UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, DC 20549

FORM 10-K

(Mark One)

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

FOR THE FISCAL YEAR ENDED DECEMBER 31, 2018

OR

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

FOR THE TRANSITION PERIOD FROM _________ TO _________

Commission file number: 001-37851

AIRGAIN, INC.

(Exact name of registrant as specified in its charter)

Delaware **(State or Other Jurisdiction of Incorporation or Organization)**	**95-4523882** **(I.R.S. Employer Identification No.)**
3611 Valley Centre Drive, Suite 150 **San Diego, CA** **(Address of Principal Executive Offices)**	**92130** **(Zip Code)**

(760) 579-0200
(Registrant's Telephone Number, Including Area Code)

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

Title of each class:	Name of each exchange on which registered:
Common Stock, par value $0.0001 per share	**The Nasdaq Capital Market**

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

Indicate by a check mark if the registrant is a well-known seasoned issuer, as defined in Rule 405 of the Securities Act. Yes ☐ No ☒

Indicate by a check mark if the registrant is not required to file reports pursuant to Section 13 or Section 15(d) of the Securities Exchange Act of 1934. Yes ☐ No ☒

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

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

Indicate by check mark if disclosure of delinquent filers pursuant to Item 405 of Regulation S-K (§229.405 of this chapter) is not contained herein, and will not be contained, to the best of registrant's knowledge, in definitive proxy or information statements incorporated by reference in Part III of this Form 10-K or any amendment to this Form 10-K. ☐

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 June 29, 2018 (the last business day of the registrant's most recently completed second fiscal quarter), the aggregate market value of the registrant's common stock held by non-affiliates of the registrant was approximately $74.5 million, based on the closing price of the registrant's common stock on The Nasdaq Capital Market of $9.19 per share.

As of March 13, 2019, the registrant had 10,029,281 shares of common stock ($0.0001 par value) outstanding.

AIRGAIN, INC.

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PART I

FORWARD-LOOKING STATEMENTS AND MARKET DATA

This annual report on Form 10-K contains forward-looking statements within the meaning of Section 21E of the Securities Exchange Act of 1934, as amended, or the Exchange Act. All statements other than statements of historical fact contained in this annual report, including statements regarding our future operating results, financial position and cash flows, our business strategy and plans and our objectives 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. This annual report on Form 10-K also contains estimates and other statistical data made by independent parties and by us relating to market size and growth and other data about our industry. This data involves a number of assumptions and limitations, and you are cautioned not to give undue weight to such estimates. In addition, projections, assumptions and estimates of our future performance and the future performance of the markets in which we operate are necessarily subject to a high degree of uncertainty and risk. In some cases, you can identify forward-looking statements by terms such as "may," "will," "would," "could," "should," "expect," "plan," "anticipate," "could," "intend," "target," "project," "contemplate," "believe," "estimate," "predict," "potential" or "continue" or the negative of these terms or other similar expressions. The forward-looking statements in this annual report 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 financial condition, operating results, business strategy, short-term and long-term business operations and objectives. These forward- looking statements speak only as of the date of this annual report and are subject to a number of risks, uncertainties and assumptions, including those described in Part I, Item 1A, "Risk Factors. 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. Moreover, we operate in a very competitive and rapidly changing environment. New risk factors and uncertainties may emerge from time to time, and it is not possible for management to predict all risk factors and uncertainties. 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, changed circumstances or otherwise.

Airgain, the Airgain logo, and other trademarks or service marks of Airgain appearing in this annual report are the property of Airgain. This annual report also includes trademarks, tradenames and service marks that are the property of other organizations. Solely for convenience, trademarks and tradenames referred to in this annual report appear without the ® and ™ symbols, but those references are not intended to indicate, in any way, that we will not assert, to the fullest extent under applicable law, our rights, or that the applicable owner will not assert its rights, to these trademarks and tradenames.

