# UNITED STATES
# SECURITIES AND EXCHANGE COMMISSION
**WASHINGTON, DC 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**

**Commission File Number: 001-38952**

# CAMBIUM NETWORKS CORPORATION
**(Exact Name of Registrant as Specified in its Charter)**

| | |
|---|---|
| **Cayman Islands** | **Not Applicable** |
| (State or other jurisdiction of incorporation or organization) | (I.R.S. Employer Identification No.) |
| **c/o Cambium Networks, Inc.**<br>**2000 Center Drive, Suite East A401**<br>**Hoffman Estates, Illinois 60192** | **(345) 814-7600** |
| (Address of principal executive offices, including zip code) | (Registrant's telephone number, including area code) |

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

| Title of each class | Trading Symbol(s) | Name of each exchange on which registered |
|---|---|---|
| Ordinary shares, $0.0001 par value | CMBM | Nasdaq Global Market |

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

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

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

| | | | |
|---|---|---|---|
| Large accelerated filer | ☐ | Accelerated filer | ☒ |
| Non-accelerated filer | ☐ | Smaller reporting company | ☒ |
| Emerging growth company | ☒ | | |

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

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

As of August 5, 2024, the registrant had 28,212,171 shares of ordinary shares, $0.0001 par value per share, outstanding.

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## Note regarding forward-looking statements

This Quarterly Report on Form 10-Q contains forward-looking statements within the meaning of the federal securities laws. All statements other than statements of historical fact contained in this Quarterly Report on Form 10-Q, including statements regarding our future results of operations and financial position, business strategy and plans and objectives of management for future operations, are forward-looking statements. These statements involve known and unknown risks, uncertainties and other important factors that may cause our actual results, performance or achievements to be materially different from any future results, performance or achievements expressed or implied by the forward-looking statements.

In some cases, forward-looking statements may be identified by terms such as “may,” “should,” “expects,” “plans,” “anticipates,” “could,” “intends,” “target,” “projects,” “contemplates,” “believes,” “estimates,” “predicts,” “potential” or “continue” or the negative of these terms or other similar expressions. The forward-looking statements in this Quarterly Report on Form 10-Q are only predictions. We have based these forward-looking statements largely on our current expectations and projections about future events and financial trends that we believe may affect our business, financial condition and results of operations. These forward-looking statements speak only as of the date of this quarterly report and are subject to a number of risks, uncertainties and assumptions. Because forward-looking statements are inherently subject to risks and uncertainties, some of which cannot be predicted or quantified, they should not be relied upon as predictions of future events. The events and circumstances reflected in our forward-looking statements may not be achieved or occur, and actual results could differ materially from those projected in the forward-looking statements. Some of the key factors that could cause actual results to differ from our expectations include:

- the unpredictability of our operating results;
- our ability to successfully comply with or obtain a waiver of compliance with the financial covenants under our secured credit facilities;
- the sufficiency of our cash resources and needs for additional financing;
- our ability to predict and respond to emerging technological trends and network operators' changing needs;
- our ability to forecast future demand or the level of inventory in our channel, which could adversely affect our commitments to our suppliers and our channel partners' ability to effectively manage inventory of our products, timely resell our products or estimate expected future demand;
- our ability to manage inventory and the risk of excess or obsolete inventory in our channel;
- the impact of competitive pressures on the development of new products;
- risks caused by political tensions around the world including the current war in Ukraine as well as tensions between the United States and China and events in Israel and Gaza;
- the strength of the United States dollar and the impact on the cost of our products globally;
- current or future unfavorable economic conditions, both domestically and in our foreign markets, including the risk of a global or localized recessions;
- our limited or sole source suppliers' inability to acquire or produce third-party components to build our products and the impact of supply shortages, extended lead times or changes in supply of components and other parts required to manufacture our products;
- our reliance on third-party manufacturers, which subjects us to risks of product delivery delays and reduced control over product costs and quality;
- our reliance on distributors and value-added resellers for the substantial majority of our sales;
- the inability of our third-party logistics and warehousing providers to deliver products to our channel partners and network operators in a timely manner;
- our distributors' and channel partners' inability to attract new network operators or sell additional products to network operators that currently use our products;
- the technological complexity of our products, which may contain undetected hardware defects or software bugs or subject our products to the risks of ransomware or malware or other cyber attacks;
- our channel partners' inability to effectively manage inventory of our products, timely resell our products or estimate expected future demand;
- credit risk of our channel partners, which could adversely affect their ability to purchase or pay for our products;
- the impact of any material weaknesses in and our ability to maintain an effective system of internal controls, produce timely and accurate financial statements or comply with applicable regulations;
- the impact of actual or threatened health epidemics and other outbreaks;
- our reliance on the availability of third-party licenses;

- our inability to obtain intellectual property protections for our products; and
- our ability to maintain our listing on the Nasdaq Global Market.

We caution you that the foregoing list may not contain all of the forward-looking statements made in this Quarterly Report on Form 10-Q.

Except as required by applicable law, we do not plan to publicly update or revise any forward-looking statements contained herein, whether as a result of any new information, future events or otherwise.

## PART I—FINANCIAL INFORMATION

### Item 1. Financial Statements

**Cambium Networks Corporation**
**Condensed Consolidated Balance Sheets**
*(in thousands, except for share and per share data)*

| | December 31, 2023 | June 30, 2024 (Unaudited) |
|---|---|---|
| **ASSETS** | | |
| **Current assets** | | |
| Cash | $ 18,710 | $ 42,574 |
| Receivables, net of credit losses of $283 and $564 | 64,103 | 56,680 |
| Inventories, net | 66,878 | 49,969 |
| Income taxes receivable | 222 | 4,651 |
| Prepaid expenses | 6,589 | 12,057 |
| Other current assets | 6,069 | 6,236 |
| **Total current assets** | 162,571 | 172,167 |
| **Noncurrent assets** | | |
| Property and equipment, net | 12,879 | 14,978 |
| Software, net | 11,985 | 12,989 |
| Operating lease assets | 7,894 | 6,931 |
| Intangible assets, net | 7,675 | 6,926 |
| Goodwill | 9,842 | 9,842 |
| Deferred tax assets, net | 3,694 | — |
| Other noncurrent assets | 1,335 | 1,258 |
| **TOTAL ASSETS** | $ 217,875 | $ 225,091 |
| **LIABILITIES AND EQUITY** | | |
| **Current liabilities** | | |
| Accounts payable | $ 19,120 | $ 16,986 |
| Accrued liabilities | 47,069 | 46,455 |
| Employee compensation | 5,071 | 4,303 |
| Current portion of long-term debt, net | 3,186 | 3,173 |
| Deferred revenues | 8,765 | 8,261 |
| Other current liabilities | 13,117 | 10,114 |
| **Total current liabilities** | 96,328 | 89,292 |
| **Noncurrent liabilities** | | |
| Long-term debt, net | 21,926 | 65,685 |
| Deferred revenues | 10,473 | 10,338 |
| Noncurrent operating lease liabilities | 6,595 | 7,046 |
| Other noncurrent liabilities | 1,619 | 1,766 |
| **Total liabilities** | 136,941 | 174,127 |
| **Shareholders' equity** | | |
| Share capital; $0.0001 par value; 500,000,000 shares authorized at December 31, 2023 and June 30, 2024; 28,095,144 shares issued and 27,834,908 outstanding at December 31, 2023 and 28,478,209 shares issued and 28,208,596 outstanding at June 30, 2024 | 3 | 3 |
| Additional paid in capital | 152,768 | 158,578 |
| Treasury shares, at cost, 260,236 shares at December 31, 2023 and 269,613 shares at June 30, 2024 | (5,624) | (5,660) |
| Accumulated deficit | (64,598) | (100,188) |
| Accumulated other comprehensive loss | (1,615) | (1,769) |
| **Total shareholders' equity** | 80,934 | 50,964 |
| **TOTAL LIABILITIES AND EQUITY** | $ 217,875 | $ 225,091 |

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

**Cambium Networks Corporation**
**Condensed Consolidated Statements of Operations**
*(in thousands, except for share and per share data)*
*(unaudited)*

| | Three Months Ended June 30, | | Six Months Ended June 30, | |
|---|---|---|---|---|
| | 2023 | 2024 | 2023 | 2024 |
| Revenues | $ 59,542 | $ 45,946 | $ 136,943 | $ 88,283 |
| Cost of revenues | 30,300 | 31,536 | 68,041 | 65,188 |
| **Gross profit** | 29,242 | 14,410 | 68,902 | 23,095 |
| **Operating expenses** | | | | |
| Research and development | 13,008 | 9,149 | 27,270 | 19,948 |
| Sales and marketing | 11,528 | 9,706 | 23,198 | 19,427 |
| General and administrative | 5,836 | 5,988 | 12,503 | 13,498 |
| Depreciation and amortization | 1,573 | 1,669 | 3,069 | 3,302 |
| **Total operating expenses** | 31,945 | 26,512 | 66,040 | 56,175 |
| **Operating (loss) income** | (2,703) | (12,102) | 2,862 | (33,080) |
| Interest expense, net | 579 | 1,304 | 1,176 | 2,185 |
| Other expense, net | 64 | 3 | 218 | 62 |
| **(Loss) income before income taxes** | (3,346) | (13,409) | 1,468 | (35,327) |
| (Benefit) provision for income taxes | (704) | (4,266) | (166) | 263 |
| **Net (loss) income** | $ (2,642) | $ (9,143) | $ 1,634 | $ (35,590) |
| | | | | |
| **(Loss) earnings per share** | | | | |
| Basic | $ (0.10) | $ (0.33) | $ 0.06 | $ (1.28) |
| Diluted | $ (0.10) | $ (0.33) | $ 0.06 | $ (1.28) |
| **Weighted-average number of shares outstanding to compute net (loss) earnings per share** | | | | |
| Basic | 27,432,705 | 27,902,956 | 27,387,112 | 27,876,280 |
| Diluted | 27,432,705 | 27,902,956 | 28,315,457 | 27,876,280 |

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

**Cambium Networks Corporation**
**Condensed Consolidated Statements of Comprehensive Income (Loss)**
*(in thousands)*
*(unaudited)*

| | Three Months Ended June 30, | | Six Months Ended June 30, | |
|---|---|---|---|---|
| | 2023 | 2024 | 2023 | 2024 |
| **Net (loss) income** | $ (2,642) | $ (9,143) | $ 1,634 | $ (35,590) |
| **Other comprehensive income (loss)** | | | | |
| Foreign currency translation adjustment | 14 | (110) | 100 | (154) |
| **Comprehensive (loss) income** | **$ (2,628)** | **$ (9,253)** | **$ 1,734** | **$ (35,744)** |

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

# Cambium Networks Corporation
## Condensed Consolidated Statements of Shareholders’ Equity
*(in thousands)*
*(unaudited)*

| Three Months Ended June 30, 2023 | Share Capital | | | | | | |
|---|---|---|---|---|---|---|---|
| | Shares | Amount | Additional paid in capital | Treasury shares | Accumulated equity | Accumulated other comprehensive loss | Total shareholders' equity |
| **Balance at March 31, 2023** | 27,397 | $ 3 | $ 142,009 | $ (5,133) | $ 17,098 | $ (1,441) | $ 152,536 |
| Net loss | — | — | — | — | (2,642) | — | (2,642) |
| Share-based compensation | — | — | 3,312 | — | — | — | 3,312 |
| Issuance of ordinary shares under ESPP | 88 | — | 1,102 | — | — | — | 1,102 |
| Issuance of vested shares | 133 | — | — | — | — | — | — |
| Treasury shares withheld for net settlement | (23) | — | — | (376) | — | — | (376) |
| Proceeds from exercise of share options | 8 | — | 105 | — | — | — | 105 |
| Foreign currency translation | — | — | — | — | — | 14 | 14 |
| **Balance at June 30, 2023** | 27,603 | $ 3 | $ 146,528 | $ (5,509) | $ 14,456 | $ (1,427) | $ 154,051 |

| Six Months Ended June 30, 2023 | Share Capital | | | | | | |
|---|---|---|---|---|---|---|---|
| | Shares | Amount | Additional paid in capital | Treasury shares | Accumulated equity | Accumulated other comprehensive loss | Total shareholders' equity |
| **Balance at December 31, 2022** | 27,313 | $ 3 | $ 138,997 | $ (4,922) | $ 12,822 | $ (1,527) | $ 145,373 |
| Net income | — | — | — | — | 1,634 | — | 1,634 |
| Share-based compensation | — | — | 5,937 | — | — | — | 5,937 |
| Issuance of ordinary shares under ESPP | 88 | — | 1,102 | — | — | — | 1,102 |
| Issuance of vested shares | 178 | — | — | — | — | — | — |
| Treasury shares withheld for net settlement | (35) | — | — | (587) | — | — | (587) |
| Proceeds from exercise of share options | 59 | — | 492 | — | — | — | 492 |
| Foreign currency translation | — | — | — | — | — | 100 | 100 |
| **Balance at June 30, 2023** | 27,603 | $ 3 | $ 146,528 | $ (5,509) | $ 14,456 | $ (1,427) | $ 154,051 |

| Three Months Ended June 30, 2024 | Share Capital | | | | | | |
|---|---|---|---|---|---|---|---|
| | Shares | Amount | Additional paid in capital | Treasury shares | Accumulated deficit | Accumulated other comprehensive loss | Total shareholders' equity |
| **Balance at March 31, 2024** | 27,893 | $ 3 | $ 155,137 | $ (5,646) | $ (91,045) | $ (1,659) | $ 56,790 |
| Net loss | — | — | — | — | (9,143) | — | (9,143) |
| Share-based compensation | — | — | 2,778 | — | — | — | 2,778 |
| Issuance of ordinary shares under ESPP | 279 | — | 663 | — | — | — | 663 |
| Issuance of vested shares | 41 | — | — | — | — | — | — |
| Treasury shares withheld for net settlement | (4) | — | — | (14) | — | — | (14) |
| Proceeds from exercise of share options | — | — | — | — | — | — | — |
| Foreign currency translation | — | — | — | — | — | (110) | (110) |
| **Balance at June 30, 2024** | 28,209 | $ 3 | $ 158,578 | $ (5,660) | $ (100,188) | $ (1,769) | $ 50,964 |

| Six Months Ended June 30, 2024 | Share Capital | | | | | | |
|---|---|---|---|---|---|---|---|
| | Shares | Amount | Additional paid in capital | Treasury shares | Accumulated deficit | Accumulated other comprehensive loss | Total shareholders' equity |
| **Balance at December 31, 2023** | 27,835 | $ 3 | $ 152,768 | $ (5,624) | $ (64,598) | $ (1,615) | $ 80,934 |
| Net loss | — | — | — | — | (35,590) | — | (35,590) |
| Share-based compensation | — | — | 5,147 | — | — | — | 5,147 |
| Issuance of ordinary shares under ESPP | 279 | — | 663 | — | — | — | 663 |
| Issuance of vested shares | 104 | — | — | — | — | — | — |
| Treasury shares withheld for net settlement | (9) | — | — | (36) | — | — | (36) |
| Proceeds from exercise of share options | — | — | — | — | — | — | — |
| Foreign currency translation | — | — | — | — | — | (154) | (154) |
| **Balance at June 30, 2024** | 28,209 | $ 3 | $ 158,578 | $ (5,660) | $ (100,188) | $ (1,769) | $ 50,964 |

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

**Cambium Networks Corporation**
**Condensed Consolidated Statements of Cash Flows**
*(in thousands)*
*(unaudited)*

| | Six Months Ended June 30, 2023 | Six Months Ended June 30, 2024 |
|---|---|---|
| Cash flows from operating activities: | | |
| Net income (loss) | $ 1,634 | $ (35,590) |
| Adjustments to reconcile net income (loss) to net cash used in operating activities: | | |
| Depreciation | 2,124 | 2,324 |
| Amortization of software and intangible assets | 2,193 | 2,796 |
| Amortization of debt issuance costs | 154 | 155 |
| Share-based compensation | 5,937 | 5,147 |
| Deferred income taxes | (3,324) | 3,694 |
| Provision for inventory excess and obsolescence | 1,060 | 8,559 |
| Other | (162) | 444 |
| Change in assets and liabilities: | | |
| Receivables | 192 | 4,059 |
| Inventories | (26,340) | 8,350 |
| Prepaid expenses | 3,803 | (5,477) |
| Income taxes receivable | 27 | (4,431) |
| Accounts payable | (1,340) | (2,732) |
| Accrued employee compensation | (1,515) | (631) |
| Accrued liabilities | 615 | 2,509 |
| Other assets and liabilities | 4,462 | (2,422) |
| Net cash used in operating activities | (10,480) | (13,246) |
| Cash flows from investing activities: | | |
| Purchases of property and equipment | (2,236) | (4,081) |
| Purchases of software | (3,333) | (3,106) |
| Net cash used in investing activities | (5,569) | (7,187) |
| Cash flows from financing activities: | | |
| Proceeds from issuance of revolver debt | — | 45,000 |
| Repayment of term loan | (1,313) | (1,313) |
| Issuance of ordinary shares under ESPP | 1,102 | 663 |
| Taxes paid from shares withheld | (433) | (32) |
| Proceeds from share option exercises | 492 | — |
| Net cash (used in) provided by financing activities | (152) | 44,318 |
| Effect of exchange rate on cash | 17 | (21) |
| Net (decrease) increase in cash | (16,184) | 23,864 |
| Cash, beginning of period | 48,162 | 18,710 |
| Cash, end of period | $ 31,978 | $ 42,574 |
| | | |
| Supplemental disclosure of cash flow information: | | |
| Income taxes paid | $ 2,843 | $ 2,347 |
| Interest paid | $ 880 | $ 1,952 |
| | | |
| Non-cash investing and financing activities: | | |
| Increase in property, equipment and software unpaid or accrued in liabilities | $ 113 | $ 290 |
| Operating lease right-of-use assets obtained in exchange for operating lease liabilities | $ 1,865 | $ — |
| Debt issuance costs incurred but not yet paid | $ — | $ 275 |

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

**Cambium Networks Corporation**
**Notes to Unaudited Condensed Consolidated Financial Statements**

## Note 1. Business and significant accounting policies

*Business*

Cambium Networks Corporation ("Cambium" or "Cambium Networks" or the "Company"), incorporated under the laws of the Cayman Islands, is a holding company whose principal operating entities are Cambium Networks, Ltd. (UK), Cambium Networks, Inc. (USA), and Cambium Networks Private Limited (India). On June 26, 2019, the Company completed an Initial Public Offering and the Company's ordinary shares began trading on the Nasdaq Global Market.

