have a stated maturity of September 15, 2029. The 2023 13% Notes were sold at an issue price of 95% of the principal amount and bear interest at a rate of 13.00% per annum payable semi-annually in arrears. We have agreed under the Service Agreements to pay cash interest on the 2023 13% Notes at a rate of 6.5% per annum and PIK interest at a rate of 6.5% per annum. The Indenture includes customary terms and covenants. The outstanding balance under the 2023 13% Notes was \$212.7 million as of June 30, 2024.

Series A Preferred Stock

In 2022, we issued 149,425 shares of 7.0% Perpetual Preferred Stock, Series A, with a liquidation preference of \$1,000 per share (the "Series A Preferred Stock") and a total fair value of \$105.3 million. Holders of Series A Preferred Stock are entitled to receive, when, as and if declared by our Board of Directors, cumulative cash dividends based on the liquidation preference of the Series A Preferred Stock, at a fixed rate equal to 7.00% per annum, payable quarterly in arrears on January 1, April 1, July 1 and October 1 of each year. Through June 30, 2024, we paid dividends totaling \$5.3 million.

Off-Balance Sheet Transactions

We have no material off-balance sheet transactions.

Recently Issued Accounting Pronouncements

For a discussion of recently issued accounting guidance and the expected impact that the guidance could have on our condensed consolidated financial statements, see Recently Issued Accounting Pronouncements in Note 1: Basis of Presentation to our condensed consolidated financial statements in Part 1, Item 1 of this Report.

Critical Accounting Policies and Estimates

There have been no material changes in our Critical Accounting Policies and Estimates from the information provided in the "Critical Accounting Policies and Estimates" section of "Item 7. Management's Discussion and Analysis of Financial Condition and Results of Operations" in our Form 10-K.

Item 3. Quantitative and Qualitative Disclosures About Market Risk.

There have been no material changes to our market risk during the quarter ended June 30, 2024. For a discussion of our exposure to market risk, refer to our disclosures set forth in Part II, Item 7A, "Quantitative and Qualitative Disclosures About Market Risk" in our 2023 Annual Report.

Item 4. Controls and Procedures.

(a) Evaluation of disclosure controls and procedures.

Our management, with the participation of our Principal Executive Officer and Principal Financial Officer, evaluated the effectiveness of our disclosure controls and procedures pursuant to Rule 13a-15(b) under the Securities Exchange Act of 1934 as of June 30, 2024, the end of the period covered by this Report. This evaluation was based on the guidelines established in *Internal Control - Integrated Framework* issued in 2013 by the Committee of Sponsoring Organizations of the Treadway Commission (COSO). In designing and evaluating the disclosure controls and procedures, management recognized that any controls and procedures, no matter how well designed and operated, can provide only reasonable assurance of achieving the desired control objectives.

Based on this evaluation, each of our Principal Executive Officer and Principal Financial Officer concluded that as of June 30, 2024 our disclosure controls and procedures were effective to provide reasonable assurance that information we are required to disclose in reports that we file or submit under the Exchange Act is recorded, processed, summarized and reported within the time periods specified in Securities and Exchange Commission rules and forms, and that such information is accumulated and communicated to our management, including our Principal Executive Officer and Principal Financial Officer, as appropriate, to allow timely decisions regarding required disclosure.

We believe that the condensed consolidated financial statements included in this Report fairly present, in all material respects, our condensed consolidated financial position and results of operations for the six months ended June 30, 2024.

(b) Changes in internal control over financial reporting.

As of June 30, 2024, our management, with the participation of our Principal Executive Officer and Principal Financial Officer, evaluated our internal control over financial reporting. Based on this evaluation, our Principal Executive Officer and Principal Financial Officer concluded that no changes in our internal control over financial reporting occurred during the quarter ended June 30, 2024 have materially affected, or are reasonably likely to materially affect, our internal control over financial reporting.

PART II: OTHER INFORMATION

Item 1. Legal Proceedings.

None.

Item 1A. Risk Factors.

You should carefully consider the risks described in this Report and all of the other reports that we file from time to time with the SEC, in evaluating and understanding us and our business. Additional risks not presently known or that we currently deem immaterial may also impact our business operations and the risks identified in this Report may adversely affect our business in ways we do not currently anticipate. Our financial condition or results of operations also could be materially adversely affected by any of these risks. There have been no material changes to our risk factors disclosed in Part I. Item 1A. "Risk Factors" of our 2023 Annual Report.

Item 2. Unregistered Sales of Equity Securities and Use of Proceeds.

As disclosed elsewhere in this Quarterly Report on Form 10-Q, the Company issued 7.7 million shares of its common stock to XCOM on June 28, 2024 in respect of costs incurred under the SSA and for the release of holdback shares under the License Agreement. This issuance was exempt under Section 4(a)(2) of the Securities Act of 1933, as amended.

Item 3. Defaults Upon Senior Securities.

None

Item 4. Mine Safety Disclosures.

Not Applicable

Item 5. Other Information.

Rule 10b5-1 Trading Plans

During the fiscal quarter ended June 30, 2024, none of our directors or executive officers adopted or terminated any contract, instruction or written plan for the purchase or sale of Company securities that was intended to satisfy the affirmative defense conditions of Rule 10b5-1(c) (each, a "10b5-1 Plan") or any non-Rule 10b5-1 trading arrangement. However, certain of our directors and executive officers may adopt 10b5-1 Plans or non-Rule 10b5-1 trading arrangements in the future.

Item 6. Exhibits.