ITEM 1. BUSINESS

Overview

Airgain is a leading provider of advanced antenna technologies used to enable high performance wireless networking across a broad range of devices and markets, including Consumer, Enterprise, and Automotive. Our innovative antenna systems are designed to address key challenges with wireless system performance faced by our customers. We provide solutions to complex Radio Frequency, or RF, engineering challenges and help improve wireless services that require higher throughput, broad coverage footprint, and carrier grade quality. Our antennas are deployed in carrier, fleet, enterprise, residential, private, government, and public safety wireless networks and systems, including set-top boxes, access points, routers, modems, gateways, media adapters, portables, digital televisions, sensors, fleet and asset tracking devices. Through our pedigree in the design, integration, and testing of high performance embedded antenna technology, we have become a leading provider to the residential wireless local area networking, also known as WLAN, market, supplying to leading carriers, Original Equipment Manufacturers, or OEMs, Original Design Manufacturers, or ODMs, and chipset manufacturers who depend on us to achieve their wireless performance goals.

Our embedded and external antenna solutions support a variety of wireless access technologies across the licensed and unlicensed spectrum of frequency bands. These include IEEE 802.11 a/b/g/n, 802.11ac/ax, WCDMA, LTE, DECT, LPD, Bluetooth, ZigBee and Z-Wave, among others. In addition, we have expertise in the testing and benchmarking of wireless systems and devices. To satisfy the rapidly evolving technology needs of the industry, we have remained on the leading edge of next generation development by providing solutions for Multiple Input, Multiple Output, or MIMO, Multi User MIMO, or MU-MIMO, short range wireless technologies, beam forming, and active antenna technology.

Our design teams partner with customers from the early stages of antenna prototyping to device throughput testing to facilitate optimal performance and quick time to market. Our capabilities include design, custom engineering support, integration, and over-the-air, or OTA, testing. These capabilities have resulted in a strong reputation across the OEM, ODM and chipset manufacturer ecosystem. Our competencies and strengths have helped us secure design wins used in multiple reference designs from leading Wi-Fi chipset vendors. OEMs, ODMs, chipset manufacturers and service providers rely on these reference designs and our engineering skills to deliver superior throughput performance. We view our relationships with OEM, ODM, chipset manufacturers and service providers as an important attribute to our long-term strategy and success.

In 2018, we had over 1,000 antenna products in our portfolio which shipped worldwide and implemented across millions of devices. During 2018, we supplied our products to carriers, retailers, OEMs, ODMs and end users in three primary geographic regions: North America, Europe, and Asia Pacific. Our customer base includes ARRIS Group, Inc., AT&T (DIRECTV U.S., LLC), Belkin International, Inc., Charter Communications, Inc., Comcast Corporation, Dish Network, Liberty Global plc., Telefonica SA, Sagemcom SAS, Samsung, Technicolor SA and ZTE Corporation, among others. We have achieved significant growth in our business in a short period of time. From 2012 to 2018, our annual sales have grown from $18.2 million to $60.6 million, while our net loss has increased from a net loss of $1.1 million in 2012 to net loss of $2.6 million in 2018.

We primarily use third parties to manufacture our products while maintaining oversight for critical quality, test and calibration functions. As of December 31, 2018, we had 175 issued patents in the United States and 24 companion patents outside the United States, and 49 patent applications on file.

Industry Background and Market Opportunity

Global adoption of Wi-Fi has been a major contributor to our growth to date and underpinning the demand has been the growth in internal protocol, or IP, traffic and IP-enabled devices. According to the Cisco Visual Networking Index, by 2022, Wi-Fi and mobile networks will account for an estimated 71% of IP traffic, up from 52% in 2017. We believe the greater proportion of traffic being transmitted and received over wireless technologies will be a tailwind for greater adoption of antenna systems. According to ABI Research, next to cellular handsets, consumer access points are the second biggest consumers of Wi-Fi chipsets. Residential gateways and Wireless access points make up the majority of consumer access points, the vast majority of which are provided to consumers by carriers, service providers and retailers. Carriers and enterprises have realized the economic benefits of wireless connectivity to enable efficient delivery of premium content and internet services in the home, enterprise and mobile. The rapid growth of mobile data traffic has been widely recognized and reported. The trend toward mobility carries over into the realm of fixed networks since an increasing portion of traffic will originate from portable or mobile devices.