Cambium Networks Corporation and its wholly owned subsidiaries design, develop, and manufacture fixed wireless and fiber broadband and enterprise networking infrastructure solutions that are used by businesses, governments, and service providers in urban, suburban and rural environments. Cambium's products simplify and automate the design, deployment, optimization, and management of broadband and Wi-Fi access networks through intelligent automation.

*Basis of Presentation*

The unaudited condensed consolidated financial statements include the accounts of Cambium Networks Corporation and its wholly-owned subsidiaries. All intercompany balances and transactions have been eliminated. The condensed consolidated financial statements as of June 30, 2024, and for the three-month and six-month periods ended June 30, 2023 and 2024, and the related notes are unaudited. The unaudited condensed consolidated financial statements have been prepared on the same basis as the annual audited consolidated financial statements, and, in the opinion of management, reflect all adjustments, which comprise only normal recurring adjustments necessary to state fairly the Company's financial position as of June 30, 2024 and results of operations for the three-month and six-month periods ended June 30, 2023 and 2024 and cash flows for the six-month periods ended June 30, 2023 and 2024. The condensed consolidated balance sheet as of December 31, 2023 has been derived from the audited financial statements at that date.

Certain information and footnote disclosures normally included in financial statements prepared in accordance with accounting principles generally accepted in the United States ("U.S. GAAP") have been condensed or omitted. The condensed consolidated financial statements contained herein should be read in conjunction with the consolidated financial statements and related notes thereto for the year ended December 31, 2023 included in the Company's annual report on Form 10-K and filed with the SEC on March 15, 2024. The results of operations for the three-month and six-month periods ended June 30, 2024 are not necessarily indicative of the operating results to be expected for the full year.

The Company has reclassified certain prior period amounts in the condensed consolidated statements of cash flows to conform to the current period's presentation. Specifically, within the condensed consolidated statements of cash flows, changes in Income taxes receivable has been reclassified from "Other assets and liabilities" to "Income taxes receivable". The reclassifications do not affect previously reported cash flows from operating activities in the condensed consolidated statements of cash flows.

*Going Concern*

In accordance with the accounting guidance related to the presentation of financial statements, when preparing financial statements for each annual and interim reporting period, management evaluates whether there are conditions or events that, when considered in the aggregate, raise substantial doubt about the Company's ability to continue as a going concern within one year after the date that the financial statements are issued. In making its assessment, management considered the Company's current financial condition and liquidity sources, including current funds available, forecasted future cash flows and conditional and unconditional obligations due over the next twelve months, as well as other factors including the markets in which the Company competes and the current customer demand for the Company's products.

As of June 30, 2024 and through the date of filing this Quarterly Report, the Company was in compliance with all of its payment obligations and the financial covenants under its Amended Credit Agreement. The Company's obligations under the Amended Credit Agreement do not mature and become due and payable until November 17, 2026. Please refer to Note 6. Debt, regarding the Company's debt outstanding under its credit facilities with Bank of America.

The Company is actively taking actions to improve its profitability and ensure future compliance with applicable financial covenants, including acceleration of collection of receivables, deferral of expenditures, cost reductions to align the Company's cost structure with current revenue levels and sales of excess inventory. In addition, the Company continues to focus on operating efficiency and reducing discretionary spending. The Company believes these actions, together with its existing cash balances, provide it with the financial flexibility needed to meet its obligations as they come due over the next twelve months. However, this conclusion depends in part on the Company's expectations regarding macro-conditions in the markets in which it competes, customer acceptance and purchases of the Company's products, buying decisions by the Company's distributors and other factors that are not within the Company's control. Based on the Company's current forecasts, the Company is projecting future noncompliance with its financial covenants within the next twelve months, which would result in a non-payment event of default under the Amended Credit Agreement.  Such a default would afford the lenders thereunder the right to declare the amounts outstanding thereunder immediately due and payable, and the Company may not be able to obtain a waiver of such a default or otherwise refinance such indebtedness.  Due to these uncertainties, management concluded that substantial doubt exists with respect to the Company's ability to continue as a going concern within one year after the date that these condensed consolidated financial statements are issued.

The accompanying condensed consolidated financial statements have been prepared on a going concern basis, which contemplates the realization of assets and satisfaction of liabilities in the ordinary course of business. The condensed consolidated financial statements do not include any adjustments relating to the recoverability and classification of recorded asset amounts or the amounts and classification of liabilities that might result from the outcome of this uncertainty.

*Update to Significant Accounting Policies*

There have been no material changes to the Company’s significant accounting policies disclosed in the 2023 Form 10-K, Part II, Item 8.

*Recently issued accounting standards not yet adopted*

In December 2023, the Financial Accounting Standards Board ("FASB") issued Accounting Standards Update ("ASU") No. 2023-09 Income Taxes (Topic 740): Improvements to Income Tax Disclosures, which expands the disclosures required in an entity's income tax rate reconciliation table and requires disclosure of income taxes paid in both U.S. and foreign jurisdictions. The amendments are effective for fiscal years beginning after December 15, 2024, with early adoption permitted, to be applied on a prospective basis, with retrospective application permitted. The Company is currently evaluating this ASU to determine its impact on the Company's disclosures.

In November 2023, the FASB issued ASU 2023-07, Segment Reporting (Topic 280): Improvements to Reportable Segment Disclosures. The amendment requires disclosures of significant segment expenses that are regularly provided to the chief operating decision maker ("CODM") and included within each reported measure of segment profit of loss, an amount and description of its composition for other segment items, and interim disclosures of a reportable segment's profit or loss and assets. The new guidance also requires that a public entity that has a single reportable segment provide all the disclosures required by the amendments in this update and all existing segment disclosures. The amendments are effective for fiscal years beginning after December 15, 2023, and for interim periods within fiscal years beginning after December 15, 2024, with early adoption permitted. Upon adoption, this guidance should be applied retrospectively to all prior periods presented. The Company is currently evaluating this ASU to determine its impact on the Company's disclosures.

In October 2023, the FASB issued ASU 2023-06 Disclosure Improvements: Codification Amendments in Response to the Securities and Exchange Commission's ("SEC") Disclosure Update and Simplification Initiative. The amendments in this update require modification of certain disclosure and presentation requirements for a variety of ASU topics in response to the SEC's Release No. 33-10532. The effective date for each amended topic in the ASC is the date on which the SEC's removal of the related disclosure requirement from Regulation S-X or Regulation S-K becomes effective. However, if by June 30, 2027, the SEC has not removed the related disclosure from its regulations, the amendment will be removed from the Codification and not become effective. Early adoption is permitted. The Company is currently evaluating this ASU to determine its impact on the Company's disclosures.

**Note 2. Balance sheet components**

*Inventories, net*

Inventories, net consisted of the following (in thousands):

| | December 31, 2023 | June 30, 2024 |
|---|---|---|
| | | (unaudited) |
| Finished goods | $ 69,428 | $ 60,939 |
| Raw materials | 21,271 | 21,090 |
| Gross inventory | 90,699 | 82,029 |
| Less: Excess and obsolescence reserve | (23,821) | (32,060) |
| Inventories, net | $ 66,878 | $ 49,969 |

The decrease in finished goods was primarily in our PMP and Enterprise products. Inventory reserves are established for estimated excess and obsolete inventory equal to the difference between the cost of the inventory and the estimated net realizable value of the inventory based on historical usage, known trends, and market conditions and judgment about the anticipated consumption and our ability to sell the inventory. At December 31, 2023 and June 30, 2024, excess and obsolescence reserves were $23.8 million and $32.1 million, respectively. The increase in the reserve in 2024 was mostly driven by lower demand, mostly for PMP products.

*Accrued liabilities*

Accrued liabilities consisted of the following (in thousands):

| | December 31, 2023 | June 30, 2024 |
|---|---|---|
| | | (unaudited) |
| Accrued goods and services | $ 7,787 | $ 5,329 |
| Accrued loss on supplier commitments | 12,949 | 17,767 |
| Accrued inventory purchases | 2,768 | 3,966 |
| Accrued customer rebates | 23,052 | 18,628 |
| Other | 513 | 765 |
| Accrued liabilities | $ 47,069 | $ 46,455 |

*Accrued warranty*

Provisions for warranty claims are primarily related to our hardware products and are recorded at the time products are sold. The change to accrued warranty was as follows (in thousands):

| | Year ended December 31, 2023 | Six Months Ended June 30, 2024 |
|---|---|---|
| | | (unaudited) |
| Beginning balance | $ 1,651 | $ 1,484 |
| Fulfillment of assumed acquisition warranty | (178) | (5) |
| Provision increase, net | 11 | 167 |
| Ending balance | $ 1,484 | $ 1,646 |

At December 31, 2023, $1.2 million is included in Other current liabilities and $0.3 million is included in Other noncurrent liabilities on the Company's consolidated balance sheet. At June 30, 2024, $1.3 million is included in Other current liabilities and $0.3 million is included in Other noncurrent liabilities on the Company’s condensed consolidated balance sheet.

## Note 3. Property and equipment

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

| | Useful Life | December 31, 2023 | June 30, 2024 |
|---|---|---|---|
| | | | (unaudited) |
| Equipment and tooling | 5 years | $ 37,678 | $ 37,044 |
| Computer equipment | 3 years | 5,546 | 5,698 |
| Furniture and fixtures | 5 to 10 years | 853 | 855 |
| Leasehold improvements | 2 to 13 years | 518 | 5,407 |
| Total cost | | 44,595 | 49,004 |
| Less: Accumulated depreciation | | (31,716) | (34,026) |
| Property and equipment, net | | $ 12,879 | $ 14,978 |

Total depreciation expense was $1.0 million and $1.2 million for the three-month periods ended June 30, 2023 and 2024, respectively and $2.1 million and $2.3 million for the six-month periods ended June 30, 2023 and 2024, respectively.

## Note 4. Software

Software consisted of the following (in thousands):

| | | December 31, 2023 | | | June 30, 2024 (unaudited) | | |
|---|---|---|---|---|---|---|---|
| | Useful Life | Gross carrying amount | Accumulated amortization | Net balance | Gross carrying amount | Accumulated amortization | Net balance |
| Acquired and Software for internal use | 3 to 7 years | $ 16,814 | $ (15,696) | $ 1,118 | $ 16,916 | $ (15,923) | $ 993 |
| Software marketed for external sale | 3 years | 17,563 | (6,696) | 10,867 | 20,510 | (8,514) | 11,996 |
| Total | | $ 34,377 | $ (22,392) | $ 11,985 | $ 37,426 | $ (24,437) | $ 12,989 |

Amortization of acquired and software for internal use is computed using the straight-line method over an estimated useful life of generally three to seven years. Amortization expense recognized on acquired and software for internal use is reflected in depreciation and amortization in the condensed consolidated statements of operations. Amortization expense was $0.1 million and $0.1 million for the three-month periods ended June 30, 2023 and 2024, respectively. Amortization expense was $0.2 million and $0.2 million for the six-month periods ended June 30, 2023 and 2024, respectively.

Amortization expense recognized on software to be sold or marketed externally was $0.6 million and $0.9 million for the three-month periods ended June 30, 2023 and 2024, respectively, and $1.2 million and $1.8 million for the six-month periods ended June 30, 2023 and 2024, respectively, and is included in cost of revenues on the condensed consolidated statements of operations.

Based on capitalized software assets at June 30, 2024, estimated amortization expense in future fiscal years is as follows (unaudited and in thousands):

| Year ending December 31, | Acquired and internal use software | Software marketed for external use | Total |
|---|---|---|---|
| 2024 (July - December) | $ 234 | $ 2,161 | $ 2,395 |
| 2025 | 427 | 4,201 | 4,628 |
| 2026 | 311 | 3,389 | 3,700 |
| 2027 | 21 | 1,742 | 1,763 |
| 2028 | — | 503 | 503 |
| Thereafter | — | — | — |
| Total amortization | $ 993 | $ 11,996 | $ 12,989 |

**Note 5. Goodwill and Intangible Assets**

There was no change in the carrying amount of goodwill or intangible assets during the three-month and six-month periods ended June 30, 2024 (unaudited).

The Company tests goodwill for impairment annually on December 31 and more frequently if an event occurs or circumstances change that would more likely than not reduce the fair value of a reporting unit or asset group below its carrying amount and tests intangible assets if an indicator suggests that the carrying amount may not be recoverable. Accordingly, the Company completes a quarterly qualitative triggering events assessment which considers significant events and circumstances such as a reporting unit's historical and current results, assumptions regarding future performance, operating income or cash flows, strategic initiatives and overall economic factors, including significant negative industry or economic trends and macro-economic developments, and sustained declines in the Company's share price or market capitalization, considered in both absolute terms and relative to peers, to determine whether any of these may indicate that it is more likely than not that the fair value of the reporting unit is less than its carrying value. If an impairment trigger is identified, a quantitative impairment test is performed.

The qualitative assessment performed for the three-month period ended June 30, 2024 included an assessment of excess inventories, supply chain constraints, and macroeconomic conditions and did not indicate the existence of an impairment trigger that would more likely than not reduce the fair value of our reporting unit below its carrying amount nor indicators suggesting that the carrying amount of intangible assets may not be recoverable. As of December 31, 2023 and June 30, 2024, the Company's market capitalization exceeded its net assets by 106% and 54%, respectively. The Company continues to monitor market capitalization and assess potential goodwill impairment triggering events, including continued impact of slower demand, higher channel inventory and sustained decrease in its share price. If triggering events occur, the Company will perform a goodwill impairment assessment that may indicate impairment in a future period.

The useful life, gross carrying value, accumulated amortization, and net balance for each major class of definite-lived intangible assets at each balance sheet date were as follows (in thousands):

| | | December 31, 2023 | | | June 30, 2024 (unaudited) | | |
|---|---|---|---|---|---|---|---|
| | Useful Life | Gross carrying amount | Accumulated amortization | Net balance | Gross carrying amount | Accumulated amortization | Net balance |
| Customer relationships | 5 to 18 years | $ 19,300 | $ (11,625) | $ 7,675 | $ 19,300 | $ (12,374) | $ 6,926 |
| Total | | $ 19,300 | $ (11,625) | $ 7,675 | $ 19,300 | $ (12,374) | $ 6,926 |

Intangible assets are amortized over their expected useful life and none are expected to have a significant residual value at the end of their useful life. Intangible assets amortization expense was $0.4 million and $0.4 million for the three-month periods ended June 30, 2023 and 2024, respectively and $0.8 million and $0.8 million for the six-month periods ended June 30, 2023 and 2024, respectively.

Based on capitalized intangible assets as of June 30, 2024, estimated amortization expense amounts in future fiscal years are as follows (unaudited and in thousands):

| Year ending December 31, | Amortization |
|---|---|
| 2024 (July - December) | $ 749 |
| 2025 | 1,498 |
| 2026 | 1,498 |
| 2027 | 1,498 |
| 2028 | 1,144 |
| Thereafter | 539 |
| Total amortization | $ 6,926 |

**Note 6. Debt**

As of June 30, 2024, the Company had $24.1 million outstanding under its term loan facility and $45.0 million outstanding under its revolving credit facility. As of June 30, 2024, the Company has no availability left under its revolving credit facility (unaudited).

The following table reflects the current and noncurrent portions of the term loan and revolving credit facilities at December 31, 2023 and June 30, 2024 (in thousands):

| | December 31, 2023 | June 30, 2024 (unaudited) |
|---|---|---|
| Term loan facility | $ 25,406 | $ 24,094 |
| Revolving credit facility | — | 45,000 |
| Less: debt issuance costs | (294) | (236) |
| Total debt | 25,112 | 68,858 |
| Less: current portion of term facility | (3,281) | (3,281) |
| Current portion of debt issuance costs | 95 | 108 |
| Total long-term debt, net | $ 21,926 | $ 65,685 |

As of December 31, 2023, the effective interest rate on the term loan facility was 7.69%. As of June 30, 2024, the effective interest rate on the term loan facility was 9.17% (unaudited). The increase in the interest rate is being driven by the higher applicable margin as a result of the amendment completed on December 29, 2023.

The Company borrowed $40.0 million against its revolving credit facility during the first quarter of 2024 and an additional $5.0 million during the second quarter of 2024. The funds will be used for working capital and normal operations. As of June 30, 2024, the weighted-average interest rate for borrowings outstanding under the revolving credit facility was 8.67% (unaudited).

Both the term loan facility and revolving credit facility mature on November 17, 2026. Maturities on the debt, which includes both the term loan facility and the revolver credit facility, remaining at June 30, 2024 is as follows (unaudited and in thousands):

| **Year ending December 31,** | |
|---|---|
| 2024 (July - December) | $ 1,312 |
| 2025 | 2,625 |
| 2026 | 64,500 |
| Total | $ 68,437 |

As of June 30, 2024, the Company was in compliance with all affirmative and negative covenants, which included its monthly liquidity covenant at each liquidity measurement date and its quarterly Consolidated EBITDA covenant (unaudited).

Net interest expense, including bank charges and amortization of debt issuance costs on the debt, was $0.6 million and $1.3 million for the three-month periods ended June 30, 2023 and 2024, respectively, and $1.2 million and $2.2 million for the six-month periods ended June 30, 2023 and 2024, respectively (unaudited). The increase in interest expense is mostly due to the increase in the interest rate and applicable margin on the term loan facility and the addition of interest expense on the revolving credit facility.

**Note 7. Employee benefit plans**

The Company's employee benefit plans currently consist of a retirement plan in the United States and a separate defined contribution plan in the UK. The Company does not offer any other postretirement benefit plans, such as retiree medical and dental benefits or deferred compensation agreements to its employees or officers.