Exhibit Number	Description
3.1*	<u>Third Amended and Restated Certificate of Incorporation of Globalstar, Inc. (incorporated by reference to Appendix A to the Definitive Proxy Statement on Schedule 14A filed with the Commission on April 12, 2021)</u>
3.2*	<u>Fifth Amended and Restated Bylaws of Globalstar, Inc. (incorporated by reference to Exhibit 3.1 to the Current Report on Form 8-K filed with the Commission on August 31, 2023)</u>
10.1††	<u>Conformed copy of Amendment to Support Services Agreement by and between Virewirx, Inc. and Globalstar, Inc. dated June 28, 2023</u>
31.1	<u>Section 302 Certification of the Principal Executive Officer</u>
31.2	<u>Section 302 Certification of the Principal Financial Officer</u>
32.1	<u>Section 906 Certification of the Principal Executive Officer</u>
32.2	<u>Section 906 Certification of the Principal Financial Officer</u>
101.INS	XBRL Instance Document
101.CAL	XBRL Taxonomy Extension Calculation Linkbase Document
101.DEF	XBRL Taxonomy Extension Definition Linkbase Document
101.PRE	XBRL Taxonomy Extension Presentation Linkbase Document
101.LAB	XBRL Taxonomy Extension Label Linkbase Document

* Incorporated by reference.

†† Portions of the exhibit have been omitted pursuant to Item 601(b)(10) of Regulation S-K.

SIGNATURES

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

GLOBALSTAR, INC.

Date: August 8, 2024

By: /s/ Dr. Paul E. Jacobs
Dr. Paul E. Jacobs
Chief Executive Officer (Principal Executive Officer)

/s/ Rebecca S. Clary
Rebecca S. Clary
Chief Financial Officer (Principal Financial Officer)

Certain portions of this document have been omitted pursuant to Item 601(b)(10) of Regulation S-K and, where applicable, have been marked with “[*]” to indicate where omissions have been made. The marked information has been omitted because it is (i) not material and (ii) is the type that the registrant treats as private or confidential.

Reflects amendments through

Conformed Copy

June 28, 2024

SUPPORT SERVICES AGREEMENT

by and between

XCOM LABS, INC.

as Licensor

and

Globalstar, Inc.,

as Licensee

dated as of August 29, 2023

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Schedule of Services

Exhibit A – [*]

SUPPORT SERVICES AGREEMENT

This Support Services Agreement (this “**Agreement**”) is made as of August 29, 2023, by and between XCOM Labs, Inc., a Delaware corporation (“**Licensor**”) and Globalstar, Inc., a Delaware corporation (“**Licensee**”). Licensor and Licensee are referred to herein individually as a “**Party**” and collectively as the “**Parties**.”

RECITALS

WHEREAS, the Parties have entered into an Intellectual Property License Agreement, dated as of 29, 2023 (the “**License Agreement**”), pursuant to which Licensor is licensing to Licensee rights to use certain intellectual property relating to the Wireless Business (as defined in the License Agreement), pursuant to the terms and conditions set forth therein. The date and time at which the closing of the License Agreement is to occur being referred to herein as the “**Closing Date**.” Capitalized terms used herein but not defined have the meanings ascribed to them in the License Agreement;

WHEREAS, in further consideration of the License Agreement and related transactions, Licensee will require Licensor’s assistance with respect to certain operations of the Wireless Business during the periods specified herein following the Closing Date; and

WHEREAS, in connection with and as a condition precedent to the closing of the transactions contemplated by the License Agreement, Licensor has agreed to provide, and Licensee desires to contract for the use of, the Services (as hereinafter defined).

NOW, THEREFORE, in consideration of the mutual agreements and covenants herein contained and intending to be legally bound hereby, the Parties hereby agree as follows:

Section 1. Services to be Performed; Term; Performance and Cooperation.

(a) **Services Generally.** In accordance with the terms and provisions of this Agreement, Licensor, on behalf of itself and its Affiliates (collectively, the “**Licensor Parties**,” and each a “**Licensor Party**”) agrees to perform for Licensee and its Affiliates (collectively, the “**Licensee Parties**,” and each a “**Licensee Party**”) the services described in the Schedules attached hereto or that may be updated upon the mutual written agreement of the Parties (collectively, the “**Services**”) for the time period and to the extent specified with respect to each such Service in the applicable Schedule. At its option, Licensor may cause any Service it is required to provide hereunder to be provided by one of its Affiliates or by any other Person that is providing as of the Closing Date, or may from time to time provide (solely with the consent of Licensee, which shall not unreasonably be withheld), the same or similar services for Licensor; provided that Licensor shall not be relieved of its obligations with respect to such Services.

(b) **Use of Employees.** The Licensor Parties shall make available to the Licensee Parties the employees associated with the Wireless Business set forth on Schedule C-2 to the License Agreement, for so long as such persons remain employees (the “**Wireless Business Employees**”), for the purpose of allowing Licensor to conduct the Wireless Business and for the period from the date of the Agreement through the date of expiration of such employee services as set forth on the Schedules to this Agreement. All Wireless Business Employees shall at all times remain employees of the Licensor Parties and on the direct payroll of the Licensor Parties. The Licensor Parties shall maintain complete employment files with respect to the Wireless Business Employees in accordance with state and federal law. Any Intellectual Property developed or created by the Wireless Business Employees in the course of their services

provided to the Licensor Parties and the Wireless Business shall be included Intellectual Property Assets that are subject to the License under the License Agreement.

(c) **Longhorns India.** The Parties acknowledge that pursuant to the License Agreement, Licensee has the right to acquire shares of Longhorns Labs India Private Limited, an India private limited corporation, of which Licensor owns 61,999 shares (“**Longhorns India**”). As a Service, subject to the further description and terms of such Service on the applicable Schedule hereto, the Licensor Parties shall operate the business of Longhorns India in good faith and on a basis consistent with the ordinary course operation of Longhorns India prior to the Closing Date. Prior to any acquisition by Licensee of such shares of Longhorns India, (i) the Licensor Parties shall settle all inter-company payables between Longhorns India, on the one hand, and another Licensor Party, on the other, at no cost to the Licensee, together with any payables owed by Longhorns India to any third party, subject to the payment of fees as described on the applicable Schedule, and (ii) Licensor shall provide to Licensee evidence reasonably satisfactory to Licensee that, as of immediately prior to the Licensee’s acquisition of the shares of Longhorns India, Longhorns India has no liability to any other Licensor Party or, solely with respect to liabilities directly arising from the potential transfer of inter-company payables to any third party, any other third party (provided, however, for the avoidance of duplication, in no event shall Licensor be required to settle any liability for which Licensee was already compensated in the form of an Assumed Liabilities Surplus paid pursuant to the License Agreement).