The wireless market for antenna systems is growing rapidly as the technology is adopted across a wide variety of markets, including the following key markets we target:

- *Consumer.* The consumer market encompasses a large and growing market of consumers using wireless-enabled devices including consumer access points, wireless gateways, Wi-Fi Mesh systems, smart TVs, smart home devices, and set-top boxes. These devices facilitate a variety of consumer oriented applications and services including wireless video streaming, home automation, smart appliances, home security systems, and smart TV entertainment systems. We estimate that the total addressable market for our antennas in the consumer market will grow at a compound annual growth rate, or CAGR, of 9% between 2017 and 2022, based on ABI research and our internal estimates of average selling price, or ASP. Furthermore, according to ABI Research, the market for set-top boxes shipped worldwide is expected to increase from 45.4 million device shipments in 2018 to 61.4 million in 2022. In the same period, the number of smart TV's shipped are expected to grow from 125.4 million to 233 million. Within the consumer market, the connected home market has seen an explosion of automation services and broadband-connected devices, making the demand for increased bandwidth, high throughput and reliable connectivity more critical than ever before. Between 2017 and 2022, residential Wi-Fi Mesh systems and smart home devices are anticipated to experience some of the highest growth rates within the consumer market, with a CAGR of 63% and 31%, respectively.
- *Enterprise.* The enterprise market is characterized by devices that provide reliable wireless access for high-density environments such as buildings, campuses, terminals and stadiums. These systems have become mission-critical as they require high performance and scalability and are required to support a wide range of applications across different network environments. These include access points and gateways, small cells, and remote radio heads. Within the enterprise market, which includes Industrial Internet of Things (IoT), we play a critical role in providing embedded and external connectivity solutions. We estimate that the total addressable market for our antennas in the enterprise market will grow at a CAGR of 26% from 2017 to 2022, based on ABI Research device shipment numbers and our internal estimates of ASP.
- *Automotive*. The automotive industry is in the midst of significant transformation led by innovations around safety, energy efficiency, autonomous driving, and infotainment systems. According to ABI Research, the number of vehicles produced worldwide with wireless connectivity capability is expected to increase from 32 million in 2017 to over 70 million per year by 2022. While one segment of the automotive antenna market is tied to antennas designed and integrated into new vehicles, the other is tied to the fleet and aftermarket segment. The fleet and aftermarket segment consists of applications whereby external modems are paired with external antenna systems to provide connectivity to fixed and mobile assets. Within the fleet and aftermarket market segment, there has been a rise in the number of antennas per vehicle. This is largely driven by the increasing needs of connectivity across different access technologies that include Wi-Fi, 3G, LTE, Satellite, and low power wide area networking, or LPWAN. We estimate the total addressable market for our antennas in the automotive market will grow at a CAGR of 15% from 2017 and 2022, based on ABI Research device shipment numbers and our internal ASP estimates.

Antenna Design and Testing

We are an antenna solution provider that not only has the expertise in antenna design, engineering and integration, but also the testing and optimization of OTA throughput. Our expertise is based on years of experience in dealing with multiple antenna designs performing under varying RF conditions. We believe our expertise is important to our success as the wireless RF environment in homes, enterprises, and public places is a highly complex multipath environment that is not accurately represented by antenna simulation tool modeling. While common antenna industry practice is to design antennas exclusively within a passive environment using simulation tools based on the assumption of free space, we design all our antenna systems using a combination of device and environment modeling combined with active antenna OTA throughput performance feedback.

This performance feedback loop forms the foundation of our integration process that optimizes overall device performance, as well as antenna characteristics. Our regional OTA testing facilities are configured to replicate the real-world performance in typical homes and offices, while providing isolation from external RF and wireless interference. This low noise environment is key when comparing and identifying the effect of various antenna and system designs on wireless throughput performance. We have multiple dedicated test sites located in the vicinity of our development locations in San Diego, California, Melbourne, Florida, Cambridge, United Kingdom, and Suzhou and Shenzhen, China.