*U.S. plan*

U.S. employees that satisfy certain eligibility requirements, including requirements related to age and length of service, are eligible to participate in the Cambium Networks, Inc. 401(k) Plan. The plan is intended to qualify as a tax-qualified 401(k) plan so that contributions to the 401(k) plan, and income earned on such contributions, are not taxable to participants until withdrawn or distributed from the 401(k) plan. Under the 401(k) plan, each employee is fully vested in his or her deferred salary contributions. Employee contributions are held and invested by the plan's trustee as directed by participants. Under the Cambium Networks, Inc. 401(k) Plan, the Company matches 100% of employee contributions to the 401(k) plan up to a maximum amount of 4% of eligible wages, which matching contributions are subject to vesting in equal annual increments over two years of service. All contributions, including the Company match, are made in cash. Contributions made by the Company under the Cambium Networks, Inc. 401(k) Plan were $0.5 million and $0.2 million for the three-month periods ended June 30, 2023 and 2024, respectively, and $0.9 million and $0.4 million for the six-month periods ended June 30, 2023 and 2024, respectively (unaudited).

*UK plan*

UK employees who satisfy certain eligibility requirements are eligible to participate in the Cambium Networks Ltd. Stakeholder Pension Scheme, which is a qualified defined contribution plan. Employees are eligible to participate on the first of the month following receipt of their enrollment form, and eligible employees are automatically enrolled in the plan at a default employee contribution rate of 3% of eligible compensation and a company contribution rate of 5% of the employee's basic salary. The Company contribution rate increases by 1% for each additional 1% that the employee contributes up to a maximum of 7%. Company matching contributions vest immediately and employees are always vested in their own contributions. All contributions, including the Company match, are made in cash and deposited in the participant's account each pay period. The total contributed by the Company under this plan was $0.1 million and $0.1 million for the three-month periods ended June 30, 2023 and 2024, respectively, and $0.2 million and $0.2 million for the six-month periods ended June 30, 2023 and 2024, respectively (unaudited).

**Note 8. Shareholders' equity**

*2019 Share incentive plan*

In June 2019, the Company's Board of Directors adopted, and its shareholders approved, the 2019 Share Incentive Plan ("2019 Plan"). The 2019 Plan provides for the grant of incentive share options, nonqualified share options, share appreciation rights, restricted share awards ("RSAs"), restricted share units ("RSUs"), other share-based awards and performance awards. The share reserve under the 2019 Plan is automatically increased on the first day of each fiscal year, beginning with the fiscal year ended December 31, 2020 and continuing until, and including, the fiscal year ending December 31, 2029. The number of shares added annually is equal to the lowest of 1,320,000 shares, 5% of the number of the Company's shares outstanding on the first day of such fiscal year, or an amount determined by the Board of Directors. On March 18, 2024, the Company registered 1,320,000 additional shares that may be issued under the 2019 Plan.

The Company's employees, officers, directors, consultants, and advisors are eligible to receive awards under the 2019 Plan. Incentive share options, however, may only be granted to the Company's employees.

For the three-month periods ended June 30, 2023 and 2024, the Company recorded corresponding income tax benefits of $0.0 million and $0.0 million, respectively, and for the six-month periods ended June 30, 2023 and 2024, the Company recorded corresponding income tax benefits of $0.1 million and $0.0 million, respectively (unaudited).

*Share-based compensation*

The following table shows total share-based compensation expense for the three-month and six-month periods ended June 30, 2023 and 2024 (unaudited and in thousands):

| | Three Months Ended June 30, | | Six Months Ended June 30, | |
|---|---|---|---|---|
| | 2023 | 2024 | 2023 | 2024 |
| Cost of revenues | $ 59 | $ 51 | $ 115 | $ 84 |
| Research and development | 1,388 | 920 | 2,657 | 1,865 |
| Sales and marketing | 728 | 486 | 1,428 | 994 |
| General and administrative | 887 | 1,104 | 1,737 | 2,204 |
| Total share-based compensation expense | $ 3,062 | $ 2,561 | $ 5,937 | $ 5,147 |

*Share options*

The Company's time-based share options typically have a contractual term of ten years from grant date and typically vest over a four-year period. The Company recognizes compensation expense associated with its time-based share options on a straight-line basis over the requisite service period.

The following is a summary of option activity for the Company's share incentive plans for the six-month period ended June 30, 2024 (unaudited):

| | Options | Weighted average exercise price | Weighted Average remaining contractual term (years) | Aggregate intrinsic value |
|---|---|---|---|---|
| Outstanding at December 31, 2023 | 4,689,916 | $ 11.98 | 7.5 | $ 617,623 |
| Options granted | 1,475,625 | $ 3.95 | — | $ — |
| Options exercised | — | $ — | — | $ — |
| Options expired | (102,800) | $ 16.24 | — | $ — |
| Options forfeited | (184,967) | $ 13.81 | — | $ — |
| Outstanding at June 30, 2024 | 5,877,774 | $ 9.83 | 7.6 | $ — |
| Options exercisable at June 30, 2024 | 2,649,349 | $ 13.27 | 5.5 | $ — |
| Options vested and expected to vest at June 30, 2024 | 5,740,183 | $ 9.94 | | |

The Company uses the Black-Scholes option pricing model to estimate the fair value of share options. The Company utilized a forfeiture rate of 8.2% during the six-month period ended June 30, 2024 for estimating the forfeitures of share options granted.

The fair value of share options is estimated using the following weighted-average assumptions (unaudited):

| | Six months ended June 30, | |
|---|---|---|
| | 2023 | 2024 |
| Expected dividend yield | — | — |
| Risk-free interest rate | 3.66 % | 4.38 % |
| Weighted-average expected volatility | 67.6 % | 76.7 % |
| Expected term (in years) | 5.60 | 5.80 |
| Weighted average grant-date fair value per share of options granted | $ 9.28 | $ 2.71 |

At June 30, 2024, there was $12.6 million in unrecognized pre-tax share-based compensation expense, net of estimated forfeitures, related to unvested time-based share option awards. The unrecognized share-based compensation expense is expected to be recognized through the second quarter of 2028 (unaudited).

*Restricted shares*

The Company's time-based RSUs typically vest over a four-year period. The Company recognizes compensation expense associated with its time-based RSUs on a straight-line basis over the four-year requisite service period.

The following is a summary of restricted shares activity for the Company's share incentive plan for the six-month period ended June 30, 2024 (unaudited):

| | Units | | Weighted average grant date fair value |
|---|---|---|---|
| RSU balance at December 31, 2023 [1] | 556,340 | $ | 16.92 |
| RSUs granted | 379,920 | $ | 4.23 |
| RSUs vested | (103,718) | $ | 19.72 |
| RSUs forfeited [1] | (87,663) | $ | 14.73 |
| RSU balance at June 30, 2024 [1] | 744,879 | $ | 10.31 |

[1] Includes time-based RSUs and the performance-based RSUs for which a grant date has been established, as described below.

Of the 103,718 RSUs vested, the Company withheld 9,377 of those shares to pay the employees' portion of the minimum payroll withholding taxes.

The fair value of the RSUs is based on the fair value of the Company's ordinary shares on the grant date. The Company utilized a forfeiture rate of 8.2% during the six-month period ended June 30, 2024 for estimating the forfeitures of RSUs granted.

As of June 30, 2024, there was $6.1 million in unrecognized pre-tax compensation expense, net of estimated forfeitures, related to unvested time-based restricted share units. The unrecognized compensation expense is expected to be recognized through the second quarter of 2028 (unaudited).

*Performance-based share awards*

In May 2023, performance-based share awards were awarded to select executive officers of the Company. The awards contain a performance-based vesting criteria and included 60,000 share options and 135,000 restricted share units. The performance-based awards have two separate annual performance periods, with 50% of the performance-based awards vesting over each of the annual performance periods ending on December 31, 2023 ("First Performance Period") and December 31, 2024 ("Second Performance Period") if the performance goal is met. If the performance goal for that performance period is not met, the performance-based awards do not vest and are forfeited. The performance goal is based on the Company's adjusted earnings per share, as publicly reported by the Company, for each performance period. The method used to measure the fair value of the performance-based awards is consistent with the methods used to measure the fair value of time-based share options and RSUs, as described above. During 2023, the 60,000 share options were forfeited prior to the end of the performance periods due to employee termination.

For performance-based awards that vest during the First Performance Period, the Company's Compensation Committee retains the ability to modify the applicable adjusted earnings per share metric. Due to this discretion, the Company determined that the grantee does not have a mutual understanding of the key terms and conditions of the performance-based awards in the First Performance Period, and a grant date will not exist until the Compensation Committee approves the adjusted earnings per share metric for the First Performance Period. On January 29, 2024, the Compensation Committee determined the performance goals for the First Performance Period were not achieved and the total potential shares of 62,500 RSUs were forfeited (unaudited).

Unlike the performance-based awards in the First Performance Period, the Compensation Committee does not have the discretion to modify the applicable adjusted earnings per share metric for performance-based awards that vest during the Second Performance Period. As such, a mutual understanding of the key terms and conditions, and thus a grant date, exists on the date that the performance-based awards are issued by the Company. As of June 30, 2024, based on the total potential shares that could be earned, there were 45,000 RSUs granted. A grant date fair value was established, and the weighted average grant date fair values calculated in the above tables include these performance-based RSUs. The Company has not recognized any compensation expense on these performance-based awards since the achievement of the performance goal is not probable. As of June 30, 2024, there was $0.6 million in unrecognized pre-tax compensation expense, net of estimated forfeitures, related to these unvested performance-based share awards for the Second Performance Period, which will be recognized over the requisite service period from January 1, 2024 through the first quarter of 2025 if it is probable that the adjusted earnings per share metric will be achieved (unaudited).

*Employee share purchase plan*

In June 2019, the Company's Board of Directors adopted, and its shareholders approved, the Employee Share Purchase Plan ("ESPP"). The ESPP was effective on June 25, 2019, and the initial offering period of six months commenced on January 1, 2021. The current offering period of six months commenced on January 1, 2024 and runs through June 30, 2024. The purchase price of the shares is 85% of the lower of the fair market value of the Company's ordinary shares on the first trading day of the offering period and the purchase date. The ESPP includes an annual increase to the shares available for sale on the first day of each fiscal year beginning in 2020, equal to the lesser of:  275,000 shares, 1% of the outstanding shares as of the last day of the immediately preceding fiscal year, or such other amount as the administrator may determine. The Company registered 275,000 additional shares on March 18, 2024.

For the three-month periods ended June 30, 2023 and 2024, the Company recognized $0.2 million and $0.2 million, respectively, of share-based compensation expense related to the ESPP. For the six-month periods ended June 30, 2023 and 2024, the Company recognized $0.5 million and $0.4 million, respectively, of share-based compensation expense related to the ESPP. There were 88,290 shares issued under the ESPP during the three-month and six-month periods ended June 30, 2023. There were 279,403 shares issued under the ESPP during the three-month and six-month periods ended June 30, 2024 (unaudited).

**Note 9. (Loss) earnings per share**

Basic net earnings (loss) per share is computed by dividing net income by the weighted-average number of shares outstanding during the period. Diluted net earnings per share is computed using the treasury method by giving effect to all potentially dilutive ordinary share equivalents outstanding for the period.  For purposes of this calculation, share options, RSUs, and ESPP awards are considered to be ordinary share equivalents but are excluded from the calculation of diluted earnings per share when including them would have an anti-dilutive effect.  Performance-based share awards are only included in the calculation of diluted earnings per share if the performance metric would have been achieved as of June 30, 2024 if that had been the end of the contingency period. The following table sets forth the computation of basic and diluted net earnings per share (unaudited and in thousands, except for share and per share data):

| | Three Months Ended June 30, | | Six Months Ended June 30, | |
|---|---|---|---|---|
| | 2023 | 2024 | 2023 | 2024 |
| | (unaudited) | (unaudited) | (unaudited) | (unaudited) |
| **Numerator:** | | | | |
| Net (loss) income | $ (2,642) | $ (9,143) | $ 1,634 | $ (35,590) |
| **Denominator:** | | | | |
| Basic weighted average shares outstanding | 27,432,705 | 27,902,956 | 27,387,112 | 27,876,280 |
| Dilutive effect of share option awards | — | — | 711,996 | — |
| Dilutive effect of restricted share units and restricted share awards | — | — | 212,160 | — |
| Dilutive effect of employee share purchase plan | — | — | 4,189 | — |
| Diluted weighted average shares outstanding | 27,432,705 | 27,902,956 | 28,315,457 | 27,876,280 |
| Net (loss) earnings per share, basic | $ (0.10) | $ (0.33) | $ 0.06 | $ (1.28) |
| Net (loss) earnings per share, diluted | $ (0.10) | $ (0.33) | $ 0.06 | $ (1.28) |

In the computation of diluted earnings per share for the three-month and six-month periods ended June 30, 2023, 1,762,872 ordinary share equivalents and 1,708,983 ordinary share equivalents, respectively, were excluded because their inclusion would have been antidilutive. In the computation of diluted earnings per share for the three-month and six-month periods ended June 30, 2024, the Company did not include any share equivalents because their inclusion would have been antidilutive (unaudited).

**Note 10. Income taxes**

The Company’s provision for income taxes at June 30, 2023 is based upon the estimated annual tax rate for the year applied to federal, state and foreign income. Due to forecasting uncertainty for 2024, the Company's provision for income taxes at June 30, 2024 is based on the 6-month year-to-date actual results. The Company recorded a benefit for income taxes of $0.7 million for the three-month period ended June 30, 2023 and a benefit for income taxes of $4.3 million for the three-month period ended June 30, 2024, with an effective tax rate of 21.0% and 31.8%, respectively. In the three-month period ended June 30, 2023, the Company's effective tax rate of 21.0% was not materially different from the statutory rate of 21.0%. For the three-month period ended June 30, 2024, the Company’s effective tax rate of 31.8% was different from the statutory rate of 21.0%, primarily due to the implementation of a tax method change in the U.S. related to the tax capitalization of the Company's research and development expenditures, resulting in a provision-to-return impact, reduction in the required U.S. valuation allowance and a decrease in the Foreign Derived Intangible Income benefit, while also including in the period an increase in the valuation allowance on the net deferred tax assets of the UK company, maintaining a full valuation allowance on the net UK deferred tax assets.

In the six-month periods ended June 30, 2023 and 2024, the Company recorded a tax benefit of $0.2 million and tax provision of $0.3 million, respectively, with an effective income tax rate of (11.3)% and (0.7)%, respectively. For the six-month period ended June 30, 2023, the effective income tax rate of (11.3)% was different from the statutory rate of 21.0%, primarily due to Foreign Derived Intangible Income, tax benefits arising on Research and Development tax credits, and the revaluing of UK deferred tax assets at a higher future tax rate. For the six-month period ended June 30, 2024, the effective income tax rate of (0.7)% was different from the statutory rate of 21.0%, primarily due to the implementation of a tax method change in the U.S. related to the tax capitalization of the Company's research and development expenditures, resulting in a provision-to-return impact, and a corresponding reduction in the required U.S. valuation allowance, while also including in the period an increase in the valuation allowance on the net deferred tax assets of the UK company, maintaining a full valuation allowance on the net UK deferred tax assets.

The Company increased the valuation allowance based on the analysis of cumulative income and loss positions, future income projections, and operating plans. The UK net deferred tax assets at December 31, 2023 were comprised primarily of NOL carryforwards, corporate interest restriction carryforwards and acquired intangibles, amounting to $23.6 million, fully reserving the UK net deferred tax assets. The UK valuation allowance increased during the three-month and six-month periods ended June 30, 2024 by $3.5 million and $9.4 million, respectively, for a total valuation allowance at June 30, 2024 of $33.0 million, fully reserving the UK net deferred tax assets.

The U.S. net deferred tax assets at December 31, 2023 were comprised primarily of capitalized research costs and share-based compensation, amounting to $15.8 million. The U.S. net deferred tax assets decreased during the three-month and six-month periods ended June 30, 2024 by $8.1 million and $6.9 million, respectively, as a result of the tax method change referenced above, the Company began deducting a significant portion of its previously capitalized research and development expenditures for tax purposes, which reduced the total U.S. net deferred tax assets at June 30, 2024 of $8.9 million. The U.S. partial valuation allowance at December 31, 2023 was $12.1 million. The U.S. valuation allowance decreased during the three-month and six-month periods ended June 30, 2024 by $8.1 million and $3.2 million, respectively, for a total valuation allowance at June 30, 2024 of $8.9 million, fully reserving the U.S. net deferred tax assets.

In assessing the realizability of deferred tax assets, the Company considers whether it is more likely than not that some portion or all of the deferred tax assets will be realized or not. A significant piece of objective evidence evaluated is the cumulative income or loss incurred over the three-year period ended June 30, 2024 and whether the Company projects a loss for the current year ending December 31, 2024. Management assesses all the available positive and negative evidence to estimate if sufficient future taxable income will be generated to utilize the existing deferred tax assets before, they otherwise expire. The Company considers projected future taxable income, reversing taxable temporary differences, carryback opportunities, and prudent tax-planning strategies in making this assessment. The Company is in a cumulative loss position on a consolidated basis, and therefore, the Company considered this as negative evidence in evaluating the realizability of deferred tax assets of the U.S., even if the U.S. if not in a cumulative loss position. However, because of the cumulative losses in the UK in recent periods are a significant piece of objective negative evidence that limits the Company's ability to consider certain criteria of subjective positive evidence such as projections for future growth. The ultimate realization of deferred tax assets of the U.S. company is dependent upon the generation of future taxable income in the UK during the period in which those temporary differences are deductible. The amount of the deferred tax asset considered realizable will be adjusted in future periods as necessary based on the reversal pattern of deferred balances and the actual taxable income in the UK and U.S. during the carryforward period, as well as any relevant new facts to be considered.

In applying the statutory tax rate in the effective income tax rate reconciliation, the Company used the statutory U.S. federal income tax rate of 21% rather than the Cayman Islands zero percent rate.

**Note 11. Commitments and contingencies**

In accordance with ASC 460, *Guarantees*, the Company recognizes the fair value for guarantee and indemnification arrangements it issues or modifies, if these arrangements are within the scope of the interpretation. In addition, the Company must continue to monitor the conditions that are subject to the guarantees and indemnifications in order to identify if a loss has been incurred. If the Company determines it is probable that a loss has occurred, then any such estimated loss would be recognized under those guarantees and indemnifications and would be recognized in the Company's condensed consolidated statements of operations and corresponding condensed consolidated balance sheets during that period.

*Indemnification*

The Company generally indemnifies its customers against claims brought by a third party to the extent any such claim alleges that the Company's product infringes a patent, copyright or trademark or violates any other proprietary rights of that third party. The maximum potential amount of future payments the Company may be required to make under these indemnification agreements is not estimable.