(d) **Facility Access; Sublease.** The Licensor Parties shall make available the existing facilities used by the Wireless Business to Licensee until December 31, 2023 for the operation of the Wireless business in the same manner as prior to the Effective Date and on the same terms and conditions (but for the avoidance of doubt, at \$0 Fees) as the Sublease attached as Exhibit A (the “**Sublease**”). The Parties agree to use commercially reasonable efforts to obtain all consents and approvals necessary to enter into the Sublease effective as of January 1, 2024 and, subject to such consents and approvals, agree to execute and deliver the Sublease as of January 1, 2024. If the Sublease is not entered into by the Parties on or before January 1, 2024, then each Party will cooperate with the other in commercially reasonable arrangements necessary to provide for each Party to obtain the benefits and assume the burdens associated with the Sublease as if it were effective as of January 1, 2024, including payment by Licensee of all rents and other fees contemplated by the Sublease.

(e) **Expiration Date; Termination of Individual Services.**

(i) This Agreement shall commence on the Closing Date and shall continue until the expiration of the applicable time period for each Service as set forth in the Schedules (with respect to each Service, the “**Expiration Date**”). This Agreement may be terminated earlier in accordance with Section 1(f) below. At the Licensee Party’s reasonable written request to Licensor no later than thirty (30) days prior to the applicable Expiration Date, Licensor will not unreasonably withhold consent to extend this Agreement past the applicable Expiration Date with respect to one or more of the Services; provided, however, that such extension shall only apply to the Service for which the Agreement was extended. The Parties may agree on an earlier Expiration Date with respect to a specific Service by specifying such earlier date on the Schedule for that Service. Services shall be provided up to and including the date set forth in the applicable Schedule, subject to earlier termination as provided herein.

(ii) The Parties agree that if a Licensee Party chooses to discontinue any Service prior to its Expiration Date, then the Licensee Party shall give Licensor prior written notice within the notice period specified in the relevant Schedule, or if no such notice period is specified, at least ten (10) days prior written notice, of its intent to terminate that particular Service, which termination shall be effective on the last day of the month on which the ten (10) days prior written notice lapses unless otherwise agreed in writing by Licensor following receipt of such notice. A Licensee Party will pay Licensor the fees and costs, if any, of any terminated Service as provided in this Agreement up until the effective date of

termination of such Service, but no early termination fees are otherwise due or payable unless otherwise specified in a Schedule. As to any particular Service, notice of early termination shall be provided to the Licensor representative designated as the point of contact for such Service on the applicable Schedule or, if no Licensor representative is designated, in accordance with Section 8(i).

(f) Termination of Agreement. Notwithstanding anything to the contrary contained herein, this Agreement may be terminated, in whole or in part, at any time:

(i) by the mutual written consent of Licensee and Licensor;

(ii) by Licensee in the event of any material breach or default by Licensor of any of Licensor's obligations under this Agreement and the failure of Licensor to cure, or, with respect to failures that are not reasonably curable within thirty (30) days, to take substantial steps towards the curing of, such breach or default within thirty (30) days after receipt of written notice from Licensee requesting such breach or default to be cured; or

(iii) by Licensor in the event of any material breach or default by Licensee of the Agreement and the failure of a Licensee Party to cure, or, with respect to failures that are not reasonably curable within thirty (30) days, to take substantial steps towards the curing of, such breach or default within thirty (30) days after receipt of notice from Licensor requesting such breach or default to be cured.

The expiration or termination of this Agreement shall not prejudice any claim that either Party may have under this Agreement that arises prior to the effective date of such expiration or termination. Notwithstanding any expiration or termination of this Agreement, the provisions of Sections 3, 4, 6, and 8 shall continue in accordance with their terms as independent obligations.

(g) Limitations on Licensor Obligations.

(i) The Parties acknowledge and agree that in providing the Services, Licensor shall not be obligated to: (A) hire any additional employees; (B) maintain the employment of any specific employee; (C) purchase, lease or license any additional equipment or software, other than replacements for equipment or software that is used to provide the Services as of the Closing Date; or (D) pay any costs related to the transfer or conversion of data to Licensee or any alternate supplier of Services.

(ii) Licensor shall not be required to provide any Service to the extent and for so long as the performance of such Service becomes impossible or not commercially reasonable as a result of a cause or causes outside the reasonable control of Licensor that substantially deviate from the facts and circumstances that existed as of the Closing Date and that could not have been prevented by the Licensor's reasonable precautions or commercially accepted processes, or to the extent the performance of such Services would require Licensor or the provider of the Service to violate any applicable Laws, incur material incremental costs or would result in the breach of any software license or other applicable contract, provided that Licensor shall use commercially reasonable efforts to mitigate any such cause or causes.

(h) Cooperation. The Parties shall use reasonable commercial efforts to cooperate with each other in all matters relating to the provision and receipt of Services. Such cooperation shall include exchanging information reasonably requested by either Party in writing. The costs of such cooperation shall be borne by Licensee.

(i) Consultation and Negotiation. The Parties will consult and negotiate with each other in good faith, as required, with respect to amending or modifying the Services, the furnishing of and payment for special or additional services, extraordinary items and the like, and will establish pre-approval routines to the extent reasonably feasible.