Our engineers work directly with customers to evaluate performance factors, and to provide custom support in the areas of antenna system design and simulation, rapid prototyping, integration and testing. The following is a high level summary of our design and integration process:

- *Engineering Review*. When a new product is initiated, our engineers review antenna-specific characteristics, such as gain (throughput), efficiency, and coupling, alongside board-level factors, such as on-board noise and radio interference, as well as identification and housing constraints. We plan to expand awareness of our brand and our offerings throughout the OEM and carrier techinical community through participation in industry technical working groups, forums and trade events.
- *Antenna Selection and Placement*. Our engineers select several antennas that are best suited for the particular application based on a large stable of existing antenna designs from previous efforts, modifications to these prior designs as well as new, full custom designs for particular devices. Together with the industrial design of the product, the engineer also selects candidate placements that are used in the initial simulation and placement phase. Our extensive experience in this step narrows the possible solutions to only the most promising candidates for detailed simulation and measurement.
- *Simulation and Initial Testing*. When we engage in the early stages of a program before prototype tooling is available, we use 3D CAD models and physical mockups of the device to simulate and measure these interactions. When the project progresses to the prototype stage, we test actual prototype devices to generate even more accurate measurements. While many of our competitors select a final antenna based on RF chambers testing, we proceed with a critical further step and measure actual system level performance of the device in an iterative process to optimize performance.
- *Over-the-Air Throughput Testing*. We have developed a set of proprietary performance metrics, measurement methodologies, and automated test conditions to help enable accurate and repeatable characterization of the relative OTA performance of 802.11-based WLAN devices such as routers, gateways, and set-top boxes. Our benchmark testing provides an accurate assessment of the performance characteristics for devices to enable manufacturers to make informed decisions in selecting the best antenna solution for their needs. This iteration also considers firmware stability, system noise, and interference, as well as antenna performance, to provide a throughput optimized solution.
- *Final Integration*. A final design review is conducted to evaluate the design for manufacturability. Mounting methods are reviewed for ruggedness and ease of assembly in volume production. Fine tuning of the cable routing, antenna parameters and other features of the design are then reviewed before releasing the design.
- *Validation and Reporting*. Upon completion of the design, a summary report is provided detailing the antenna selection, overall performance results and key observations, integration recommendations and detailed test results for each wireless system characterized. As the design moves to production, our product integration engineers serve as the technical interface between the antenna design team and the customer’s production team to validate and ensure product quality and reliability during high volume manufacturing.

Technology Benefits

We continuously strive to remain at the forefront of wireless technologies. We work closely with leading wireless chipset manufacturers, carriers and OEM’s on the cutting edge of new wireless technology introduction, while we continue to focus on extending our core competencies in product innovation, quality, integration and OTA performance verification processes, helping to ensure we continue to deliver on our promise of optimal antenna system performance.

Benefits to our Customers

We have developed strong relationships with leading WLAN chipset vendors, OEMs, and key service providers, keeping us at the forefront of new developments in wireless technologies and industry requirements. We share our expertise with customers in several areas including design, engineering, and testing, and provide insights based on years of experience across hundreds of devices. By harnessing our specialized experience and expertise, we offer solutions that can improve our customers' product performance, reduce their staff costs and allow our customers to focus on non-antenna related factors in the face of short design, engineering and production windows. Rather than rely upon a captive engineering group that only works on in-house opportunities, we act as an outsourced antenna design, engineering, and test group for our customers.

We also bring years of experience in delivering high performance, ultra-reliable wireless connectivity for mobile, fleet, and industrial IoT and machine-to-machine, or M2M, applications. Designed for all environments, our broad range of multi-band products support a variety of applications from kiosk and ATM connectivity to government and public safety fleet applications.

Benefits to Wireless Users

By focusing on performance, we strive to improve product satisfaction with customers. Often, competing makers of wireless devices use chips that are made by the same semiconductor manufacturer. Antenna reliability depends on numerous factors including material, mount position, physical connection and resistance to oxidation. However, the selection and placement of an antenna, or antennas, can change the performance characteristics measurably. Each sale of an antenna solution is customized according to the needs and requirements of the customer. Tradeoffs exist on placement, power, price, and other variables. By focusing on performance, we challenge our engineers to deliver the optimal solution given the customer's product constraints. This commitment to performance has established us as one of the recognized leaders in the design, testing, and performance of wireless systems, and led to what we believe is one of the broadest blue-chip customer lists in the industry.