The Company indemnifies its directors and officers and select key employees, including key employees serving as directors or officers of the Company's subsidiaries, for certain events or occurrences, subject to certain limits, while the director or officer is or was serving at the Company's request in such capacity. The term of the indemnification period is for the director's or officer's term of service. The Company may terminate the indemnification agreements with its directors, officers or key employees upon the termination of their services as directors or officers of the Company or its subsidiaries, or the termination of activities for which indemnification has been provided, but termination will not affect claims for indemnification related to events occurring prior to the effective date of termination. The maximum amount of potential future indemnification is unlimited; however, the Company has a director and officer insurance policy that limits its exposure. The Company believes the fair value of these indemnification agreements is minimal.

*Purchase commitments with contract manufacturers and suppliers*

We purchase components from a variety of suppliers and use contract manufacturers to provide manufacturing services for our products. During the normal course of business, in order to manage manufacturing lead times and help ensure adequate component supply, we enter into agreements with contract manufacturers and suppliers that allow them to procure inventory and components based upon criteria as defined by us, such as forecasted demand. Certain of our inventory purchase commitments with contract manufacturers and suppliers relate to arrangements to secure supply and pricing for certain components for multiple periods. We record a liability for firm, noncancelable, and unconditional purchase commitments for quantities in excess of our future demand forecasts consistent with the valuation of our excess and obsolete inventory. The Company may be liable to purchase excess product or aged material or components from our suppliers following reasonable mitigation efforts.

*Warranties*

The Company offers a standard warranty on its products, with the term depending on the product, and records a liability for the estimated future costs associated with potential warranty claims. The Company's responsibility under its standard warranty is the repair or replacement of in-warranty defective product, or to credit the purchase price of the defective product, at its discretion, without charge to the customer. The Company's estimate of future warranty costs is largely based on historical experience factors including product failure rates, material usage, and service delivery cost incurred in correcting product failures. The standard warranty is included in either Other current liabilities or Other noncurrent liabilities on its condensed consolidated balance sheets, depending on the time period covered by the warranty. The Company also offers an extended warranty for purchase that represents a future performance obligation for the Company. The extended warranty is included in deferred revenues (both current and noncurrent) on the condensed consolidated balance sheets and recognized on a straight-line basis over the term of the extended warranty. The warranty costs are reflected in the Company's condensed consolidated statements of operations within cost of revenues.

*Legal proceedings*

Third parties may from time to time assert legal claims against the Company. The Company records accruals for loss contingencies to the extent that it concludes it is probable that a liability has been incurred and the amount of the related loss can be reasonably estimated. The Company evaluates, on a regular basis, developments in legal proceedings and other matters that could cause a change in amounts recorded. Due to the inherent uncertainty involving legal matters, the ultimate resolution could differ from amounts recorded. There is no pending or threatened legal proceedings to which the Company is a party, that in the Company's opinion, is likely to have a material adverse effect on its financial condition or results of operations.

*Shareholder lawsuit*

On May 22, 2024, a putative shareholder class action complaint was filed in the United States District Court for the Northern District of Illinois (Hamby v. Cambium Networks Corporation et al, Case No. 1:24-cv-04240) against us and three of our current or former officers. The complaint purports to assert claims under Section 10(b) of the Exchange Act, Exchange Act Rule 10b-5, and Section 20(a) of the Exchange Act, on behalf of persons and entities who acquired our ordinary shares between May 8, 2023 and January 18, 2024, or the Class Period. The complaint alleges that, during the Class Period, the Company and certain of its executive officers made false and misleading statements and failed to disclose material adverse facts about its business, operations, and prospects in violation of Sections 10(b) (and Rule 10b-5 promulgated thereunder) and 20(a) of the Exchange Act. The plaintiffs seek damages in an unspecified amount. This litigation is in its early stages and the Company cannot currently estimate the possible loss or range of losses, if any, that it may experience in connection with this claim.

**Note 12. Segment information**

The Company's chief operating decision maker ("CODM") is its Chief Executive Officer. The Company's CODM reviews financial information presented on a consolidated basis for purposes of allocating resources and evaluating financial performance. Accordingly, the Company determined that it operates as one operating segment and one reporting unit.

**Note 13. Revenues from contracts with customers**

Revenues consist primarily of revenues from the sale of hardware products with essential embedded software. Revenues also include amounts for software products, extended warranty on hardware products and subscription services. Substantially all products are sold through distributors and other channel partners, such as resellers, managed service providers and systems integrators.

The Company recognizes revenue to reflect the transfer of control of promised products or services to a customer in an amount that reflects the consideration to which the Company expects to be entitled in exchange for products or services.

The Company accounts for a contract when it has approval and commitment from both parties, the rights of the parties are identified, payment terms are identified, the contract has commercial substance and collectability of consideration is probable.

The Company identifies its distinct performance obligations under each contract. A performance obligation is a promise in a contract to transfer a distinct product or service to the customer. Hardware products with essential embedded software, software products, and purchased extended warranty on hardware products have been identified as separate and distinct performance obligations.

The transaction price is the amount of consideration to which the Company expects to be entitled in exchange for transferring products or services to a customer. An adjustment to revenue is made to adjust the transaction price to exclude the consideration related to products expected to be returned. The Company records an asset at the carrying amount of the estimated stock returns and a liability for the estimated amount expected to be refunded to the customer. The transaction price also excludes other forms of consideration provided to the customer, such as incentives and co-operative marketing allowances.

The Company recognizes revenue when, or as, it satisfies a performance obligation by transferring control of a promised product or service to a customer. Revenue from hardware products with essential embedded software is recognized when control of the asset is transferred, which is typically at the time of shipment. Revenue from perpetual license software is recognized at the point in time that the customer is able to use or benefit from the software. Extended warranty on hardware products is a performance obligation that is satisfied over time, beginning on the effective date of the warranty period and ending on the expiration of the warranty period. The Company recognizes revenue on extended warranties on a straight-line basis over the warranty period. Revenue from software subscriptions is recognized ratably over the term in which the services are provided and the performance obligation is satisfied.

The Company enters into revenue arrangements that may consist of multiple performance obligations, such as hardware products and extended warranty. The Company allocates the transaction price to each performance obligation on a relative standalone selling price basis for each distinct product or service in the contract. The best evidence of standalone selling price is the observable price of a product or service when the Company sells that product or service separately in similar circumstances and to similar customers. If a standalone selling price is not directly observable, the Company estimates the transaction price allocated to each performance obligation using the expected costs plus a margin approach.

***Disaggregation of revenues***

Revenues by product category were as follows (unaudited and in thousands, except percentages):

| | Three Months Ended June 30, | | | | Six Months Ended June 30, | | | |
|---|---|---|---|---|---|---|---|---|
| | 2023 | | 2024 | | 2023 | | 2024 | |
| Point-to-Multi-Point | $ 26,734 | 45 % | $ 19,647 | 43 % | $ 49,026 | 36 % | $ 39,068 | 44 % |
| Point-to-Point | 25,074 | 42 % | 13,656 | 30 % | 43,082 | 31 % | 28,067 | 32 % |
| Enterprise | 6,420 | 11 % | 11,310 | 24 % | 42,076 | 31 % | 18,473 | 21 % |
| Other | 1,314 | 2 % | 1,333 | 3 % | 2,759 | 2 % | 2,675 | 3 % |
| Total Revenues | $ 59,542 | 100 % | $ 45,946 | 100 % | $ 136,943 | 100 % | $ 88,283 | 100 % |

The Company's products are predominately sold through third-party distributors and distributed through a third-party logistics provider with facilities in the United States, Netherlands and Vietnam. The Company has determined the geographical distribution of product revenues based upon the ship-to destinations specified by its distributor customers.

Revenues by geography were as follows (unaudited and in thousands, except percentages):

| | Three Months Ended June 30, | | | | Six Months Ended June 30, | | | |
|---|---|---|---|---|---|---|---|---|
| | 2023 | | 2024 | | 2023 | | 2024 | |
| North America | $ 39,526 | 67 % | $ 20,647 | 45 % | $ 87,119 | 64 % | $ 45,696 | 52 % |
| Europe, Middle East and Africa | 6,769 | 11 % | 15,003 | 33 % | 26,477 | 19 % | 23,413 | 27 % |
| Caribbean and Latin America | 6,015 | 10 % | 5,306 | 11 % | 9,700 | 7 % | 10,198 | 11 % |
| Asia Pacific | 7,232 | 12 % | 4,990 | 11 % | 13,647 | 10 % | 8,976 | 10 % |
| Total Revenues | $ 59,542 | 100 % | $ 45,946 | 100 % | $ 136,943 | 100 % | $ 88,283 | 100 % |

***Contract balances***

The following table summarizes contract balances as of December 31, 2023 and June 30, 2024 (in thousands):

| | December 31, 2023 | June 30, 2024 |
|---|---|---|
| | | (unaudited) |
| Trade accounts receivable, net of allowance for credit losses | $ 63,656 | $ 56,604 |
| Deferred revenue - current | 8,765 | 8,261 |
| Deferred revenue - noncurrent | 10,473 | 10,338 |
| Refund liability | 8,723 | 7,270 |

Deferred revenue consists of amounts due or received from customers in advance of the Company satisfying performance obligations under contractual arrangements. Deferred revenue is classified as current or noncurrent based on the timing of when revenue will be recognized. The changes in deferred revenue were due to normal timing differences between the Company's performance and the customers' payment.

The refund liability is the estimated amount expected to be refunded to customers in relation to product exchanges made as part of the Company's stock rotation program and returns that have been authorized, but not yet received by the Company.  It is included within Other current liabilities in the condensed consolidated balance sheets.

***Receivables and concentration of credit risk***

Trade accounts receivable represent amounts for which the Company has an unconditional right to payment. Amounts are in accordance with contractual terms and are recorded at face amount less an allowance for credit losses. The Company establishes an allowance for credit losses to present the net amount of accounts receivable expected to be collected. The allowance is determined by using the loss-rate method, which requires an estimation of loss rates based upon historical loss experience adjusted for factors that are relevant to determining the expected collectability of accounts receivables. Some of these factors include macroeconomic conditions that correlate with historical loss experience, delinquency trends, aging behavior of receivables and credit and liquidity indicators for individual customers.

The Company considers the credit risk of all customers and regularly monitors credit risk exposure in its trade receivables. The Company's standard credit terms with its customers are generally net 30 to 60 days. The Company had one customer representing more than 10% of trade receivables at December 31, 2023 and one customer representing more than 10% of trade receivables at June 30, 2024.

***Remaining performance obligations***

Remaining performance obligations represent the revenue that is expected to be recognized in future periods related to performance obligations included in a contract that are unsatisfied, or partially satisfied, as of the end of a period. As of December 31, 2023, deferred revenue (current and noncurrent) of $19.2 million represents the Company's remaining performance obligations, of which $8.8 million is expected to be recognized within one year, with the remainder to be recognized thereafter. As of June 30, 2024, deferred revenue (current and noncurrent) of $18.6 million represents the Company's remaining performance obligations, of which $8.3 million is expected to be recognized within one year, with the remainder to be recognized thereafter (unaudited).

Revenue recognized during the three-month period ended June 30, 2024 which was previously included in deferred revenues as of December 31, 2023 was $2.4 million, compared to $2.1 million of revenue recognized during the three-month period ended June 30, 2023, which was previously included in deferred revenues as of December 31, 2022. Revenue recognized during the six-month period ended June 30, 2024 which was previously included in deferred revenues as of December 31, 2023 was $5.1 million, compared to $5.5 million of revenue recognized during the six-month period ended June 30, 2023, which was previously included in deferred revenues as of December 31, 2022 (unaudited).

***Cost to obtain a contract***

Sales commissions are incremental costs of obtaining a contract. The Company has elected to recognize these expenses as incurred, as the amortization period of these costs is one year or less.

**Note 14. Related party transactions**

The Company follows ASC 850, *Related Party Disclosures*, for the identification of related parties and disclosure of related party transactions. A party is considered to be related to the Company if the party directly or indirectly or through one or more intermediaries, controls, is controlled by, or is under common control with the Company. Related parties also include principal owners of the Company, its management, members of the immediate families of principal owners of the Company and its management and other parties with which the Company may deal.

For the three-month and six-month periods ended June 30, 2023 and 2024, the Company did not have any material related party transactions to disclose (unaudited).

**Note 15. Restructuring**

In 2023, the Company announced and initiated two corporate cost reductions to better align Cambium's cost structure with current economic conditions and position the Company to achieve near-term and long-term targets to maintain profitability, improve cash flow and maintain a strong balance sheet. These cost reductions are still ongoing and the Company expects all costs to be incurred by the end of 2024.

At December 31, 2023, the Company had an outstanding restructuring liability of $0.4 million, which was paid in the first quarter of 2024. During the three-month and six-month periods ended June 30, 2024, the Company incurred additional restructuring charges of approximately $0.2 million and $0.5 million, respectively, consisting mostly of involuntary employee termination costs, and is included in cost of revenues and all operating expense lines in the Company's condensed consolidated statements of operations. At June 30, 2024, the Company has a restructuring liability of $0.2 million, which is included in Accrued liabilities in the Company's condensed consolidated balance sheet and is expected to be paid by the fourth quarter of 2024 (unaudited).

The following table reflects the restructuring liability activity for the six-month period ended June 30, 2024 (unaudited and in thousands):

| | |
|---|---|
| Restructuring liability at December 31, 2023 | $ 363 |
| Restructuring charges | 509 |
| Costs paid | (700) |
| Restructuring liability at June 30, 2024 | $ 172 |

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

*The following discussion and analysis of financial condition and results of operation should be read in conjunction with the consolidated financial statements and related notes thereto of Cambium Networks Corporation ("Cambium", "we", "our", or "us") included elsewhere in this Quarterly Report on Form 10-Q and with the financial statements and related notes and Management's Discussion and Analysis in our Annual Report on Form 10-K for the fiscal year ended December 31, 2023, filed March 15, 2024. Results for the three-month and six-month periods ended June 30, 2024 are not necessarily indicative of the results that may be expected for any period in the future.*

***Overview***

Cambium Networks is a global technology company that designs, develops, and manufactures fixed wireless and fiber broadband, enterprise Wi-Fi access and local area networking (LAN) infrastructure solutions for a wide range of applications, including broadband access, wireless backhaul, Internet of Things (IoT), public safety communications, and Wi-Fi access for commercial use cases. Our products enable service providers, enterprises, industrial organizations, and governments to deliver exceptional digital experiences and device connectivity, with compelling economics. Our ONE network platform simplifies the management of Cambium Networks' wired and wireless broadband and network edge technologies. Our product lines fall into three broad, interrelated categories: Fixed Wireless & fiber Broadband (FWB), Enterprise networking, and Subscription and Services. The FWB portfolio spans point-to-point (PTP) and point-to-multi-point (PMP) architectures over multiple standards, including IEEE 802.11 and 3GPP (Third Generation Partnership Program) and frequency bands, including licensed, unlicensed, and lightly licensed spectrum, and fiber products. In the second quarter of 2024, both our ePMP4600 and PMP 450v platforms received FCC approval to operate in the recently released 6 GHz band in conjunction with our approved Automated Frequency Coordination (AFC) service.

The Enterprise portfolio includes a complete range of indoor and outdoor Wi-Fi access points, indoor and hardened copper and optical based ethernet switches, and integrated security gateway and software-defined wide area network (SD-WAN) devices. In the second quarter of 2024, we introduced our first Wi-Fi 7 access point, the XV7-35X, which will be complemented with a broad range of indoor and outdoor Wi-Fi 7 solutions in the coming months as the industry transition occurs.

The Subscription and Services portfolio includes network planning and design, and cloud or on-premises network management and control solutions. The latter capability, delivered through subscription to cnMaestro™ X, forms the foundation of our ONE Network, a cloud-based network management architecture that allows users to remotely configure, monitor, and manage their wired and wireless network. It provides a single, centralized view of all Cambium Network devices, and real-time performance and usage data, allowing users to control and optimize network configuration and settings. Advanced services offered in conjunction with this platform include application visibility and control, which is used to optimize end-user experiences; and "Assurance" which allows network administrators the ability to rapidly troubleshoot network issues using AI-powered root cause analysis with proactive resolution, ensuring service level agreements are met and preventing client impact. The integrated security gateway and SD-WAN for small and medium businesses is also associated with a subscription for network security services.

***Trends impacting our business***

In the first and second quarters of 2024 distributors endeavored to right-size their inventories. Inventory levels at our distributors and other channel partners have improved globally. However, distributors may maintain lower levels of inventory than historically has been the case which could delay purchases and accordingly, delay our revenue recovery. The level of inventory across the industry along with macroeconomic factors such as higher interest rates, which impact private sector capital investment, and concerns about a global economic slowdown have resulted in softened demand for our products and services. We continue to see a high level of competition in our industry due to slower demand and aggressive pricing. We believe that this will continue to negatively impact revenues in the second half of 2024. We may continue to have ongoing risks of technology shifts that could result in any increased inventory becoming obsolete before it is deployed.

Revenues from our Enterprise products are beginning to rebound over 2023 and we expect improvement during the second half of 2024. Revenues in our PTP business declined due to fewer defense projects in North America. Revenues in our PMP business remained relatively flat from the first quarter of 2024, which is expected to continue as sales of Cambium's 6 GHz products slowly ramp, a decrease in back-log from distributors and continued economic headwinds.

We continue to take action to manage our operating costs to improve profitability and cash flow. We also continue to work closely with our contract manufacturers and supply chain partners to balance production to market demand.

We continue to monitor the impact of macroeconomic factors, including a potential global recession, inflationary pressures, and growing political tensions because of regional conflicts. We also believe that our customers continue to grapple with the impact of these macroeconomic factors on their businesses and future investment plans, resulting in business uncertainty and a more constrained approach to forecasts and orders. Any prolonged economic disruptions, further deterioration in the global economy or outbreaks of international hostilities could have a negative impact on demand from our customers in future periods.

The impact of reverse globalization, including a more nationalistic trend globally leading to increasing government requirements for domestically produced products or limiting the sourcing of components and other products from China and elsewhere, has led us to limit our reliance on third-party manufacturers in China and move manufacturing to other locations, which could cause disruptions in our supply operations. Nationalistic trends are occurring in various geographies which may make it impractical for us to do business in some countries.