(j) **Additional Services.** From time to time after the Closing Date and prior to the Expiration Date, the Parties may identify additional services to be provided to Licensee in accordance with the terms of this Agreement (the “**Additional Services**”). Licensee shall create a Schedule for each Additional Service setting forth a description of the Additional Service, the time period during which the Additional Service will be provided, the charge for the Additional Service and any other terms applicable thereto for the consideration and approval of Licensor. The Parties acknowledge and agree that Licensor shall not be obligated to accept any Additional Services unless approved by Licensor in writing.

(k) **Insurance.** Between the Closing Date and the Expiration Date, Licensor shall be required to maintain insurance coverage reasonably similar to the current insurance coverage maintained by Licensor.

Section 2. Payment

(a) In consideration for the Services provided hereunder, Licensee shall pay to Licensor such fees and costs for the relevant time period as set forth in the Schedule attached hereto that is applicable to such Service, or such fees and costs as may otherwise be agreed to by Licensor and Licensee (“**Service Fees**”). For the avoidance of doubt, the Services will be provided free of charge through May 14, 2024, unless otherwise provided on the Schedule attached hereto. The amount charged shall be prorated for any partial months. The Service Fees shall be payable (i) in the amount of [*] (which is the resulting amount after adjustment for prior Service Period overpayment, the “**Initial Service Fee**”) on June 28, 2024 with respect to the period beginning May 15, 2024 and ending on December 31, 2024 and (ii) thereafter, by the first business day of each six month period that Services will continue after December 31, 2024 (e.g., January 1, 2025, July 1, 2025). Licensee may pay the Service Fees in cash or in Licensee Shares at Licensee’s election, and the Service Fees shall be used solely for the costs and expenses associated with the Wireless Business and for the sake of clarity shall not be used for the costs and expenses associated with the XR Business. If paid in Licensee Shares, such payment shall be determined using the volume-weighted average market price of the Licensee Shares on the NYSE American stock exchange for the 10 trading days immediately preceding delivery. To determine the amount owed, Licensor and Licensee shall work together to mutually agree upon a budget for the period to which such Service Fees apply, which shall be at least six (6) months (each such period, a “**Renewal Period**” and each budget, a “**Budget**”), listing the Services to be provided and listing the Service Fees or reimbursable costs for such Services, including charges for services provided by Third Parties in connection with the Services (“**Third Party Charges**”). The Budget (including anticipated Third Party Charges) for the period between the Closing Date and May 15, 2024 (the “**Initial Service Period**”), was agreed to by Licensor and Licensee prior to the Closing Date and has been paid in Licensee Shares as part of the Base License Consideration. All Service Fees set forth in each Budget shall be consistent with the fees and costs set forth in the Schedule attached hereto. Unless otherwise agreed in writing between Licensor and Licensee, all Service Fees will be billed at cost between May 15, 2024 and December 31, 2024; and, following December 31, 2024, on a cost plus profit margin basis where such profit margin shall be mutually agreed between Licensor and Licensee, not to exceed [*] (it being understood that no margin shall be added to Third Party Charges). If Licensor and Licensee are unable to agree upon a profit margin, then Licensee shall continue to make each payment as contemplated herein on a cost [*] basis and the parties shall submit to the Independent Accountant (or other mutually agreed upon person) to determine the final profit margin amount that should be applied on a commercially reasonable basis which shall not exceed [*] and shall not be less than [*]. Upon such determination, Licensee shall promptly pay the amount of such excess margin, if any, to Licensor. The Independent Accountant shall take into account customary margins for U.S. business process outsourcing agreements as a benchmark to set the margin to be used. [*].

(b) Licensor shall be required to obtain Licensee’s consent with respect to any material deviations from the Budget during the course of a Service Period; provided that if such consent is not provided then the services required to be provided may be reasonably adjusted to be commensurate with the Budget at no fault of or penalty to Licensor. Subject to the preceding sentence, each Budget shall include a true-up

to account for any difference between budgeted and actual costs in the preceding Initial Service Period or Renewal Period (each a “**Service Period**”), i.e., the Service Fees shall be increased to account for any underpayment in the prior Service Period or decreased to account for any overpayment in any Service Period not yet adjusted for in a true-up as contemplated hereby. Such actual costs shall be reported by Licensor to Licensee within 30 days following the end of a Service Period; provided that any failure or delay in reporting by such date shall not limit the parties obligations to true-up for such Service Period. Licensor shall also promptly provide all such supporting information and documentation as Licensee may reasonably request. Following the expiration or termination of all Services provided hereunder, the parties shall promptly (but, in any event, within 30 days thereof) commence a final true-up, with such true-up amount payable in either cash or Licensee Shares, which if in Licensee Shares would be calculated and paid in accordance with the terms of Section 2(a) of this Agreement.

(c) For the avoidance of doubt, failure to timely pay amounts due hereunder shall be a material breach and Licensor may terminate this Agreement pursuant to Section 1(f)(iii) (after the applicable cure period set forth in Section 1(f)(iii)). Late payments shall bear interest at the rate which the Wall Street Journal reports from time to time as the prime lending rate, as in effect from time to time, plus two percent (2%) per annum. Licensee shall promptly, but in any event within 10 days of the applicable issuance, file a new registration statement or make any amendment or supplement to an existing registration statement for the registration of any Licensee Shares actually issued to Licensor hereunder, unless waived in writing by Licensor. The provisions of Section 6.06(b) of the License Agreement shall apply mutatis mutandis as though set forth herein. For the avoidance of doubt, Section 6.06(a) (Sale Restrictions) of the License Agreement shall not apply.