Products

Our antennas are found in a broad range of applications and end-user devices that are deployed in carrier, fleet, enterprise, residential, private, government, and public safety wireless networks and systems, including set-top boxes, access points, routers, modems, gateways, media adapters, portables, digital televisions, sensors, and fleet and asset tracking devices. Our products have been adopted by some of the world's leading telecom manufacturers and networking companies and are now being used by millions of carrier subscribers in the United States, Canada, Europe, and Asia Pacific. We offer several product categories designed to maximize the performance of wireless devices while providing cost and design flexibility:

- *MaxBeam™ Embedded Antennas*. MaxBeam high gain antennas utilize patented technology to deliver up to double the signal strength than conventional antenna solutions. The superior performance is derived by combining the benefits of directional antenna elements with high isolation between each beam. Each antenna utilizes mixed material, multi-element assemblies to provide optimal performance and turnkey integration. The MaxBeam antenna family offers maximum coverage designed for WLAN and Cellular/LTE frequency bands.
- *Profile Embedded Antennas*. Profile Embedded Antennas feature highly efficient printed circuit board, or PCB, based solutions offering low profile designs optimized for confined industrial designs. Ideal for embedded applications requiring integration flexibility, the Profile family includes case, through- hole, and SMT mount designs and is available in single, dual, and triband applications. Our Profile Embedded Antenna family features four new designs targeting Wi-Fi 6 wireless system design challenges and are designed to enable tailored performance characteristics to meet the needs of any Wi-Fi 6 implementation. These antennas, including the Q Series, X Series, H Series and Q6 Series are designed to help enable us to deliver market-leading antenna integration and OEM design support for complex Wi-Fi 6 carrier gateways and access points.
- *Profile Contour Embedded Antennas*. Profile Contour Embedded line utilizes Flexible Printed Circuit Board, or FPC, providing performance with device integration flexibility. Flexible and very low profile, these antennas can conform to many two-dimensional shapes making them ideal for integration within curved enclosures and wearable devices. Profile Contour antennas are supplied pre-fitted with adhesive tape for ease of integration.
- *Ultra Embedded Antennas*. The Ultra line of embedded antennas has been designed for lower cost, embedded applications. These stamped metal designs allow for rapid customization and tuning to each device, making them ideal for embedded applications requiring integration flexibility. Ideal for high volume applications, these antennas utilize superior materials and plating for optimal performance.

- *OmniMax High Performance External Antennas*. Our external dipole antennas are designed for indoor and outdoor WLAN, cellular and LPWAN applications. With an extensive variety of single and dual-band designs available, this family of dipoles offers superior performance and flexible mounting options for various deployment scenarios. Our dipole antennas are available in 2.4 and 5GHz bands supporting Wi-Fi frequencies, as well as wideband 700MHz to 2.7GHz for global cellular and 4G applications, 3.3 to 4.2GHz for sub 6GHz 5G applications, and ISM band, or industrial, scientific, and medical radio, which includes 868 to 928MHz for international unlicensed LPWAN applications.
- *MaxBeam Carrier Class Antennas*. These are a series of multi-band LTE and WLAN antennas for small cell systems including femtocells, picocells, and Wi-Fi hotspots, backhaul and community systems. These embedded antennas are designed to provide increased range and coverage for indoor or outdoor applications that demand carrier-grade service levels.
- *SmartMaxTM Embedded Antennas.* These chipset agnostic smart antennas utilize dynamic spatial and polarity selection, providing optimal throughput performance and coverage for 802.11ac Wi-Fi systems. Designed for set-top-box, gateway, and smart HDTV deployments, SmartMax improves spatial correlation among received signals, producing a significant improvement in the performance of MIMO systems. SmartMax antennas require no dedicated connectivity to Wi-Fi chipset base-band circuits, minimizing the cost and complexity typically associated with Smart Antenna System integration.
- *Antenna Plus Antennas.* Through the Antenna Plus brand, we offer a broad and expanding portfolio of automotive, fleet, public safety and M2M antennas. Our high performance, low profile antennas are designed for many wireless standards and frequencies, including LTE with MIMO, Wi-Fi, Bluetooth, Dedicated Short Range Communications, or DSRC, and GPS/GNSS. Designed for all environments, our broad range of highly integrated and multi-band products support a variety of applications from kiosk and ATM connectivity to government and public safety applications. We have over 25 years of experience designing mission critical automotive fleet and mobile antenna applications. As the original inventor of the low profile cellular antenna, we are known for our market leading performance, quality, and long product life. Our antennas build on the best in class RF performance, leading design features, and extended operational life of our highly successful fleet and public safety antenna products connecting to almost any vehicular router or modem.