**Financial results for the three-month period ended June 30, 2024**

- Total revenue was $45.9 million, a decrease of 23% year-over-year
- Gross margin was 31.4%
- Total costs of revenues and operating expenses were $58.0 million
- Operating loss was $12.1 million
- Net loss was $9.1 million

**Basis of presentation**

***Revenues***

Our revenues are generated primarily from the sale of our products, which consist of hardware with essential embedded software. Our revenues also include amounts for software products, extended warranty on hardware products and subscription services. We generally recognize product revenues at the time of shipment, provided that all other revenue recognition criteria have been met. Revenues are recognized net of estimated stock returns, rebates, incentives and cooperative marketing allowances that we provide to distributors. We recognize subscription services revenue ratably over the term in which services are provided and our performance obligation is satisfied. We provide a standard warranty on our hardware products, with the term depending on the product, and record a liability for the estimated future costs associated with potential warranty claims. In addition, we also offer extended warranties for purchase and represents a future performance obligation for us. The extended warranty is included in deferred revenues and is recognized on a straight-line basis over the term of the extended warranty.

***Cost of revenues and gross profit***

Our cost of revenues is comprised primarily of the costs of procuring finished goods from our third-party manufacturers, third-party logistics and warehousing provider costs, freight costs and warranty costs. We outsource our manufacturing to third-party manufacturers located primarily in Mexico, China, Israel and Taiwan. Cost of revenues also includes costs associated with supply operations, including personnel related costs and allocated overhead costs, provision for excess and obsolete inventory and loss on supplier commitment expense, third-party license costs and third-party costs related to services we provide. Cost of revenues also includes amortization of capitalized software development costs associated with products marketed to be sold.

Gross profit has been and will continue to be affected by various factors, including changes in product mix. The margin profile of products within each of our core product categories can vary significantly depending on the operating performance, features and manufacturer of the product. Gross margin will also vary as a function of changes in pricing due to competitive pressure, our third-party manufacturing and other production costs, cost of shipping and logistics, provision for excess and obsolete inventory and loss on supplier commitment expense and other factors. We expect our gross margins will fluctuate from period to period depending on the interplay of these various factors.

***Operating expenses***

We classify our operating expense as research and development, sales and marketing, and general and administrative expense. Personnel costs are the primary component of each of these operating expense categories, which consist of personnel costs, such as salaries, sales commissions, benefits, bonuses and share-based compensation expense. In addition, we separate depreciation and amortization in their own category.

***Research and development***

In addition to personnel-related costs, research and development expenses consist of costs associated with design and development of our products, product certification, travel, recruiting and shared facilities and shared IT costs. We generally recognize research and development expense as incurred. We capitalize certain software project costs under development during the period between determining technological feasibility of the product and commercial release. We amortize the capitalized development cost upon commercial release, generally over three years, and this is included in cost of revenues. We typically do not capitalize costs related to the development of first-generation product offerings as technological feasibility generally coincides with general availability of the software.

***Sales and marketing***

In addition to personnel-related costs for sales, marketing, service and product line management personnel, sales and marketing expenses consist of our training programs, trade shows, marketing programs, promotional materials, demonstration equipment, national and local regulatory approval on our products, travel and entertainment, recruiting, digital marketing platforms, third-party marketing services and shared facilities and shared IT costs.

***General and administrative***

In addition to personnel-related costs, general and administrative expenses consist of professional fees, such as legal, audit, accounting, information technology and consulting costs, insurance, shared facilities and shared IT costs, and other supporting overhead costs.

***Depreciation and amortization***

Depreciation and amortization expenses consist of depreciation related to fixed assets such as computer equipment, furniture and fixtures, and testing equipment, as well as amortization related to acquired and software for internal use and definite lived intangibles.

***Provision for income taxes***

Our provision for income taxes consists primarily of income taxes in the jurisdictions in which we conduct business. Management assesses our deferred tax assets in each reporting period, and if it is determined that it is not more likely than not to be realized, we will record a valuation allowance in that period.

**Results of operations**

The following table presents the consolidated statements of operations, as well as the percentage relationship to total revenues for items included in our consolidated statements of operations (in thousands):

| (in thousands) | Three Months Ended June 30, 2023 | Three Months Ended June 30, 2024 | Six Months Ended June 30, 2023 | Six Months Ended June 30, 2024 |
|---|---|---|---|---|
| **Statements of Operations Data:** | | | | |
| Revenues | $ 59,542 | $ 45,946 | $ 136,943 | $ 88,283 |
| Cost of revenues | 30,300 | 31,536 | 68,041 | 65,188 |
| **Gross profit** | 29,242 | 14,410 | 68,902 | 23,095 |
| **Operating expenses** | | | | |
| Research and development | 13,008 | 9,149 | 27,270 | 19,948 |
| Sales and marketing | 11,528 | 9,706 | 23,198 | 19,427 |
| General and administrative | 5,836 | 5,988 | 12,503 | 13,498 |
| Depreciation and amortization | 1,573 | 1,669 | 3,069 | 3,302 |
| **Total operating expenses** | 31,945 | 26,512 | 66,040 | 56,175 |
| **Operating (loss) income** | (2,703) | (12,102) | 2,862 | (33,080) |
| Interest expense, net | 579 | 1,304 | 1,176 | 2,185 |
| Other expense, net | 64 | 3 | 218 | 62 |
| **(Loss) income before income taxes** | (3,346) | (13,409) | 1,468 | (35,327) |
| (Benefit) provision for income taxes | (704) | (4,266) | (166) | 263 |
| **Net (loss) income** | **$ (2,642)** | **$ (9,143)** | **$ 1,634** | **$ (35,590)** |

| | Three Months Ended June 30, 2023 | Three Months Ended June 30, 2024 | Six Months Ended June 30, 2023 | Six Months Ended June 30, 2024 |
|---|---|---|---|---|
| **Percentage of Revenues:** | | | | |
| Revenues | 100.0 % | 100.0 % | 100.0 % | 100.0 % |
| Cost of revenues | 50.9 % | 68.6 % | 49.7 % | 73.8 % |
| **Gross margin** | 49.1 % | 31.4 % | 50.3 % | 26.2 % |
| **Operating expenses** | | | | |
| Research and development | 21.8 % | 19.9 % | 19.9 % | 22.6 % |
| Sales and marketing | 19.4 % | 21.1 % | 17.0 % | 22.0 % |
| General and administrative | 9.8 % | 13.0 % | 9.1 % | 15.3 % |
| Depreciation and amortization | 2.6 % | 3.6 % | 2.2 % | 3.7 % |
| **Total operating expenses** | 53.7 % | 57.7 % | 48.2 % | 63.6 % |
| **Operating (loss) income** | (4.5 )% | (26.3 )% | 2.1 % | -37.4 % |
| Interest expense, net | 1.0 % | 2.8 % | 0.9 % | 2.5 % |
| Other expense, net | 0.1 % | 0.1 % | 0.2 % | 0.1 % |
| **(Loss) income before income taxes** | (5.6 )% | (29.2 )% | 1.1 % | (40.0 )% |
| (Benefit) provision for income taxes | (1.2 )% | (9.3 )% | (0.1 )% | 0.3 % |
| **Net (loss) income** | (4.4 )% | (19.9 )% | 1.2 % | (40.3 )% |

**Comparison of three-month period ended June 30, 2023 to the three-month period ended June 30, 2024**

***Revenues***

| (dollars in thousands) | Three Months Ended June 30, 2023 | Three Months Ended June 30, 2024 | Change $ | Change % |
|---|---|---|---|---|
| Revenues | $ 59,542 | $ 45,946 | $ (13,596) | (22.8 )% |

Revenues decreased $13.6 million, or 22.8%, to $45.9 million for the three-month period ended June 30, 2024, from $59.5 million for the three-month period ended June 30, 2023, with the largest decrease in our point-to-point product category driven by lower defense order volumes. Revenues also decreased in our point-to-multi-point product category driven by lower demand. These decreases are offset by an increase in revenues of our enterprise product category as channel inventory levels decline.

*Revenues by product category*

| (dollars in thousands) | Three Months Ended June 30, 2023 | 2024 | Change $ | % |
|---|---|---|---|---|
| Point-to-Multi-Point | $ 26,734 | $ 19,647 | $ (7,087) | (26.5)% |
| Point-to-Point | 25,074 | 13,656 | (11,418) | (45.5)% |
| Enterprise | 6,420 | 11,310 | 4,890 | 76.2% |
| Other | 1,314 | 1,333 | 19 | 1.4% |
| Total revenues by product category | $ 59,542 | $ 45,946 | $ (13,596) | (22.8)% |

*Point-to-Multi-Point*

Our PMP revenues decreased $7.1 million, or 26.5%, from the three-month period ended June 30, 2023 to 2024. The decrease in point-to-multi-point revenues was driven by lower demand in all regions from service providers as they begin to adopt and deploy our 6 GHz products.

*Point-to-Point*

PTP revenues decreased $11.4 million, or 45.5%, from the three-month period ended June 30, 2023 to 2024 mostly driven by lower demand for defense products in North America partially offset by increased demand for defense products in Europe, Middle East, Africa.

*Enterprise*

Enterprise revenues increased $4.9 million, or 76.2%, from the three-month period ended June 30, 2023 to 2024. Enterprise revenues increased in all regions except Asia Pacific, with the largest increase in Europe, Middle East, Africa. Enterprise product revenues are continuing to improve as channel inventory levels are decreasing, and distributors are restocking.

*Revenues by geography*

| (dollars in thousands) | Three Months Ended June 30, 2023 | 2024 | Change $ | % |
|---|---|---|---|---|
| North America | $ 39,526 | $ 20,647 | $ (18,879) | (47.8)% |
| Europe, Middle East, Africa | 6,769 | 15,003 | 8,234 | 121.6% |
| Caribbean and Latin America | 6,015 | 5,306 | (709) | (11.8)% |
| Asia Pacific | 7,232 | 4,990 | (2,242) | (31.0)% |
| Total revenues by geography | $ 59,542 | $ 45,946 | $ (13,596) | (22.8)% |

Revenues decreased in all regions except Europe, Middle East, Africa from the three-month period ended June 30, 2023 to June 30, 2024. North America revenues decreased $18.9 million, or 47.8%, with the largest decrease in PTP revenues due to lower demand for defense products and lower PMP revenues also due to decreased demand. Europe, Middle East, Africa revenues increased by $8.2 million, or 121.6%, mostly driven by higher enterprise product revenues and higher PTP revenues due to higher demand from defense. Caribbean and Latin America revenues decreased $0.7 million, or 11.8%, mostly driven by lower enterprise and PMP product revenues. Asia Pacific revenues decreased $2.2 million, or 31.0%, mostly driven by lower PMP and PTP revenues both due to decreased demand.

*Cost of revenues and gross margin*

| (dollars in thousands) | Three Months Ended June 30, 2023 | 2024 | Change $ | % |
|---|---|---|---|---|
| Cost of revenues | $ 30,300 | $ 31,536 | $ 1,236 | 4.1 % |
| Gross margin | 49.1 % | 31.4 % | | (1770) bps |

Cost of revenues increased $1.2 million, or 4.1%, to $31.5 million for the three-month period ended June 30, 2024 from $30.3 million for the three-month period ended June 30, 2023. The increase in cost of revenues was primarily due to a $4.6 million loss on supplier commitment charge recorded in the three-month period ended June 30, 2024, a $3.9 million increase from the three-month period ended June 30, 2023, and a $2.4 million provision for excess and obsolescence recorded in the three-month period ended June 30, 2024, a $2.2 million increase from the three-month period ended June 30, 2023. The increase in the loss on supplier commitment expense was mostly due to decreased demand for switching and fiber components and the increase in the excess and obsolescence reserve was mostly due to a decrease in lifetime demand. These costs were offset by lower material costs and lower production costs.

Gross margin decreased to 31.4% for the three-month period ended June 30, 2024 from 49.1% for the three-month period ended June 30, 2023. The decrease primarily reflects the impact from an increase in our excess and obsolescence reserve and loss on supplier commitment expense.

*Operating expenses*

| (dollars in thousands) | Three Months Ended June 30, 2023 | 2024 | Change $ | % |
|---|---|---|---|---|
| Research and development | $ 13,008 | $ 9,149 | $ (3,859 ) | (29.7 )% |
| Sales and marketing | 11,528 | 9,706 | (1,822 ) | (15.8 )% |
| General and administrative | 5,836 | 5,988 | 152 | 2.6 % |
| Depreciation and amortization | 1,573 | 1,669 | 96 | 6.1 % |
| Total operating expenses | $ 31,945 | $ 26,512 | $ (5,433 ) | (17.0 )% |

*Research and development*

Research and development expense decreased $3.9 million, or 29.7% to $9.1 million for the three-month period ended June 30, 2024 from $13.0 million for the three-month period ended June 30, 2023. The decrease in research and development expense was primarily due to $1.7 million lower staff-related costs, mostly due to a reduction in headcount from restructuring activities, $0.9 million lower outside contractor spend due to the restructuring actions implemented in 2023 and streamlining projects, $0.5 million lower share-based compensation due to lower headcount, $0.3 million lower engineering project materials cost, $0.2 million lower homologation and regulatory fees due to the timing of projects and $0.2 million higher capitalized software development costs due to more projects eligible for capitalization.

*Sales and marketing*

Sales and marketing expense decreased $1.8 million, or 15.8%, to $9.7 million for the three-month period ended June 30, 2024 from $11.5 million for the three-month period ended June 30, 2023. The decrease in sales and marketing expense was primarily due to $0.7 million lower staff-related costs, mostly due to a reduction in headcount from restructuring activities in 2023 offset by new hires in 2024, $0.3 million lower marketing-related spend, mostly due to lower spend on trade shows, $0.3 million lower travel-related costs, $0.2 million lower variable compensation expense and $0.2 million lower share-based compensation expense.

*General and administrative*

General and administrative expense increased $0.2 million, or 2.6%, to $6.0 million for the three-month period ended June 30, 2024 from $5.8 million for the three-month period ended June 30, 2023. The increase in general and administrative expense was primarily due to $0.2 million higher share-based compensation expense, mostly due to new grants awarded in 2023 and 2024.

*Depreciation and amortization*

Depreciation and amortization expense increased slightly by $0.1 million from the three-month period ended June 30, 2023 to the three-month period ended June 30, 2024.

*Interest expense, net*

| | Three Months Ended June 30, | | Change | |
|---|---|---|---|---|
| **(dollars in thousands)** | **2023** | **2024** | **$** | **%** |
| Interest expense, net | $ 579 | $ 1,304 | $ 725 | 125.2 % |

Interest expense increased $0.7 million, or 125.2%, to $1.3 million for the three-month period ended June 30, 2024 from $0.6 million for the three-month period ended June 30, 2023. The increase was primarily due to an increase in the interest rate on the term loan and the addition of interest on the revolving credit facility.

*Other expense, net*

| | Three Months Ended June 30, | | Change | |
|---|---|---|---|---|
| **(dollars in thousands)** | **2023** | **2024** | **$** | **%** |
| Other expense, net | $ 64 | $ 3 | $ (61 ) | (95.3 )% |

Other expense, net decreased from expense of $0.1 million for the three-month period ended June 30, 2023 to $0.0 million for the three-month period ended June 30, 2024, primarily due to foreign currency fluctuations.

*Benefit for income taxes*

| | Three Months Ended June 30, | | Change | |
|---|---|---|---|---|
| **(dollars in thousands)** | **2023** | **2024** | **$** | **%** |
| Benefit for income taxes | $ (704 ) | $ (4,266 ) | $ (3,562 ) | 506.0 % |
| Effective income tax rate | 21.0 % | 31.8 % | | |

Our provision for income taxes at June 30, 2023 was based upon the estimated annual tax rate for the year, applied to federal, state and foreign income. Due to forecasting uncertainty for 2024, our provision for income taxes at June 30, 2024 is based on 6-month year-to-date actual results. Our benefit for income taxes was $4.3 million for the three-month period ended June 30, 2024 versus a benefit for income taxes of $0.7 million for the three-month period ended June 30, 2023. The effective income tax rates were 31.8% and 21.0% over the same periods, respectively. In the three-month period ended June 30, 2023, the effective tax rate of 21.0% was not materially different from the statutory rate of 21.0%. For the three-month period ended June 30, 2024, our effective tax rate of 31.8% was different from the statutory rate of 21.0%, primarily due to the implementation of a tax method change in the U.S. related to the tax capitalization of our research and development expenditures, resulting in a provision-to-return impact, reduction in the required U.S. valuation allowance and a decrease in the Foreign Derived Intangible benefit, while also including in the period an increase in the valuation allowance on the net deferred tax assets of the UK company, maintaining a full valuation allowance on the net UK deferred tax assets.

**Comparison of six-month period ended June 30, 2023 to the six-month period ended June 30, 2024**

***Revenues***

| | Six Months Ended June 30, | | Change | |
|---|---|---|---|---|
| **(dollars in thousands)** | **2023** | **2024** | **$** | **%** |
| Revenues | $ 136,943 | $ 88,283 | $ (48,660) | (35.5)% |

Revenues decreased $48.7 million, or 35.5%, to $88.3 million for the six-month period ended June 30, 2024, from $136.9 million for the six-month period ended June 30, 2023, with the largest decrease in our enterprise product category driven by lower order volumes from distributors. Revenues also decreased in our point-to-point product category driven by decreased defense orders due to timing of funding in North America and our point-to-multi-point product category as service providers transition to 6 GHz technology.

*Revenues by product category*

| | Six Months Ended June 30, | | Change | |
|---|---|---|---|---|
| **(dollars in thousands)** | **2023** | **2024** | **$** | **%** |
| Point-to-Multi-Point | $ 49,026 | $ 39,068 | $ (9,958) | (20.3)% |
| Point-to-Point | 43,082 | 28,067 | (15,015) | (34.9)% |
| Enterprise | 42,076 | 18,473 | (23,603) | (56.1)% |
| Other | 2,759 | 2,675 | (84) | (3.0)% |
| Total revenues by product category | $ 136,943 | $ 88,283 | $ (48,660) | (35.5)% |

*Point-to-Multi-Point*

Our PMP revenues decreased $10.0 million, or 20.3%, from the six-month period ended June 30, 2023 to 2024. Our decrease in point-to-multi-point revenues were driven by lower demand from service providers in North America as they start to transition to our 6 GHz products.