(d) If following the Initial Service Period, Licensor is unable to sell, in whole or in part, Licensee Shares, including Licensee Shares received under the License Agreement, in ordinary course, brokerage transaction market sales, following the issuance and receipt thereof for any reason not involving the breach of this Agreement or the License Agreement or the gross negligence or willful misconduct of Licensor for Licensor (a “**Blocked Period**”) in an amount sufficient to provide it cash sufficient to meet the actual, out-of-pocket obligations of Licensor set forth in an agreed Budget for any Renewal Period (each, a “**Shortfall**” and such difference between the amount of such obligations and the value of the Licensee Shares Licensor is unable to sell, a “**Shortfall Amount**”), then Licensee shall provide an alternative option (and Licensor shall cooperate with such efforts in good faith), which option shall be in compliance with all applicable Laws, for Licensor to receive cash sufficient to meet such Shortfall, which alternative shall be at no incremental cost or expense of Licensor in excess of the cost Licensor would have incurred to sell such shares in ordinary course brokerage transactions (each, an “**Acceptable Alternative**”). In the event that (i) Licensee breaches this Section 2, including any failure to find such an Acceptable Alternative, or (ii) the value of the License Shares that otherwise could have been sold in Ordinary Sales decreases during a Blocked Period, (a “**Value Shortfall**”), in each case, Licensor shall be permitted to reduce the scope of Services to be provided during the then applicable Service Period in a manner commensurate with the greater of the Shortfall Amount or the Value Shortfall, as/if each may be applicable. Such reduction may include [*], provided Licensor shall permit Licensee to [*] if Licensee elects to participate in such determination.

Section 3. Relationship of Parties.

(a) All employees and representatives of Licensor or its Affiliates providing Services to a Licensee Party under this Agreement shall be deemed for purposes of all compensation and employee benefits to be employees or representatives solely of Licensor or its Affiliates and not to be employees or representatives of Licensee or its Affiliates. Subject to Section 1(b), in performing their respective duties hereunder, all such employees and representatives of Licensor or its Affiliates shall be under the direction, control and supervision of Licensor or its Affiliates (and not of Licensee or its Affiliates) and Licensor or its Affiliates, as the case may be, shall have the sole right to exercise all authority with respect

to the employment (including termination of employment), assignment and compensation of such employees and representatives.

(b) The Parties hereto are independent contractors, and neither Party nor its employees or agents will be deemed to be employees or agents of the other for any purpose or under any circumstances. No partnership, joint venture, alliance, fiduciary or any relationship other than that of independent contractors is created hereby, expressly or by implication. Neither Party shall have the authority to make any warranty or representation on behalf of the other Party nor to execute any contract or otherwise assume any obligation or responsibility in the name of or on behalf of the other Party. Neither Party shall be bound by, nor liable to, any Third Party for any act or any obligations or debt incurred by the other Party, except to the extent specifically agreed to in writing by the Parties.

Section 4. Use of Information, Confidentiality, Intellectual Property.

(a) Each Party agrees:

(i) subject to the terms and conditions of the License Agreement, that it will hold in confidence for the other Party all proprietary technology and products, algorithms, trade secrets, discoveries, ideas, inventions (whether patentable or not), concepts, know-how, techniques, designs, schematics, specifications, drawings, diagrams, data, computer programs, software code, business activities and operations, marketing activities and materials, product development plans, customer lists and demographic information, reports, studies, statistics, demonstrations and other Information maintained as confidential by the disclosing Party (collectively, “**Confidential Information**”) of the other Party. Each Party acknowledges that the other Party claims its Confidential Information as an important, valuable and unique asset. For itself and on behalf of its officers, directors, agents, consultants, Representatives and employees, each Party agrees to the following: the receiving Party shall not disclose the Confidential Information to any third Party or disclose Confidential Information to an employee or to any third party unless such employee or third party has a need to know the Confidential Information and provided that the receiving Party treats any Confidential Information of the disclosing Party with substantially the same degree of care as it treats its own Confidential Information of like importance and in any event no less than a reasonable degree of care. Without limiting the foregoing, the terms of this Agreement shall be Confidential Information, and this Agreement shall be subject to the restrictions regarding disclosure applicable to Confidential Information as provided in this Section 4.

(ii) If the receiving Party faces legal action or is subject to legal proceedings requiring disclosure of Confidential Information, then, prior to disclosing any such Confidential Information, the receiving Party shall promptly notify the disclosing Party and, upon the disclosing Party’s request, shall cooperate with the disclosing Party, at the disclosing party’s expense, in contesting such request. The Confidentiality Obligations in Section 4 shall not apply to disclosed information that: the receiving Party knew of the disclosed Confidential Information at the time of disclosure, free of any obligation to keep it confidential, the disclosed Confidential Information is or has become generally publicly known through authorized disclosure; the receiving Party independently developed the disclosed Confidential Information without the use of any disclosed Confidential Information, or the receiving Party rightfully obtained the disclosed Confidential Information, absent an obligation of confidentiality, from a third Party who has the right to transfer or disclose it. Subject to the foregoing, the confidentiality obligations set forth in this Section 4 shall remain in effect for a period of fifteen (15) years following the disclosure of the last item of Confidential Information hereunder.

(c) Licensor data systems used to perform the Services provided hereunder are confidential and proprietary to Licensor or Third Parties. If a Licensee Party has access to Licensor data systems, such Licensee Party shall treat such data systems and all related procedures and documentation as confidential

and proprietary to Licensor or its Third Party vendors and shall abide by applicable procedures and documentation regarding such data systems, as made available to such Licensee Party.

(d) Licensee agrees that, except to the extent set forth in the License Agreement or the Ancillary Documents:

(i) all data systems procedures and related materials provided to a Licensee Party are for Licensee's internal use only and only as specifically related to the Services;

(ii) title to all data systems used in performing the Services provided hereunder shall remain in Licensor or its Third Party vendors; and

(iii) No Licensee Party shall copy, modify, reverse engineer, decompile or in any way alter data systems without Licensor's express written consent.

Section 5. Compliance with Laws.