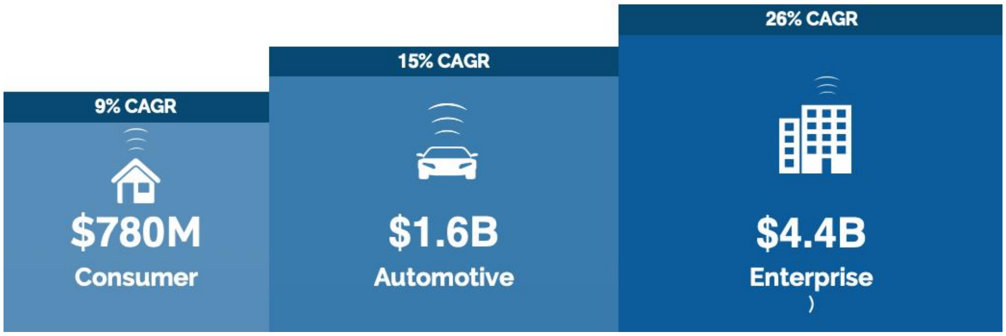
Design Partnerships

We have entered into joint development efforts with WLAN chipset vendors to collaborate on next-generation WLAN reference designs, where we jointly pursue the development of reference design platforms optimized for use with integrated embedded antenna systems. These WLAN reference designs are intended to provide ODMs with high-performance, embedded antenna solutions that provide consistent, measurable results and provide a path to reduced product development costs and cycle times.

Our collaborative relationships with 802.11 chipset vendors offer opportunities for market access and improved sales of both chipsets and antennas. Early access to chipset vendors' offerings, including industrial design tradeoffs in enclosure, board layout and design, all offer chipset vendors the advantage of optimized performance in their reference designs. When our antennas are consequently listed in the reference bill of materials for the major chipset vendors' products, these antennas become the default performance recommendation for all products utilizing that chipset. Ongoing contact with the OEM's and ODM's, along with default use of the reference bill of materials components specified by chipset vendors, generates a dependable flow of sales opportunities for us.

Growth Strategy

Our growth strategy is centered around targeting three key markets, Consumer, Enterprise and Automotive. The following graphic provides a summary of the estimated total addressable market for each of these three markets. As highlighted in the graphic below, based on ABI Research and our internal ASP estimates, by 2022, we estimate a total addressable market to be in excess of $6.7 billion.



The Consumer market has seen an explosion of automation services and broadband-connected devices, making the demand for increased bandwidth and reliable connectivity more critical than ever before. Within the carrier gateway and set-top box devices, the transition towards 802.11ac and 802.11ax (also called Wi-Fi 6) standard has now become a key market growth driver. The shift toward Gigabit Wi-Fi 802.11ac and 802.11ax is creating increased demand for our solutions as the number of antennas per device increases substantially. 802.11ax provides a theoretical ability to deliver speeds in excess of 14Gbps using 4x4 MIMO which is comparable to full duplex Docsis 3.1 and 5G bandwidths, resulting in wireless bandwidth delivery achieving parity with wireline speeds. Given the performance improvements over existing systems, service providers around the world are expediting their upgrade cycle towards higher performing consumer devices.

We continue to penetrate an increasing scope of adjacent residential wireless device applications such as home security, smart appliances, waterproof and solar outdoor wireless systems. We are also expanding our footprint in these markets through support of an increasing range of IoT wireless standards, such as Bluetooth, ZigBee, Z-Wave, Thread, NB-IoT and LoRa WAN. Our engineering team provides custom antenna solutions to support a variety of device constraints, including flexible antenna technology for curved and smaller form factors. We provide IP alarm and security camera solutions for one of the world's leading providers of video surveillance products.