*Point-to-Point*

PTP revenues decreased $15.0 million, or 34.9%, from the sis-month period ended June 30, 2023 to 2024 mostly driven by lower demand for defense products in North America due to timing of funding partially offset by increased demand for defense products in Europe, Middle East, Africa.

*Enterprise*

Enterprise revenues decreased $23.6 million, or 56.1%, from the six-month period ended June 30, 2023 to 2024. Enterprise revenues decreased in all regions except Caribbean and Latin America, with the largest decrease in North America and Europe, Middle East, Africa, driven mostly by lower order volumes from distributors. Enterprise product revenues are improving, but remain impacted by the recovery of the product supply chain during 2023 which reduced our prior advantage in supply and order fulfillment and therefore, increased competition and aggressive pricing by our competitors.

*Revenues by geography*

| | Six Months Ended June 30, | | Change | |
|---|---|---|---|---|
| **(dollars in thousands)** | **2023** | **2024** | **$** | **%** |
| North America | $ 87,119 | $ 45,696 | $ (41,423) | (47.5)% |
| Europe, Middle East, Africa | 26,477 | 23,413 | (3,064) | (11.6)% |
| Caribbean and Latin America | 9,700 | 10,198 | 498 | 5.1% |
| Asia Pacific | 13,647 | 8,976 | (4,671) | (34.2)% |
| Total revenues by geography | $ 136,943 | $ 88,283 | $ (48,660) | (35.5)% |

Revenues decreased in all regions except Caribbean and Latin America from the six-month period ended June 30, 2024 to June 30, 2024. North America revenues decreased $41.4 million, or 47.5%, with the largest decrease in PTP product revenues due to lower demand for defense and licensed microwave products, lower enterprise product revenues due to decreased demand for Wi-Fi 6 products and lower PMP revenues due to decreased demand from service providers. Europe, Middle East, Africa revenues decreased by $3.1 million, or 11.6%, mostly driven by lower enterprise product revenues due to decreased Wi-Fi 6 demand and high channel inventory, partially offset by higher PTP revenues due to increased demand from defense. Caribbean and Latin America revenues increased $0.5 million, or 5.1%, mostly driven by higher PMP. Asia Pacific revenues decreased $4.7 million, or 34.2%, mostly driven by lower enterprise product revenues and lower PTP revenues, both due to decreased demand.

*Cost of revenues and gross margin*

| | Six Months Ended June 30, | | Change | |
|---|---|---|---|---|
| **(dollars in thousands)** | **2023** | **2024** | **$** | **%** |
| Cost of revenues | $ 68,041 | $ 65,188 | $ (2,853) | (4.2)% |
| Gross margin | 50.3% | 26.2% | | (2410) bps |

Cost of revenues decreased $2.8 million, or 4.2% to $65.2 million for the six-month period ended June 30, 2024 from $68.0 million for the six-month period ended June 30, 2023. The decrease in cost of revenues was primarily due to decreased revenues but was mostly offset by $8.6 million provision for excess and obsolescence recorded in the six-month period ended June 30, 2024, a $7.1 million increase from the six-month period ended June 30, 2023 and $5.3 million loss on supplier commitment recorded in the six-months ended June 30, 2024, a $4.5 million increase from the six-month period ended June 30, 2023, and higher amortization of capitalized software costs. The increase in the excess and obsolescence reserve was mostly due to a decrease in lifetime demand and increase in the loss on supplier commitment expense was mostly due to decreased demand for fiber and switching components.

Gross margin decreased to 26.2% for the six-month period ended June 30, 2024 from 50.3% for the six-month period ended June 30, 2023. The decrease primarily reflects the impact from an increase in our excess and obsolescence reserve, increase in loss on supplier commitments, lower revenues from higher margin products and fixed services and subscription costs.

*Operating expenses*

| | Six Months Ended June 30, | | Change | |
|---|---|---|---|---|
| **(dollars in thousands)** | **2023** | **2024** | **$** | **%** |
| Research and development | $ 27,270 | $ 19,948 | $ (7,322) | (26.9)% |
| Sales and marketing | 23,198 | 19,427 | (3,771) | (16.3)% |
| General and administrative | 12,503 | 13,498 | 995 | 8.0% |
| Depreciation and amortization | 3,069 | 3,302 | 233 | 7.6% |
| Total operating expenses | $ 66,040 | $ 56,175 | $ (9,865) | (14.9)% |

*Research and development*

Research and development expense decreased $7.3 million, or 26.9% to $20.0 million for the six-month period ended June 30, 2024 from $27.3 million for the six-month period ended June 30, 2023. The decrease in research and development expense was primarily due to $3.4 million lower staff-related costs, mostly due to a reduction in headcount from restructuring activities completed in 2023, $1.4 million lower outside contractor spend due to the restructuring actions implemented in 2023 and streamlining projects, $0.8 million lower share-based compensation expense due to headcount reductions, $0.4 million lower engineering project materials spend, $0.4 million lower corporate bonus expense as we failed to meet bonus targets, $0.3 million lower homologation and regulatory fees due to the timing of projects, $0.2 million lower travel-related spend and $0.2 million lower equipment repairs and maintenance expense.

*Sales and marketing*

Sales and marketing expense decreased $3.8 million, or 16.3%, to $19.4 million for the six-month period ended June 30, 2024 from $23.2 million for the six-month period ended June 30, 2023. The decrease in sales and marketing expense was primarily due to $1.3 million lower staff-related costs, mostly due to a reduction in headcount from restructuring activities in 2023 offset by new hires in 2024, $0.7 million lower severance expense related to reductions in 2023, $0.7 million lower marketing-related spend, mostly due to lower spend on trade shows, $0.4 million lower travel-related spend, $0.4 million lower share-based compensation expense due to lower headcount and $0.3 million lower outside contractor spend.

*General and administrative*

General and administrative expense increased $1.0 million, or 8.0%, to $13.5 million for the six-month period ended June 30, 2024 from $12.5 million for the six-month period ended June 30, 2023. The increase in general and administrative expense was primarily due to $0.5 million increase in share-based compensation expense, mostly due to new grants awarded in 2023 and 2024, $0.3 million increase in bad debt expense and $0.2 million higher legal expense.

*Depreciation and amortization*

Depreciation and amortization expense increased slightly by $0.2 million from the six-month period ended June 30, 2023 to the six-month period ended June 30, 2024.

*Interest expense, net*

| | Six Months Ended June 30, | | Change | |
|---|---|---|---|---|
| **(dollars in thousands)** | **2023** | **2024** | **$** | **%** |
| Interest expense, net | $ 1,176 | $ 2,185 | $ 1,009 | 85.8 % |

Interest expense increased $1.0 million, or 85.8%, to $2.2 million for the six-month period ended June 30, 2024 from $1.2 million for the six-month period ended June 30, 2023. The increase was primarily due to an increase in the interest rate on the term loan and the addition of interest on the revolving credit facility beginning in the first quarter of 2024.

*Other expense, net*

| | Six Months Ended June 30, | | Change | |
|---|---|---|---|---|
| **(dollars in thousands)** | **2023** | **2024** | **$** | **%** |
| Other expense, net | $ 218 | $ 62 | $ (156 ) | (71.6 )% |

Other expense, net decreased from expense of $0.2 million for the six-month period ended June 30, 2023 to $0.1 million for the six-month period ended June 30, 2024, primarily due to foreign currency fluctuations.

*(Benefit) provision for income taxes*

| | Six Months Ended June 30, | | Change | |
|---|---|---|---|---|
| **(dollars in thousands)** | **2023** | **2024** | **$** | **%** |
| (Benefit) provision for income taxes | $ (166 ) | $ 263 | $ 429 | (258.4 )% |
| Effective income tax rate | (11.3 )% | (0.7 )% | | |

Our provision for income taxes at June 30, 2023 was based upon the estimated annual tax rate for the year, applied to federal, state and foreign income. Due to forecasting uncertainty for 2024, our provision for income taxes at June 30, 2024 is based on 6-month year-to-date actual results. Our provision for income taxes was $0.3 million for the six-month period ended June 30, 2024 versus a benefit for income taxes of $0.2 million for the six-month period ended June 30, 2023. The effective income tax rates were (0.7)% and (11.3)% over the same periods, respectively. In the six-month period ended June 30, 2023, the effective tax rate of (11.3)% was different from the statutory rate of 21.0%, primarily due to Foreign Derived Intangible Income, tax benefits arising on Research and Development tax credits, and revaluing of UK deferred tax assets at a higher future tax rate. For the six-month period ended June 30, 2024, our effective tax rate of (0.7)% was different from the statutory rate of 21.0%, primarily due to the implementation of a tax method change in the U.S. related to the tax capitalization of our research and development expenditures, resulting in a provision-to-return impact, and a reduction in the U.S. valuation allowance, while also including in the period an increase in the valuation allowance on the net deferred tax assets of the UK company, maintaining a full valuation allowance on the net UK deferred tax assets.

**Liquidity and Capital Resources**

As of June 30, 2024, we had a cash balance of $42.6 million, an increase of $23.9 million from December 31, 2023. We drew $40.0 million on our revolving credit facility in the first quarter of 2024 and an additional $5.0 million in the second quarter of 2024 to help manage our working capital needs for the near future, mainly to: (i) fund normal operating expenses; (ii) meet interest and principal requirements of our outstanding indebtedness; and (iii) fund capital expenditures. Our future capital requirements may vary materially from those currently planned and will depend on many factors, including our rate of revenue growth, the timing and extent of spending to support development efforts, the timing of new product introductions, market acceptance of our products and overall economic conditions. We continue to focus on cost management, operating efficiency and efficient discretionary spending. We expect to regularly assess our liquidity needs and market conditions and may raise additional equity or incur additional debt if and when our board of directors determines that doing so is in our best interest. For the second quarter of 2024, all quarterly principal and interest payments have been made in accordance with the terms of our credit facility with Bank of America. As of June 30, 2024, we were in compliance with all affirmative and negative covenants under this credit agreement.

*Cash Flows*

The following table sets forth summarized cash flow data for the periods indicated (in thousands):

*Cash flows from operating activities*

| | Six Months Ended June 30, | |
|---|---|---|
| | 2023 | 2024 |
| Cash used in operating activities | $ (10,480) | $ (13,246) |
| Cash used in investing activities | $ (5,569) | $ (7,187) |
| Cash (used in) provided by financing activities | $ (152) | $ 44,318 |

Net cash used in operating activities for the six-month period ended June 30, 2023 of $10.5 million consisted of net income of $1.6 million, share-based compensation expense of $5.9 million and adjustments for depreciation and amortization and other non-cash impacts of $5.4 million, an increase in deferred tax assets of $3.3 million and changes in operating assets and liabilities that resulted in net cash outflows of $20.1 million. The changes in operating assets and liabilities consisted primarily of a $26.3 million increase in inventories due to lower sales along with management's plan to build inventory to manage component shortages, a $1.5 million decrease in accrued employee compensation due to lower corporate bonus accrual and $1.3 million decrease in accounts payable due to timing of invoices and payments. The uses of cash were partially offset by $4.5 million increase in cash provided by all other assets and liabilities, mostly driven by the increase in accrued sales returns along with collection of the UK RDEC tax credit, $3.8 million reduction in prepaid expenses, mostly due to lower vendor prepayments, $0.6 million higher accrued liabilities primarily related to inventory in transit and $0.2 million decrease in accounts receivable reflecting the impact of lower sales and the timing of collections.

Net cash used in operating activities for the six-month period ended June 30, 2024 of $13.2 million consisted primarily of net loss of $35.6 million, offset by an increase in our provision for inventory excess and obsolescence of $8.6 million, share-based compensation expense of $5.1 million and adjustments for depreciation and amortization and other non-cash impacts of $5.7 million, a decrease in deferred tax assets of $3.7 million and changes in operating assets and liabilities that resulted in net cash outflows of $0.8 million. The changes in operating assets and liabilities consisted primarily of a $4.4 million net increase in income taxes receivable, mostly as a result of an expected income tax refund of $3.6 million, $5.5 million higher prepaid expenses, mostly as a result of an increase in supplier prepayments, $2.7 million lower accounts payable due to decreased purchases and $0.6 million lower accrued employee compensation, partially offset by $8.4 million lower inventory and $4.1 million lower accounts receivable due to improved cash collections.

*Cash flows from investing activities*

Our investing activities for all periods presented consisted of capital expenditures for property, equipment, internal use software and capitalized labor costs for software to be marketed for sale in support of the growth of our business. The increase in cash used in investing activities for the six-month period ended June 30, 2023 to the six-month period ended June 30, 2024 is mostly due to leasehold improvements completed on the new Hoffman Estates headquarters.

*Cash flows from financing activities*

During the six-month period ended June 30, 2023, net cash used in financing activities of $0.2 million was primarily due to $1.3 million repayment of principal due under the term loan facility with Bank of America and $0.4 million for taxes paid from shares withheld in net settlement of taxes due on vesting of restricted shares issued to our employees partially offset by proceeds received of $1.1 million from the issuance of ordinary shares under our ESPP and $0.4 million from the exercise of share options.

During the six-month period ended June 30, 2024, net cash provided by financing activities of $44.3 million was primarily due to $45.0 million drawn down on the revolving credit facility and proceeds received of $0.7 million from the issuance of ordinary shares under our ESPP partially offset by $1.3 million repayment of principal due under the term loan facility with Bank of America.

***Debt***

As of June 30, 2024, we had $24.1 million outstanding on our term loan facility and $45.0 million outstanding on our revolving credit facility with Bank of America. The effective interest rate on the term credit facility at June 30, 2024 was 9.17% and the weighted-average interest rate on our revolving credit facility was 8.67%. The Company is required to make quarterly principal payments of $0.7 million under the term credit facility and quarterly interest payments under both the term loan facility and the revolving credit facility. Our term loan facility and revolving credit facility matures on November 17, 2026, at which time the outstanding principal will be due. Refer to Note 6 – Debt, to our unaudited condensed consolidated financial statements in Part I of this Form 10-Q for additional information.

**Contractual Obligations and Commercial Commitments**

For the six-month period ended June 30, 2024, the only material change to the contractual obligations and commercial commitments from what was disclosed in Item 7 of our Annual Report on Form 10-K for the fiscal year ended December 31, 2023 is the addition of $45.0 million in long-term debt related to the drawdown of funds against our revolving credit facility. This amount increased from the $40.0 million disclosed for this item in the Form 10-Q for the three-month period ended March 31, 2024 as a result of an additional drawdown of $5.0 million in April 2024. The $45.0 million was drawn down in three draws, the first draw of $10.0 million in February 2024, the second draw of $30.0 million in March 2024 and the third draw of $5.0 million in April 2024. As of June 30, 2024, the weighted average interest rate on the revolving credit facility is 8.67%. Interest is due and payable quarterly. The revolving credit facility matures on November 17, 2026, at which time the outstanding principal will be due. Based on the interest rate at the time of the draw and assuming no repayment of principal until maturity, this increases our obligations by $3.1 million for interest in 2024, $4.0 million for interest in 2025 and $45.0 million for principal and $3.5 million for interest in 2026.

**Off-balance sheet arrangements**

We do not engage in transactions that generate relationships with unconsolidated entities or financial partnerships, such as entities often referred to as variable interest entities, structured finance, or special purpose entities, as part of our ongoing business. Accordingly, our operating results, financial condition and cash flows are not subject to off-balance sheet risks.

**Significant Accounting Estimates**

Our consolidated financial statements and the related notes thereto are prepared in accordance with U.S. GAAP. The preparation of these financial statements requires our management to make estimates and assumptions that affect the reported amounts of assets, liabilities, revenues, costs and expense and related disclosures. Our estimates are based on our historical experience and on various other factors that we believe are reasonable under the circumstances, the results of which form the basis for making judgments about the carrying value of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these judgments and estimates under different assumptions or conditions and any such differences may be material. We believe that the accounting policies discussed below are critical to understanding our historical and future performance, as these policies relate to the more significant areas involving management's judgments and estimates.

During the three-month period ended June 30, 2024, there were no significant changes to our critical accounting policies and estimates. During the three-month period ended June 30, 2024, our share price experienced additional declines and in the month subsequent to quarter end, decreased to a historic low. As indicated in Note 5 of the condensed consolidated financial statements, we evaluated whether there were goodwill triggering events that occurred as of June 30, 2024, and determined there were not. The Company will continue to assess potential goodwill impairment triggering events, including continued impact of slower demand and sustained decreases in our share price. If triggering events occur, we will perform a goodwill impairment assessment that may indicate impairment in a future period. Please refer to Management's Discussion and Analysis of Financial Condition and Results of Operations contained in Part II, Item 7 of our Annual Report on Form 10-K for our fiscal year ended December 31, 2023, filed on March 15, 2024, for a more complete discussion of our critical accounting policies and estimates.

**Item 3. Quantitative and Qualitative Disclosures About Market Risk.**

Excluding the impact of changes in interest rates and the uncertainty in the global financial markets, there have been no material changes to our market risk for the three-month period ended June 30, 2024. We conduct business in all parts of the world and are thereby exposed to market risks related to fluctuations in foreign currency exchange rates. The U.S. dollar is the single largest currency in which our revenue contracts are denominated. Any decline in the value of local foreign currencies against the U.S. dollar results in our products and services being more expensive to a potential foreign customer. In those instances where our goods and services have already been sold, receivables may be more difficult to collect. Additionally, in jurisdictions where the revenue contracts are denominated in U.S. dollars and operating expenses are incurred in the local currency, any decline in the value of the U.S. dollar will have an unfavorable impact to operating margins. We have not entered into any foreign currency hedging transactions. We do not purchase or hold any derivative financial instruments for speculation or arbitrage.

We do not hold any cash in any investment accounts and all cash is deposited with financial institutions that management believes are of high credit quality. The Company's cash consists primarily of U.S. dollar denominated demand accounts.