Each Party will, with respect to its obligations and performance hereunder, comply with all applicable Laws, including, without limitation, import and export control, environmental and occupational safety requirements. Licensee shall be responsible for (a) compliance with all Laws affecting its business and (b) any use a Licensee Party may make of the Services to assist it in complying with such Laws. Licensor shall be responsible for (a) compliance with all Laws affecting its business and (b) any Licensor Party's provision of the Services in a manner that complies with applicable Laws. Licensor shall have no responsibility for Licensee's compliance or failure to comply with applicable Laws.

Section 6. Standards for Services; Limitation of Liability.

(a) The Licensor Parties shall perform the Services in substantially the same manner and with substantially the same degree of quality and efficiency as historically provided to the Wireless Business and as provided in connection with similar services performed by Licensor Parties for themselves and their Affiliates. If a Service is being provided by a third party service provider under the same contract or arrangement by which the third party service provider was providing the Service prior to the Closing Date, Licensor Parties shall use commercially reasonable efforts to ensure that the third party service provider provides such Service in a manner consistent with the terms of its contract or other arrangement with the applicable Licensor Party.

(b) SUBJECT TO THE TERMS AND CONDITIONS OF THE LICENSE AGREEMENT, NOTWITHSTANDING ANYTHING CONTAINED IN THIS AGREEMENT TO THE CONTRARY, EXCEPT AS PROVIDED IN THE FOLLOWING SENTENCE, IN NO EVENT SHALL EITHER PARTY BE LIABLE FOR INCIDENTAL, INDIRECT, SPECIAL, EXEMPLARY, PUNITIVE OR CONSEQUENTIAL DAMAGES (INCLUDING LOST PROFITS OR LOST REVENUES) OF THE OTHER PARTY, ITS SUCCESSORS, ASSIGNS OR THEIR RESPECTIVE AFFILIATES, AS A RESULT OF OR ARISING FROM THIS AGREEMENT, REGARDLESS OF WHETHER SUCH LIABILITY ARISES IN TORT, CONTRACT, BREACH OF WARRANTY OR OTHERWISE. THIS LIMITATION OF LIABILITY SHALL NOT APPLY TO A PARTY'S GROSS NEGLIGENCE, WILLFUL MISCONDUCT, OR INTENTIONAL TORTIOUS ACTS OR OMISSIONS.

(c) EXCEPT FOR THE OBLIGATIONS DESCRIBED IN SECTION 6(a), LICENSOR DISCLAIMS ALL WARRANTIES, EXPRESS OR IMPLIED, INCLUDING, BUT NOT LIMITED TO, THE IMPLIED WARRANTIES OF MERCHANTABILITY, NON-INFRINGEMENT AND FITNESS FOR A PARTICULAR PURPOSE, WITH RESPECT TO THE SERVICES, AND LICENSOR MAKES

NO REPRESENTATIONS OR WARRANTIES AS TO THE QUALITY, SUITABILITY OR ADEQUACY OF THE SERVICES FOR ANY PURPOSE OR USE.

Section 7. Technology Systems

(a) **Security.** If either Party is provided access (the “**Recipient Party**”) to any of the other Party’s (the “**Providing Party**”) computer systems or software (collectively, “**Systems**”) or physical facilities in connection with the delivery or receipt of the Services, the Recipient Party shall comply with all of the Providing Party’s system security policies, procedures, technical standards and requirements as delivered from time to time (with respect to either party the “**Security Regulations**”). The Recipient Party will not tamper with, compromise or circumvent any security or audit measures employed by the Providing Party. The Recipient Party shall access and use only those Systems of the Providing Party for which it has been granted the right to access and use, and shall access and use such Systems only to the extent reasonably necessary to delivery or receive the Services.

(b) **Data.** All data and information pertaining to the Wireless Business or the customers of the Wireless Business processed by or stored in the Licensor Parties’ systems or otherwise in the Licensor Parties’ possession or control as part of the Services shall be owned by Licensor, shall be used only to carry out this Agreement, and may not be disclosed to anyone except employees, agents, and subcontractors of the Licensor Parties who have a “need to know” the same in order to further or facilitate the performance of the Services and who are required to respect the confidentiality thereof. When and as reasonably requested by Licensor, the Licensor Parties shall return to Licensor copies of Licensor’s information, data and files with respect to the Wireless Business in such form as Licensor may reasonably request. The Licensor Parties shall not disclose any confidential information related to the Wireless Business or the customers of the Wireless Business to the buyer of any of the other Businesses of the Licensor Parties or allow any such buyer to benefit from the Licensor Parties’ possession of such confidential information. The Licensor Parties shall maintain the security procedures as currently in place to protect the data and information owned by Licensor as well as the networks and systems used in providing the Services.

(c) **Technology System Changes.** Licensor shall provide written notice to Licensee of any proposed Technology System Change that reasonably would be expected to have a material adverse effect on the functionality or performance of, or materially decrease the resource efficiency of, the Licensee’s use. Within ten (10) days following the receipt of such written notice, representatives of the Licensor Parties and the Licensee Parties shall meet to negotiate in good faith any appropriate actions to be taken in light of such Technology System Change. Such notice shall be given as far in advance of such Technology System Change as is practicable. All planned network outages and all Technology System Changes shall be subject to written notice by the party planning such action, to be given as far in advance of such plan as is practicable. “**Technology System Change**” means a material change to the technology infrastructure or applications used by the Licensor Parties in providing the Services.

Section 8. Miscellaneous.

(a) **Governing Law.** THIS AGREEMENT SHALL BE GOVERNED BY AND CONSTRUED IN ACCORDANCE WITH THE LAWS OF THE STATE OF DELAWARE, WITHOUT GIVING EFFECT TO PRINCIPLES OF CONFLICTS OF LAWS THAT WOULD REQUIRE THE APPLICATION OF THE LAWS OF ANY OTHER JURISDICTION.