In the Automotive market, the trend towards the ubiquitous connected car and the demand for increasingly complex aftermarket/fleet wireless connectivity solutions, are key growth drivers for us. Automakers are seeking to integrate a wide range of radio access technologies to support connected vehicles, from 2G and 3G for light, telematics-based connectivity, to LTE – leading to 5G, and Wi-Fi for heavy infotainment use, and DSRC for safety applications such as collision avoidance. Other standards such as 802.11p will play a role in vehicle-to-vehicle, or V2V, and vehicle-to-everything, or V2X, communications, while GPS will remain a basic requirement for vehicle location tracking and navigation. The automotive segment has six distinct product categories, including mobility management, vehicle management, entertainment, safety, drive assistance, and well-being. Many of these categories can be particularly useful to owners of vehicle fleets, such as company and service vehicles, as well as companies in the car-rental and car-sharing industries. Although many of the technologies needed to support these functions are already established, the number of fleet sales in this segment is expected to grow. Connected cars require internal and external antennas for a complete wireless solution. We have a leading portfolio of automotive antenna connectivity solutions, from embedded solutions for OBD II, IHU and connected car gateways, to custom shark fin antennas for automotive OEM's, and high-quality antenna products for mobile and automotive fleet applications for government, public safety, and enterprise applications.

In the Enterprise market we see growth potential across multiple product categories and applications. These include outdoor stadium and arena deployments, in-building coverage for commercial applications, kiosks, asset tracking, and Industrial IoT. According to ABI Research, enterprise access point shipments are estimated to reach 16.5 million per year by 2023. In the connected smart home and city IoT sub-segments, we see embedded and external connectivity solutions for LPWAN, such as NB-IoT and LoRa for multiple applications. This includes security and asset tracking applications. In the M2M and IoT Infrastructure sub-segment serviced by our Antenna Plus brand of products, typical applications include in-building, out-building, and on-building connectivity solutions for commercial, retail, and office, outdoor kiosk, signage, and fixed asset connectivity and tracking. According to

ABI research, by 2023, there will be approximately 12 million new M2M wireless modem shipments per year, up from approximately six million new modem shipments in 2018.

We also develop multi-band LTE and WLAN antennas for small cell enterprise systems that includes femto cells, pico cells, Wi-Fi hotspots, and community Wi-Fi systems. Our solutions provide increased range and coverage for both indoor and outdoor applications. Additionally, our small cell antenna designs provide high gain and high-performance solutions for multi-frequency and multi-mode network deployments. This includes several designs based on our patented smart antenna technology that delivers increased coverage and operation stability.

We offer a comprehensive set of services for single and multi-client Wi-Fi performance testing, characterization, and validation for wireless devices utilizing advanced MIMO configurations and technologies including WLAN, Bluetooth, ZigBee, Z-Wave, LoRa, CBRS, and more. Our service offering includes early stage system design, custom engineering support, and superior OTA testing services for service providers and OEMs. Our proprietary OTA testing process has established itself as an industry leader in wireless throughput enabling our service offering to create stickiness with customers as they depend on our testing services. We believe there is significant potential for growth of our service offering revenue, including through renewable service provider service contracts, and to further leverage this offering to customers and applications in adjacent markets.

Over the next several years, we believe the adoption of 5G on a global basis will offer incremental growth opportunities for us. According to ABI Research, 25% of network traffic will be 5G by 2023. 5G antenna systems are more complex as they need to support complex active architectures for new configurations such as active MIMO, and new frequency ranges in the sub-6GHz and mmWave, or millimeter wave, frequency bands. This shift in antenna complexity favors us, since complexity implies an opportunity to provide increased value to our customers along with increasing opportunity to differentiate based on technical merit and performance.

The adoption of 5G will require antenna solutions for small cell indoor and outdoor, fixed wireless access, and mmW backhaul. Furthermore, highly integrated and complex designs demanded by 5G will require closer coordination between the ecosystem of component vendors, OEMs and Chipset Vendors, a key strength of ours.

In the United States we have a strong position with service providers and carriers that supply in-home residential wireless equipment. That said, we believe there are growth opportunities on the international front. This includes Europe, especially in areas of the connected home and automotive OEM markets will offer meaningful opportunities.

Our mission is to be a leading supplier of smart, embedded and external antennas to the expanding wireless device and systems marketplace. The key elements of our strategy are listed below.