We had $24.1 million outstanding on our term loan facility and $45.0 million outstanding on our revolving credit facility as of June 30, 2024 under our credit agreement with Bank of America. The Company is exposed to interest rate risk from fluctuations in the Term SOFR that is a component of the interest rate used to calculate interest expense on the both the term and revolving credit facilities. Interest accrues on the outstanding principal amount of the term loan facility and revolving credit facility at a rate equal to the selected rate per annum determined by reference to the 1-month, 3-month or 6-month Term SOFR rate as selected by the Company, plus a SOFR adjustment of 0.10%, plus an applicable margin of 3.25%. At June 30, 2024, the effective interest rate on the term loan was 9.17%. A hypothetical 100-basis point increase in interest rates would result in an additional $0.2 million in interest expense related to the term credit facility per year. At June 30, 2024, the weighted-average interest rate on the revolving credit facility was 8.69%. A hypothetical 100-basis point increase in interest rates would result in an additional $0.5 million in interest expense related to the revolving credit facility per year.

There have been no other material changes in our market risk since December 31, 2023.

**Item 4. Controls and Procedures.**

**Evaluation of disclosure controls and procedures**

Our management, with the participation of our principal executive officer and principal financial officer, has evaluated the effectiveness of the design and operation of our disclosure controls and procedures (as defined in Rules 13a-15(e) and 15d-15(e) under the Securities and Exchange Act of 1934, as amended, or the Exchange Act), as of June 30, 2024, the end of the period covered by this Quarterly Report on Form 10-Q. Based on such evaluation, our principal executive officer and principal financial officer have concluded that, as of such date, our disclosure controls and procedures were not effective because of previously reported material weaknesses in our internal control over financial reporting, which we describe in Part II, Item 9A of our Annual Report on Form 10-K for the year ended December 31, 2023.

**Material Weaknesses**

A material weakness is a deficiency, or a combination of deficiencies, in internal control over financial reporting such that there is a reasonable possibility that a material misstatement of our financial statements will not be prevented or detected on a timely basis.

As disclosed in Item 9A of our Annual Report on Form 10-K for the year ended December 31, 2023, management identified the following material weaknesses in internal controls over financial reporting during the year ended December 31, 2023:

Management concluded that our control environment was ineffective in identifying changes in risk and designing internal controls that are responsive to risks. As a result, certain process-level controls related to the determination of our inventory excess and obsolescence reserve and recoverability of deferred tax assets were not designed effectively in that they were not designed to appropriately evaluate methodology and assumptions, operate with a sufficient level of precision, nor adequately address information utilized in the performance of the controls.

The control deficiencies resulted in material errors to our inventory excess and obsolescence reserve and deferred tax asset valuation allowance that have been corrected in the consolidated financial statements as of and for the year ended December 31, 2023. Furthermore, the control deficiencies described above created a reasonable possibility that a material misstatement to the consolidated financial statements would not be prevented or detected on a timely basis. Therefore, we concluded that the deficiencies represent material weaknesses in our internal control over financial reporting and our internal control over financial reporting was not effective as of December 31, 2023.

**Ongoing Remediation Efforts to Address the Previously Identified Material Weaknesses**

Management, with oversight from the Audit Committee of our Board of Directors, is taking steps to remediate the control deficiencies which resulted in the material weaknesses described above by implementing changes to our internal control over financial reporting. Management is in the process of enhancing, and will continue to enhance, the risk assessment process and design and implementation of internal controls over financial reporting. The remediation measures to correct the previously identified material weaknesses include enhancing the design and implementation of existing controls and creating new controls as needed to address identified risks and providing additional training to personnel including the appropriate level of documentation to be maintained to support internal controls over financial reporting.

As we continue to evaluate and work to improve our internal control over financial reporting, management may determine to take additional measures to strengthen controls or to modify the remediation plan described above. When fully implemented and operational, we believe the controls we have designed or plan to design will remediate the control deficiency that has led to the material weaknesses that we have identified. The previously identified material weaknesses will not be considered remediated until the applicable controls operate for a sufficient period of time and management has concluded, through testing, that these controls are operating effectively.

**Changes in internal control**

We are working towards implementing processes and procedures to address the material weaknesses noted above. There were no changes in our internal control over financial reporting identified in management's evaluation pursuant to Rules 13a-15(e) and 15d-15(e) of the Exchange Act during the period covered by this Quarterly Report on Form 10-Q that materially affected, or are reasonably likely to materially affect, our internal control over financial reporting.

**Limitations on effectiveness of controls and procedures**

None.

## PART II—OTHER INFORMATION

### Item 1. Legal Proceedings.

*Shareholder lawsuit*

On May 22, 2024, a putative shareholder class action complaint was filed in the United States District Court for the Northern District of Illinois (Hamby v. Cambium Networks Corporation et al, Case No. 1:24-cv-04240) against us and three of our current or former officers. The complaint purports to assert claims under Section 10(b) of the Exchange Act, Exchange Act Rule 10b-5, and Section 20(a) of the Exchange Act, on behalf of persons and entities who acquired our ordinary shares between May 8, 2023 and January 18, 2024, or the Class Period. The complaint alleges that, during the Class Period, the Company and certain of its executive officers made false and misleading statements and failed to disclose material adverse facts about its business, operations, and prospects in violation of Sections 10(b) (and Rule 10b-5 promulgated thereunder) and 20(a) of the Exchange Act. The plaintiffs seek damages in an unspecified amount. This litigation is in its early stages and the Company cannot currently estimate the possible loss or range of losses, if any, that it may experience in connection with this claim.

*Other claims*

Third parties may from time to time assert legal claims against us. Our industry is characterized by vigorous protection and pursuit of intellectual property rights. A number of companies hold a large number of patents that may cover technology necessary to our products. We have in the past received and expect to continue to receive claims by third parties that we infringe their intellectual property rights. In the opinion of management, we believe we have established adequate accruals pursuant to U.S. generally accepted accounting principles for any expected future liability with respect to pending lawsuits, claims and proceedings, where the nature and extent of any such liability can be reasonably estimated based on presently available information. However, there can be no assurance that the final resolution of any existing or future lawsuits, claims or proceedings will not have a material adverse effect on our business, results of operations, financial conditions, or cash flows.

For additional information, see Note 11 – Commitments and contingencies in the Notes to the Condensed Consolidated Financial Statements in this Quarterly Report on Form 10-Q and Part I, Item 3. Legal Proceedings in the Company’s Annual Report on Form 10-K for the fiscal year ended December 31, 2023.

### Item 1A. Risk Factors.

There have been no material changes to the risk factors as disclosed in Item 1A of our Annual Report on Form 10-K for the fiscal year ended December 31, 2023 except as discussed below. Additional risk and uncertainties, including risks and uncertainties not presently known to us, or that we currently deem immaterial, could also have an adverse effect on our business, financial condition and/or results of operations.

***We are subject to securities litigation, which is expensive and could divert management attention.***

On May 22, 2024, a putative shareholder class action complaint was filed in the United States District Court for the Northern District of Illinois (Hamby v. Cambium Networks Corporation et al, Case No. 1:24-cv-04240) against us and three of our current or former officers. The complaint purports to assert claims under Section 10(b) of the Exchange Act, Exchange Act Rule 10b-5, and Section 20(a) of the Exchange Act, on behalf of persons and entities who acquired our ordinary shares between May 8, 2023 and January 18, 2024, or the Class Period. The complaint alleges that, during the Class Period, the Company and certain of its executive officers made false and misleading statements and failed to disclose material adverse facts about its business, operations, and prospects in violation of Sections 10(b) (and Rule 10b-5 promulgated thereunder) and 20(a) of the Exchange Act. Litigation of this type could result in substantial costs and diversion of management’s attention and resources, which could have a material adverse effect on business, financial condition, results of operations and prospects. Any adverse determination in litigation could also subject us to significant liabilities.

***We risk being unable to meet our financial covenants under our credit facilities, which may result in doubt about our ability to continue as a going concern.***

We are subject to compliance with financial covenants under our credit facilities with Bank of America. If in the next twelve months we are unable to comply with applicable financial covenants, we could incur a non-payment event of default under the Amended Credit Agreement. Such a default would afford the lenders thereunder the right to declare the amounts outstanding thereunder immediately due and payable, and we may not be able to obtain a waiver of such a default or otherwise refinance such indebtedness. Should we be unable to obtain a waiver or otherwise refinance our indebtedness, we may be unable to continue as a going concern.

We are actively taking actions to improve our profitability and ensure future compliance with applicable financial covenants, including acceleration of collection of receivables, deferral of expenditures, and cost reductions to align our cost structure with current revenue levels. In addition, we continue to focus on operating efficiency and reducing discretionary spending. We believe these actions, together with our existing cash balances, provide us with the financial flexibility needed to meet our obligations as they come due. Any of these measures may have an adverse impact on our ability to execute our business plan, take advantage of future opportunities, fund research and development initiatives, or respond to competitive pressures or unanticipated financial requirements. The ultimate success of any such actions in sustaining our ability to continue as a going concern cannot be assured.

***If we do not meet the continued listing requirements of Nasdaq, we could be subject to a delisting of our common stock.***

If we are unable to meet the continued listing requirements of the Nasdaq Global Market, including the requirement that we meet the minimum bid price of $1.00 per share required for continued listing on Nasdaq pursuant to Nasdaq Listing Rule 5550(a)(2), we could be subject to delisting by Nasdaq. If our share price drops below $1.00 per share for a period of 30 calendar days, we may receive a notice of delisting from Nasdaq. We expect that any notice from Nasdaq would provide us with a compliance period of at least 180 calendar days in which to regain compliance, including possible extension of further days to regain compliance if it appears to Nasdaq that we will be able to cure the deficiency. To date, our share price has not dropped below $1.00 per share.

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

Not applicable.

**Item 3. Defaults Upon Senior Securities.**

None.

**Item 4. Mine Safety Disclosures.**

Not applicable.

**Item 5. Other Information.**

During the three-month period ended June 30, 2024, none of our directors or officers (as defined in Rule 16a-1(f) of the Securities and Exchange Act of 1934) adopted, terminated or modified a Rule 10b5-1 trading arrangement or non-Rule 10b5-1 trading arrangement (as such terms are defined in Item 408 of Regulation S-K).

**Item 6. Exhibits.**

We have filed the exhibits listed on the accompanying Exhibit Index, which is incorporated herein by reference.

EXHIBIT INDEX

| Exhibit Number | Description |
|---|---|
| 10.50+* | Separation agreement dated as of May 30, 2024 between Cambium Networks, Inc. and Archana Nirwan |
| 31.1* | Certification of Chief Executive Officer Pursuant to Rules 13a-14(a) and 15d-14(a) under the Securities Exchange Act of 1934, as Adopted Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002. |
| 31.2* | Certification of Chief Financial Officer Pursuant to Rules 13a-14(a) and 15d-14(a) under the Securities Exchange Act of 1934, as Adopted Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002. |
| 32.1* | Certification of Chief Executive Officer Pursuant to 18 U.S.C. Section 1350, as Adopted Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002. |
| 32.2* | Certification of Chief Financial Officer Pursuant to 18 U.S.C. Section 1350, as Adopted Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002. |
| 101.INS | Inline XBRL Instance Document – the instance document does not appear in the Interactive Data File because its XBRL tags are embedded within the inline XBRL document |
| 101.SCH | Inline XBRL Taxonomy Extension Schema with Embedded Linkbases Document |
| 104 | Cover Page Interactive Data File (formatted as inline XBRL and contained in Exhibit 101) |

* Filed herewith.

+ Indicates management contract or compensatory plan

## 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.

CAMBIUM NETWORKS CORPORATION

Date: August 9, 2024

By: /s/ Morgan C. Kurk

**Morgan C. Kurk**
**President and Chief Executive Officer**

Date: August 9, 2024

By: /s/ Jacob Sayer

**Jacob Sayer**
**Chief Financial Officer**

Exhibit 10.50

# SEPARATION AND GENERAL RELEASE AGREEMENT

This Separation and General Release Agreement (the "Agreement") is made by and between Archana Nirwan (the "Employee") and Cambium Networks, Inc. ("Cambium" or the "Company") (collectively, the "Parties").

WHEREAS, the Company and Employee have agreed to terminate Employee's employment with the Company Group (as defined below) and, in accordance with the terms of the Employee's Offer Letter dated March 6, 2023 (the "Offer Letter"), the Company desires to provide the Employee with certain separation benefits and to resolve any claims that Employee has or may have against the Company and its affiliated persons and entities; and

WHEREAS, the Company desires to confirm certain post-employment obligations that Employee has to the Company and/or its parent company, Cambium Networks Corporation (the "Parent") or affiliates (collectively the "Company Group"), including with respect to confidential information and inventions, pursuant to her Offer Letter and her Confidentiality, Invention Assignment, Non-Competition, and Non-Solicitation Agreement, signed by Employee on May 22, 2023 (the "Confidentiality Agreement"); and

WHEREAS, the Parties desire to resolve any and all issues between them with respect to the Employee's employment at the Company Group and her termination from such employment.

NOW, THEREFORE, for good and valuable consideration, the sufficiency of which is acknowledged hereby, and in consideration of the mutual covenants and undertakings set forth herein, the Parties agree as follows:

**1. Termination Date**. Except as set forth below, the Parties acknowledge and agree that Employee will continue to be employed as Chief Human Resources Officer of the Parent through October 25, 2024 (the "Termination Date"). Employee shall perform all of the duties of Chief Human Resources Officer through the Termination Date.

**2. Wages and Salary**. The Employee will receive payment through and including the Termination Date for all wages (including, but not limited to, base salary, bonuses and commissions, overtime pay, incentive payments, and all accrued but unused paid time off) and benefits that Employee earned during her employment with the Company Group. Employee understands and acknowledges that, apart from the terms and conditions of this Agreement, she shall not be entitled to any additional payments or benefits from the Company Group other than those expressly set forth in this Agreement. The Company shall reimburse Employee for all reasonable business expenses incurred in the performance of her services to the Company Group, upon receipt of supporting material for such expenses. In addition, Employee's health care coverage shall continue through and including the Termination Date, and will thereafter terminate, unless Employee's employment terminates prior to the Termination Date, in which case such health care coverage shall terminate as of the date her employment terminates. Employee is eligible for continued health care coverage at her own expense pursuant to the Consolidated Omnibus Budget Reconciliation Act of 1985, as amended ("COBRA") from and after the Termination Date, as will be more fully explained in a separate notice to be provided to Employee. Employee is not obligated to sign this Agreement in order to be paid accrued wages or to be eligible for COBRA coverage.

**3. Consideration.**

(a) In exchange for and in consideration of the covenants and promises contained herein, including the Employee's release of all claims against Cambium and the Released Parties as set forth in this Agreement, and in lieu of the severance provided for under the "Severance" section of the Offer Letter, Cambium will continue to pay the Employee with her base salary equivalent to Employee's base salary as of April 26, 2024 through the Termination Date, less applicable withholdings and deductions, with such payments to occur in equal monthly installments on the Company's regular pay dates. Should Employee's employment with the Company terminate prior to the Termination Date for any reason other than Cause (as defined in the Employee's equity award agreements for the Initial Options and Initial RSUs, as defined in the Offer Letter) ("Early Termination"), Employee will be paid all base salary through the Early Termination Date, and thereafter shall be entitled to continued payment of her base salary through the Termination Date.

(b) Employee' group health insurance coverage shall continue, in the same amount as Employee is entitled to as of the date of this Agreement, through earlier of (i) the Early Termination Date and (ii) the Termination Date, as applicable.

(c) In exchange for and in consideration of the covenants and promises contained herein, including the Employee's release of all claims against Cambium and the Released Parties as set forth in this Agreement and the Employee's compliance with this Agreement, that portion of the Initial Options and Initial RSUs (with each such terms as defined in the Offer Letter) granted to the Employee on May 25, 2023 under the Cambium Networks Corporation 2019 Share Incentive Plan (the "Plan") shall continue to vest through the earlier of (i) the Early Termination Date and (ii) the Termination Date, as applicable. Any portions of any outstanding and unvested equity awards awarded to Employee that are not vested as of the Termination Date, including the remaining portion of the Initial Options and Initial RSUs, shall be forfeited on earlier of (i) the Early Termination Date and (ii) the Termination Date, as applicable. Notwithstanding anything otherwise set forth in the award agreement for any share options held by Employee, any share options that are vested as of the Termination Date may thereafter be exercised by Employee through and including October 25, 2025. Any vested share option that is not exercised by Employee on or prior to October 25, 2025 shall be forfeited as provided in the award agreement for such option.

(d) The Employee acknowledges and agrees that unless the Employee enters into this Agreement, the Employee would not otherwise be entitled to receive the consideration set forth in Paragraph 3(a), (b), and (c) above(such benefits, the "Severance Benefits").

(e) The Employee further acknowledges and agrees that: (i) the Employee shall not receive, and is not entitled to receive, any other payments, benefits or remuneration of any kind from the Company Group or the Released Parties, except as set forth in this Agreement, and (ii) the Severance Benefits constitute full accord and satisfaction for all amounts due and owing to the Employee, including all salary, wages, incentive compensation, commissions, paid time off, reimbursements or other payments, benefits or remuneration of any kind which may have been due and owing to the Employee. For the avoidance of doubt, Employee shall cease to be eligible for the severance benefits set forth in the Offer Letter.

(f) All payments made by the Company shall be subject to any mandatory deductions and withholdings.

4. **Indemnification and Insurance.** Subject to applicable law, the Employee will be provided indemnification to the maximum extent permitted by the Company's Bylaws and Certificate of Incorporation, including coverage, if applicable, under any directors and officers insurance policies, with such indemnification determined by the Board or any of its committees in good faith based on principles consistently applied (subject to such limited exceptions as the Board may approve in cases of hardship) and on terms no less favorable than those provided to any other Company executives, officers or directors. The rights to indemnification conferred hereby shall include, to the extent permitted by applicable law, the right to be paid by the Company the legal fees and other costs, expenses and disbursements incurred in defending any action, suit, proceeding or investigation with respect to which the Employee is entitled to indemnification in advance of its final disposition subject to receipt by the Company of an undertaking by the Employee to repay such amount, or a portion thereof, if it shall ultimately be adjudicated that the Employee is not entitled to be indemnified by the Company pursuant hereto or as otherwise permitted by law, but such repayment by the Employee shall only be in an amount ultimately adjudicated to exceed the amount for which the Employee was entitled to be indemnified. The advances to be made pursuant to such right shall be paid by the Company to the Employee promptly following receipt by the Company of invoices or other evidence reasonably satisfactory to the Company.