(b) **Consent to Jurisdiction.** Each of the Parties hereto irrevocably consents to the exclusive jurisdiction and venue of the Court of Chancery of the State of Delaware, or if such Court is unavailable, the United States District Court for the District of Delaware in connection with any matter based upon or arising out of this Agreement or the matters contemplated herein, agrees that process may be served upon

them in any manner authorized by the laws of the State of Delaware for such persons and irrevocably waives, to the fullest extent permitted by applicable Law, and covenants not to assert or plead any objection it may now or hereafter have to the laying of the venue of any such suit, action or proceeding in any such court or that any such suit, action or proceeding brought in any such court has been brought in an inconvenient forum.

(c) **Waiver of Jury Trial.** EACH OF THE PARTIES HERETO HEREBY IRREVOCABLY WAIVES, AND AGREES TO CAUSE EACH OF ITS AFFILIATES TO WAIVE, ANY AND ALL RIGHT TO TRIAL BY JURY IN ANY PROCEEDING (WHETHER BASED ON CONTRACT, TORT OR OTHERWISE) ARISING OUT OF OR RELATED TO THIS AGREEMENT OR THE TRANSACTIONS CONTEMPLATED HEREBY OR THE ACTIONS OF A PARTY IN THE NEGOTIATION, ADMINISTRATION, PERFORMANCE AND ENFORCEMENT HEREOF. EACH PARTY (I) CERTIFIES THAT NO REPRESENTATIVE OF ANY OTHER PARTY HAS REPRESENTED, EXPRESSLY OR OTHERWISE, THAT SUCH OTHER PARTY OR ITS AFFILIATES WOULD NOT, IN THE EVENT OF LITIGATION, SEEK TO ENFORCE THE FOREGOING WAIVER AND (II) ACKNOWLEDGES THAT IT AND THE OTHER PARTIES HERETO HAVE BEEN INDUCED TO ENTER INTO THIS AGREEMENT BY, AMONG OTHER THINGS, THE MUTUAL WAIVERS AND CERTIFICATIONS IN THIS SECTION 7(C).

(d) **Taxes.** All sales, use, value added, goods and services, transfer and other similar Taxes attributable to or imposed on the Services shall be borne solely by Licensee, but only to the extent that a duly issued invoice has been provided by Licensor. Licensee shall bear all Taxes imposed as a result of its receipt of Services under this Agreement, including any Tax that Licensee is required to withhold or deduct from payments to Licensor, except (i) any Tax allowable as a credit against any applicable income tax of Licensor and (ii) any net income Tax imposed upon Licensor. Licensee shall furnish Licensor with such evidence as may be reasonably available from the relevant taxing authorities to establish that any such Tax has been withheld and paid by Licensee to the relevant taxing authority.

(e) **Force Majeure.** Except for Licensee's obligation to make timely payments, neither Party will have any liability for damages or delay due to fire, explosion, lightning, pest damage, power failure or surges, strikes or labor disputes, water or flood, acts of God, the elements, war, civil disturbances, acts of civil or military authorities or the public enemy, acts or omissions of communications or other carriers, or any other cause beyond a Party's reasonable control, whether or not similar to the foregoing or foreseeable that prevent such Party from materially performing its obligations hereunder.

(f) **Assignment; Binding Effect; Severability.** Except in connection with a change of control, merger or other business combination involving Licensor, this Agreement may not be assigned by any Party hereto without the other Party's written consent. This Agreement shall be binding upon and inure to the benefit of and be enforceable by the successors, legal representatives and permitted assigns of each Party hereto. The provisions of this Agreement are severable, and in the event that any one or more provisions are deemed illegal or unenforceable the remaining provisions shall remain in full force and effect unless the deletion of such provision shall cause this Agreement to become materially adverse to either Party, in which event the Parties shall use reasonable commercial efforts to arrive at an accommodation that best preserves for the Parties the benefits and obligations of the offending provision.

(g) **Entire Agreement; Modification.** The agreement of the Parties, which consists of this Agreement, the Schedules hereto and the documents referred to herein (including the License Agreement), sets forth the entire agreement and understanding between the Parties and supersedes any prior agreement or understanding, written or oral, relating to the subject matter of this Agreement. No amendment, supplement, modification or waiver of this Agreement shall be binding unless executed in writing by the Party to be bound thereby, and in accordance with this Section 8(g).

(h) **No Duty of Verification.** Licensor shall have no obligation to verify the correctness of any information or materials given to it by or on behalf of Licensee for the purpose of providing the Services. Licensee's failure to provide accurate or timely information shall extend the period of Licensor's performance with respect to the affected Services for a period equivalent to the period required to obtain accurate information or Licensee's delay in the provision of information or materials, as applicable.

(i) **Notices.** All notices and other communications hereunder will be in writing and deemed to have been duly given if given in accordance with Section 8.02 of the License Agreement and as otherwise provided in the applicable Schedule hereto.

(j) **Survival of Obligations.** The obligations of the Parties under Sections 2, 3(b), 4, 6 and 7 shall survive the expiration of this Agreement.

(k) **Inconsistency.** In the event of any inconsistency between the terms of this Agreement and any of the Schedules hereto, the terms of this Agreement, except for charges for the Services, shall control.

(l) **Amendment and Waiver.** The Schedules to this Agreement may be amended at any time prior to the Closing Date by an agreement in writing signed by each Party hereto. No waiver by any party of any of the provisions hereof shall be effective unless explicitly set forth in writing and signed by the party so waiving. No waiver by any party shall operate or be construed as a waiver in respect of any failure, breach or default not expressly identified by such written waiver, whether of a similar or different character, and whether occurring before or after that waiver. No failure to exercise, or delay in exercising, any right, remedy, power or privilege arising from this Agreement shall operate or be construed as a waiver thereof; nor shall any single or partial exercise of any right, remedy, power or privilege hereunder preclude any other or further exercise thereof or the exercise of any other right, remedy, power or privilege.

(m) **Other Definitional and Interpretive Matters.**

Unless otherwise expressly provided, for purposes of this Agreement, the following rules of interpretation shall apply:

i. **Calculation of Time Period.** When calculating the period of time before which, within which or following which any act is to be done or step taken pursuant to this Agreement, the date that is the starting reference date in calculating such period shall be excluded. If the last day of such period is a non-Business Day, the period in question shall end on the next succeeding Business Day.

ii. **Gender and Number.** Any reference in this Agreement to gender shall include all genders, and words imparting the singular number only shall include the plural and vice versa.

iii. **Headings.** The provision of a Table of Contents, the division of this Agreement into Articles, Sections and other subdivisions and the insertion of headings are for convenience of reference only and shall not affect or be utilized in construing or interpreting this Agreement. All references in this Agreement to any "Section" are to the corresponding Section of this Agreement unless otherwise specified.

iv. **Herein.** The words such as "herein," "hereinafter," "hereof," and "hereunder" refer to this Agreement as a whole and not merely to a subdivision in which such words appear unless the context otherwise requires.

v. **Including.** The word “including” or any variation thereof means “including, without limitation” and shall not be construed to limit any general statement that it follows to the specific or similar items or matters immediately following it.

vi. **Currency.** References to “\$,” “U.S. dollars” and “dollars” are to the currency of the United States of America.

vii. **Schedules and Exhibits.** The Schedules and Exhibits attached to this Agreement shall be construed with and as an integral part of this Agreement to the same extent as if the same had been set forth verbatim herein.

viii. **Laws and Legislation.** A reference to any legislation or other law or to any provision of any legislation or other law shall include any modification, amendment, re-enactment thereof, any legislative or other provision substituted therefor and all rules, regulations and statutory instruments issued or related to such legislation or other law.

ix. **Ambiguity.** Any rule of construction to the effect that ambiguities are to be resolved against the drafting Party shall not be applied in the construction or interpretation of this Agreement. No prior draft of this Agreement nor any course of performance or course of dealing shall be used in the interpretation or construction of this Agreement. No parol evidence shall be introduced in the construction or interpretation of this Agreement unless the ambiguity or uncertainty in issue is plainly discernible from a reading of this Agreement without consideration of any extrinsic evidence. Although the same or similar subject matters may be addressed in different provisions of this Agreement, the Parties intend that, except as reasonably apparent on the face of the Agreement or as expressly provided in this Agreement, each such provision shall be read separately, be given independent significance and not be construed as limiting any other provision of this Agreement (whether or not more general or more specific in scope, substance or content).

(n) **Execution in Counterparts.** This Agreement may be executed in any number of counterparts, each of which shall be deemed an original, but all of which together shall constitute one and the same instrument.

[SIGNATURE PAGE FOLLOWS]

IN WITNESS WHEREOF, each of Licensor and Licensee has caused this Agreement to be duly executed on its behalf by its duly authorized officer as of the date first written above.

GLOBALSTAR, INC.

By: _____
Name: Rebecca Clary
Title: Vice President & Chief Financial Officer

XCOM LABS, INC.

By: _____
Name:
Title:

Schedule of Services
[*]

Exhibit A - [*]

Certification of Chief Executive Officer

I, Dr. Paul E. Jacobs, certify that:

1. I have reviewed this quarterly report on Form 10-Q of Globalstar, Inc.;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. I am responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15(d)-15(e)) and internal control over financial reporting (as defined in Exchange Act Rule 13a-15(f) and 15d-15(f)) for the registrant and have:
 - (a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under my supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to me by others within those entities, particularly during the period in which this report is being prepared;
 - (b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under my supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
 - (c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report my conclusion about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
 - (d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. I have disclosed, based on my most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors:
 - (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: August 8, 2024

By: /s/ Dr. Paul E. Jacobs
Dr. Paul E. Jacobs
Chief Executive Officer (Principal Executive Officer)

Certification of Chief Financial Officer

I, Rebecca S. Clary certify that:

1. I have reviewed this quarterly report on Form 10-Q of Globalstar, Inc.;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. I am responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15(d)-15(e)) and internal control over financial reporting (as defined in Exchange Act Rule 13a-15(f) and 15d-15(f)) for the registrant and have:
 - (a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under my supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to me by others within those entities, particularly during the period in which this report is being prepared;
 - (b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under my supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
 - (c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report my conclusion about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
 - (d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. I have disclosed, based on my most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors:
 - (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: August 8, 2024

By: /s/ Rebecca S. Clary
Rebecca S. Clary
Chief Financial Officer (Principal Financial Officer)

Certification Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002

Pursuant to section 906 of the Sarbanes-Oxley Act of 2002 (subsections (a) and (b) of Section 1350, Chapter 63 of Title 18, United States Code), the undersigned officer of Globalstar, Inc. (the “Company”), does hereby certify that:

This quarterly report on Form 10-Q for the quarter ended June 30, 2024 of the Company fully complies with the requirements of section 13(a) or 15(d) of the Securities Exchange Act of 1934 and the information contained in the Form 10-Q fairly presents, in all material respects, the financial condition and results of operations of the Company.

Date: August 8, 2024

By: /s/ Dr. Paul E. Jacobs
Dr. Paul E. Jacobs
Chief Executive Officer (Principal Executive Officer)

Certification Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002

Pursuant to section 906 of the Sarbanes-Oxley Act of 2002 (subsections (a) and (b) of Section 1350, Chapter 63 of Title 18, United States Code), the undersigned officer of Globalstar, Inc. (the "Company"), does hereby certify that:

This quarterly report on Form 10-Q for the quarter ended June 30, 2024 of the Company fully complies with the requirements of section 13(a) or 15(d) of the Securities Exchange Act of 1934 and the information contained in the Form 10-Q fairly presents, in all material respects, the financial condition and results of operations of the Company.

Date: August 8, 2024

By: /s/ Rebecca S. Clary
Rebecca S. Clary
Chief Financial Officer (Principal Financial Officer)