5. **General Release.** In consideration for the severance benefits outlined in this Agreement, to which Employee is not otherwise entitled, Employee, and anyone claiming through Employee or on Employee's behalf, hereby generally and completely releases and waives each and every past, present, and future parent, division, subsidiary, partnership, owner, trustee, fiduciary, administrator, member, shareholder, investor, associate, affiliate, predecessor, successor and related company, and all of their current or former agents, officers, directors, partners, representatives, attorneys, contractors, insurance companies, administrators, successors, assigns, current and former employees, plan administrators, insurers, and any other persons acting by, through, under, or in concert with any of the persons or entities listed in this subsection, the predecessors, successors, and assigns of each entity listed above, and each of them ("Released Parties"), from any and all claims, rights, debts, liabilities, demands, causes of action, obligations, and damages, known or unknown, suspected or unsuspected, arising as of or prior to the date of Employee's signature to this Agreement, under federal, state, local, or common law,

including but not limited to claims in any way related to Employee's employment with the Released Parties, Employee's separation from employment, the terms and conditions of Employee's employment, any claims for breach of contract (express, implied or otherwise), including, but not limited to, any payments or benefits under any Cambium severance plan, stock option plan, or equity plan; the Illinois Wage Payment and Collection Act; the Illinois Human Rights Act; the Illinois Minimum Wage Law; and all claims under the Civil Rights Act of 1866, Title VII of the Civil Rights Act of 1964, the Civil Rights Act of 1991, the Employee Retirement Income Security Act of 1974, the Equal Pay Act, the Lilly Ledbetter Fair Pay Act of 2009, the Family and Medical Leave Act, the Genetic Information Nondiscrimination Act, the Fair Credit Reporting Act, the Americans with Disabilities Act, the Worker Adjustment and Retraining Notification Act, the Age Discrimination In Employment Act, the Older Workers Benefit Protection Act, the California Labor Code, the California Business and Professions Code, all California Wage Orders, the California Fair Employment and Housing Act, the California Family Rights Act, the California Civil Code, the California Government Code, and/or the laws prohibiting discrimination, harassment, and/or retaliation in any state in which you are employed, and any and all federal, state, and local employment laws, as well as any and all common law tort or contract theories under federal, state or local laws ("Released Claims").

(a) *Exceptions.* Notwithstanding anything in this Agreement to the contrary, nothing in this Agreement prohibits Employee (or her attorney) from confidentially or otherwise communicating or filing a charge or complaint with a governmental or regulatory entity, participating in a governmental or regulatory entity investigation, or giving other disclosures to a governmental or regulatory entity concerning suspected violations of the law, in each case without receiving prior authorization from or having to disclose any such conduct to the Company, or from responding if properly subpoenaed or otherwise required to do so under applicable law. Nothing in this Agreement shall be construed to affect the Equal Employment Opportunity Commission's ("Commission"), National Labor Relations Board's, the Occupational Safety and Health Administration's, and the Securities and Exchange Commission's, or any federal, state, or local governmental agency or commission's ("Governmental Agencies") or any state agency's independent right and responsibility to enforce the law, nor does this Agreement affect Employee's right to file a charge or participate in an investigation or proceeding conducted by either the Commission or any such Governmental Agency, although this Agreement does bar any claim that Employee might have to receive monetary damages in connection with any Commission or Governmental Agency proceeding concerning matters covered by this Agreement. This Agreement does not limit Employee's right to receive an award or bounty for information provided to any Governmental Agencies, including under the Dodd-Frank Wall Street Reform and Consumer Protection Act of 2010 ("Dodd-Frank"). Further, nothing in this Agreement prohibits Employee from testifying in an administrative, legislative or judicial proceeding regarding alleged criminal conduct or harassment, when Employee has been required or requested to attend a proceeding pursuant to court order, subpoena, or written request from an administrative agency or the legislature. Moreover, nothing in this Agreement prevents the disclosure of factual information relating to claims of sexual assault, harassment, discrimination, failure to prevent harassment or discrimination, or retaliation against a person for reporting an act of harassment or discrimination, as those claims are defined under the California Fair

Employment and Housing Act, to the extent the claims are filed in a civil or administrative action, and to the extent such disclosures are protected by law.

(b) Execution of this Agreement does not bar any claim that arises hereafter, including (without limitation) a claim for breach of this Agreement, any claim to indemnity under section 2802 of the California Labor Code, any rights Employee may have under COBRA, any rights Employee may have under any ERISA-covered employee benefit plan, and does not release Employee's eligibility for indemnification in accordance with applicable laws, the articles, charter and bylaws of the Company.

(c) Employee acknowledges that she has been advised or has had an opportunity to seek advice by legal counsel and she is, by this Agreement, waiving claims pursuant to California Civil Code Section 1542 or the laws of other states similar hereto, and she expressly waives such rights as quoted below:

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

Employee hereby expressly waives any rights she may have under any other statute or common law principles of similar effect.

(d) *Release of Claims Under the Age Discrimination in Employment Act.* The Employee specifically releases the Released Parties from any and all claims, actions, causes of action, obligations for damages (including but not limited to compensatory, exemplary and punitive damages), losses, expenses, attorneys' fees or costs, back pay, loss of earnings, debts, reinstatement, for causes of action that she may have as of the date on which this Agreement is executed (the "Execution Date") arising under the Age Discrimination in Employment Act of 1967, as amended, 29 U.S.C. 621, *et seq.* and its state or local equivalent ("ADEA"). The Employee further agrees that:

i. her waiver of rights under this Agreement is knowing and voluntary and in compliance with the Older Workers Benefit Protection Act of 1990 ("OWBPA");

ii. she understands the terms of this Agreement;

iii. the consideration provided in this Agreement represents consideration over and above that to which she would be entitled, that the consideration would not have been provided had she not signed this Agreement, and that the consideration is in exchange for the signing of this Agreement;

iv. the Employee is hereby advised in writing to consult with her attorney prior to executing this Agreement, and she affirms she has done so;

v. the Employee has been given a period of twenty-one days (21) within which to consider this Agreement;

vi. following the Execution Date, the Employee has seven (7) days in which to revoke this Agreement as to claims under the ADEA, only, by written notice as provided in Paragraph 12 of this Agreement;

vii. this Paragraph 5(d) does not waive rights or claims that may arise under the ADEA after the Execution Date.

(e) The Employee hereby waives any right that the Employee may have to seek or to share in any relief, monetary or otherwise, relating to any claim released herein, whether such claim was initiated by the Employee or not.

**6. Continuing Obligations.**

(a) *Confidential Information*. Subject to the exceptions set forth above, the Employee hereby acknowledges and agrees to adhere to her continuing contractual and legal obligations to the Company Group with respect to the nondisclosure, nonuse and protection of the Company Group's confidential information, including as expressly set forth in Paragraph 2 of the Confidentiality Agreement.

(b) *Inventions*. The Employee hereby acknowledges and agrees to adhere to her continuing contractual and legal obligations to the Company Group with respect to inventions and work product, including as expressly set forth in Paragraph 3 of the Confidentiality Agreement.

(c) *Return of Property*. The Employee agrees and acknowledges that all written materials, records, documents, electronic files and any other tangible items made by the Employee or coming into her possession during her employment by the Company Group concerning the business or affairs of the Company Group are the sole property of Cambium. The Employee represents and warrants that, as of the earlier of (i) the Early Termination Date and (ii) Termination Date: (i) she will return to the Company all such Company Group property (and any copies thereof), including, but not limited to, all identification cards, keys, credit cards, documents, computers, laptops, and disks, as well as all materials containing confidential information, in any form; and (ii) she will destroy (and not retain) any of the Company Group's confidential information on her personal computer (or any other personal electronic device in her possession, custody or control). Employee shall be entitled to retain her mobile telephone and port her mobile telephone number to her own service.

(d) *Mutual Non-Disparagement*. For the twelve (12) month period following the earlier of (a) the Early Termination Date and (b) the Termination Date, as applicable, (i) the Employee will not knowingly disparage or make any derogatory statements regarding the Company Group, its directors, or its officers, and (ii) the Company will not knowingly disparage or make any derogatory statements regarding the Employee; provided, however, that the Company's obligations under this Paragraph 7(e) shall be limited to communications by its senior corporate executives on the executive staff and members of the Board of the Company or its direct or indirect parent; provided, further, that the foregoing restrictions shall not apply to any statements by the Employee or the Company that are made truthfully in response to a subpoena or as otherwise required by applicable law or other compulsory legal process. Notwithstanding anything contained in this section to the contrary, neither employee nor any other person shall be prohibited from making truthful statements in connection with any litigation, arbitration, deposition or other legal proceeding, or as may be required by law, any subpoena or any governmental or quasi-governmental authority. Nothing in this Agreement prevents Employee from discussing or disclosing information about unlawful acts in the workplace, such as harassment or discrimination or any other conduct that employee has reason to believe is unlawful.

(e) *Blue-Penciling*. If, at the time of enforcement of any of the provisions of Paragraph 7 of this Agreement (or the provisions of the Offer Letter or the Confidentiality Agreement), it shall be adjudged that the duration, scope, geographic area or other restrictions stated therein are unreasonable under circumstances then existing, the Employee and the Company agree that the maximum duration, scope, geographic area or other restrictions deemed reasonable under such circumstances by such court shall be substituted for the stated duration, scope, geographic area or other restrictions.

(f) *Survival; Reasonableness*. The Employee acknowledges and agrees that the provisions of Paragraph 7 of this Agreement (and the provisions of the Offer Letter and the Confidentiality Agreement) survive the termination of her employment and remain binding. The Employee further acknowledges and agrees that the provisions of Paragraph 7 of this Agreement (and the provisions of the Offer Letter and the Confidentiality Agreement) are reasonable and necessary to protect the legitimate business interests of the Company Group.

(g) *Transition Cooperation*. In consideration for the Severance Benefits, following the Early Termination Date or the Termination Date, as applicable, Employee will cooperate in the transition of her work related to the business issues and projects Employee was involved in while employed by the Company Group and Employee will be available to provide such transitional assistance as may be requested by the Company, provided there is no interference with any other employment Employee may then have.

**7. Section 409A Compliance**. The Company intends that income provided to Employee pursuant to this Agreement will not be subject to taxation under Section 409A of the Internal Revenue Code of 1986, as amended, and the guidance promulgated thereunder ("Section 409A"). The provisions of this Agreement shall be interpreted and construed in favor of being exempt from or satisfying any applicable requirements of Section 409A. However, the Company does not guarantee any particular tax effect for income provided to Employee pursuant to this Agreement. In any event, except for the Company's responsibility to withhold applicable income and employment taxes from compensation paid or provided to the Employee, the Company shall not be responsible for the payment of any applicable taxes incurred by the Employee on compensation paid or provided to the Employee pursuant to this Agreement. In the event that any compensation to be paid or provided to Employee pursuant to this Agreement is subject to the restrictions on payments to "specified employees" (as defined in Section 409A), then the Company may delay such payment for the minimum period required in order to comply with such provisions and avoid the imposition of any additional taxes or interest under Section 409A. Each payment under this Agreement shall be considered a separate payment for purposes of Section 409A.

**8. Entire Agreement.** The Employee acknowledges and agrees that this Agreement reflects the entire agreement between the Parties regarding the subject matter hereof and fully supersedes any and all prior agreements and understandings between the Parties hereto, except for the Offer Letter and Confidentiality Agreement, each of which remains valid and binding and shall continue in full force and effect, other than as expressly set forth herein. There is no other agreement except as stated herein. The Employee acknowledges that the Company Group has made no promises to the Employee other than those contained in this Agreement.

**9. Modification.** This Agreement may not be changed unless the change is in writing and signed by the Employee and an authorized representative of the Company.

**10.General Provisions.** The failure of any party to insist on strict adherence to any term hereof on any occasion shall not be considered a waiver or deprive that party of the right thereafter to insist upon strict adherence to that term or any other term hereof. The language and all parts of this Agreement shall in all cases be construed as a whole according to its fair meaning, and not strictly for or against any of the Parties, regardless of who drafted it. This Agreement may be signed in counterparts, and may be delivered by facsimile or electronic mail. The invalidity of any provision of this Agreement shall not affect the validity of any other provision hereof.

**11.Review Period.** The Employee understands that the Company has given her a period of twenty-one (21) calendar days to review and consider this Agreement before signing it (the "Review Period"). The Employee further understands that she may use as much of this period as she wishes prior to signing this Agreement and should Employee sign and return the Agreement prior to the expiration of the review Period, she waives any remaining portion thereof. The Employee acknowledges and agrees that she must sign and return the original Agreement to Cambium, c/o Chief Legal Officer, Cambium Networks, 2000 Center Drive, Suit East A401, Hoffman Estates, IL 60192 ("Cambium's Representative"), no later than the expiration of the Review Period and that, if she fails to do so, the entire Agreement shall be null and void and the Parties shall have no obligations under the Agreement to one another. The Employee acknowledges that, to the extent that she decides to sign this Agreement prior to the expiration of the above period, such decision was knowing and voluntary on her part.

**12.Revocation Period.** The Employee may revoke this Agreement within seven (7) calendar days of the date on which she signs it (the "Revocation Period") by delivering a written notice of revocation to Cambium, c/o Cambium's Counsel, 3800 Golf Road, Suite 360, Rolling Meadows, Illinois 60008, no later than the close of business on the seventh day after the Execution Date. This Agreement shall not be effective or enforceable and no payments will be made hereunder until: (a) the Employee has signed and returned this Agreement to the Company within the review period set forth above, (b) the Revocation Period has expired without the Employee exercising her revocation right (the "Effective Date").

**<u>13.Choice of Law</u>.** This Agreement shall in all respects be interpreted, enforced and governed in accordance with and pursuant to the laws of California, without regard to its conflicts or choice of law principles.

**<u>14.Arbitration</u>.** The Parties agree that any and all disputes between the Employee and Cambium arising out of, relating to or concerning this Agreement or the Employee's employment shall be submitted exclusively to confidential, final and binding arbitration before the American Arbitration Association. The Parties hereby agree to arbitrate any disputes, in California, under the American Arbitration Association's then existing Employment Arbitration Rules which can be found athttps://adr.org/sites/default/files/EmploymentRules_Web_2.pdf, and both parties specifically consent to personal jurisdiction in such forum. Each party shall pay its own expenses of arbitration and the expenses of the arbitrator shall be equally shared by the Parties to the arbitration. Nothing herein shall prevent the Company from seeking and obtaining injunctive relief from a court with respect to any violation or potential violation of any of the provisions of Paragraph 7 of this Agreement. The Parties specifically waive their respective right to a trial by jury for any dispute, claim, controversy, or cause of action arising out of, relating to or concerning this Agreement.

**<u>15.Legal Counsel</u>.** The Employee is hereby advised of her right to consult with an attorney before signing this Agreement, which includes a general release and a jury trial waiver. The Employee hereby acknowledges the Employee's right to consult with an attorney.

**THE EMPLOYEE ACKNOWLEDGES THAT SHE HAS CAREFULLY READ THIS AGREEMENT, UNDERSTANDS IT, AND IS VOLUNTARILY ENTERING INTO IT OF HER OWN FREE WILL, WITHOUT DURESS OR COERCION, AFTER DUE CONSIDERATION OF ITS TERMS AND CONDITIONS.**

**CAMBIUM NETWORKS, INC.**

By: _/s/ Morgan Kurk_______

Name: Morgan Kurk

Title: President and Chief Executive Officer

Date: May 30, 2024

**ARCHANA NIRWAN**

By: __/s/ Archana Nirwan_________

Date: _______May 30, 2024______

**Exhibit 31.1**

**CERTIFICATION PURSUANT TO**
**RULES 13a-14(a) AND 15d-14(a) UNDER THE SECURITIES EXCHANGE ACT OF 1934,**
**AS ADOPTED PURSUANT TO SECTION 302 OF THE SARBANES-OXLEY ACT OF 2002**

I, Morgan Kurk, certify that:

1. I have reviewed this Quarterly Report on Form 10-Q of Cambium Networks Corporation;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

   (a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

   (b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

   (c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

   (d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):

   (a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

   (b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: August 9, 2024

By: /s/ MORGAN KURK

**Morgan Kurk**
**Chief Executive Officer**

**Exhibit 31.2**

**CERTIFICATION PURSUANT TO
RULES 13a-14(a) AND 15d-14(a) UNDER THE SECURITIES EXCHANGE ACT OF 1934,
AS ADOPTED PURSUANT TO SECTION 302 OF THE SARBANES-OXLEY ACT OF 2002**

I, Jacob Sayer, certify that:

1. I have reviewed this Quarterly Report on Form 10-Q of Cambium Networks Corporation;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

   (a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

   (b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

   (c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

   (d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):

   (a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

   (b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: August 9, 2024

By: /s/ JACOB SAYER

**Jacob Sayer**
**Chief Financial Officer**

**Exhibit 32.1**

**CERTIFICATION PURSUANT TO**
**18 U.S.C. SECTION 1350, AS ADOPTED PURSUANT TO**
**SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002**

In connection with the Quarterly Report of Cambium Networks Corporation (the “Company”) on Form 10-Q for the period ended June 30, 2024 as filed with the Securities and Exchange Commission on the date hereof (the “Report”), I certify, pursuant to 18 U.S.C. § 1350, as adopted pursuant to § 906 of the Sarbanes-Oxley Act of 2002, that, to my knowledge:

(1) The Report fully complies with the requirements of section 13(a) or 15(d) of the Securities Exchange Act of 1934; and

(2) The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

| | | |
|---|---|---|
| Date: August 9, 2024 | By: | /s/ Morgan Kurk |
| | | **Morgan Kurk** |
| | | **Chief Executive Officer** |

**Exhibit 32.2**

**CERTIFICATION PURSUANT TO**
**18 U.S.C. SECTION 1350, AS ADOPTED PURSUANT TO**
**SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002**

In connection with the Quarterly Report of Cambium Networks Corporation (the "Company") on Form 10-Q for the period ended June 30, 2024 as filed with the Securities and Exchange Commission on the date hereof (the "Report"), I certify, pursuant to 18 U.S.C. § 1350, as adopted pursuant to § 906 of the Sarbanes-Oxley Act of 2002, that, to my knowledge:

(1) The Report fully complies with the requirements of section 13(a) or 15(d) of the Securities Exchange Act of 1934; and

(2) The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

Date: August 9, 2024

By: /s/ JACOB SAYER
**Jacob Sayer**
**Chief Financial Officer**