- *Expand our customer base within our core markets*. We sold our products in 2018 to approximately 91 end-customers. Although the customers that pay for our products are often ODMs and distributors, it is primarily the OEMs, carriers and retail-focused end-customers that drive the selection of our solutions.
- *Increase our sales to existing customers*. Within our customer base, we offer solutions that are valued for performance and reliability. In many cases we are providing antenna solutions for an isolated subset of our customer's wireless product portfolios. We plan to initiate targeted marketing campaigns to expand our solutions footprint—effectively to mine our existing customer base more effectively to expand our revenue on a per customer basis.
- *Innovate into new products and markets*. Trends such as the IoT are driving an explosion of demand for wireless connectivity in new applications in and out of the home, including connected vehicles. Our technology and solutions are well suited to the majority of these high growth potential new markets. We also see new opportunities in M2M communications, LTE, Near Field Communications, Identification and Tracking via Radio Frequency Identification, or RFID, Personal Area Networks such as 5G, Wi-Fi 6, ZigBee, Z-Wave, LoRa or Bluetooth, and other wireless communications methods and applications.
- *Focus on system performance and products with long lifecycles*. Our antenna solutions are typically integrated into customers' products at the design stage. Once an equipment manufacturer designs our antennas into its product offering, it becomes difficult to design us out of a device because changing antenna suppliers involves significant cost, time, effort, and usually re-certification of products. This is

especially valuable in the service provider market, where product generations generally ship for two to three years before displacement by next-generation devices.

- *Acquire complementary technologies, assets and companies*. The market for antenna solutions is diverse and fragmented. Opportunities arise for acquisition of technologies, assets and companies that would complement our business. We continue to consider acquisitions that will enable us to improve our strategic position and to take advantage of economies of scale through consolidation.

Customers

Our customers are global. The substantial majority of our sales are to ODMs and distributors based in China. However, for the year ended December 31, 2018, approximately 54% of the end-customers of our products, based on sales, were in North America and 46% were outside of North America. In addition, our top two customers, Synnex Technology International (HK) Ltd. and Syntech Asia Ltd., accounted for approximately 36% and 8% of our sales, respectively, for the year ended December 31, 2018. We generally work with Engineering, Product Management, Product Line Management, Product Marketing, Design, and similar groups to provide antenna solutions. While the sale of the product may be to an OEM or ODM, we also consider our customers to include chipset vendors and service providers. We market our design capabilities directly to chipset vendors and service providers to generate demand.

- *OEM (Original Equipment Manufacturer)*. We sell our products to OEM customers worldwide. These customers make many products including Wi-Fi access points and repeaters, set-top boxes, video gateways, and other wireless equipment found in homes, schools, businesses, and networks. Typically, these customers work with us to help overcome a specific performance issue, or to improve product performance against internal or external benchmarks. OEMs are also often mandated by service providers to select us.
- *ODM (Original Design Manufacturer)*. We sell our products to ODM customers worldwide with the vast majority being headquartered in Asia. These customers make many of the same products as the OEM customers, but they make these for sale to an OEM or service provider customer. Generally, ODM customers do not own all of the rights to the design and engineering assets of the products they produce and deliver. Historically, ODMs have been thought to focus primarily on cost; however, our ODM customers also emphasize performance and design flexibility when working on antenna selection and placement.
- *Chipset Vendors*. We sell small quantities of our products directly to chipset vendors for their reference designs. Through our close working relationships with the leading chipset makers for the WLAN we have developed a significant level of expertise in the testing and evaluation of chipset reference designs and systems. Chipset vendors and Semiconductor manufacturers work with us to promote better integration and improved performance, and to create optimal reference designs. These customers help influence purchasing decisions with OEM and ODMs as their reference designs and associated Bills of Materials (BoM's) and suppliers are usually closely replicated in production designs. This can also improve time-to-market for OEM and ODM customers.
- *Service Providers*. We do not sell antennas directly to telecommunications and broadband service providers, but these companies often specify overall product performance, and sometimes use our wireless test and validation services. By working with the service providers, we are often written into the carrier's specifications, which are sent to the OEM or ODM. Our antenna products are then shipped directly from our contract manufacturers to the device manufacturer. In doing so, we can have an impact on an OEM's or ODM's ability to hit certain performance levels. We have worked with service providers, and in some cases, we have sold testing equipment that mirrors the testing equipment and environment we use internally.

- *Value Added Reseller (VARs) and Distributors.* These partners combine our antenna products with other devices and services including vehicular modems, to deliver complete integrated and installed aftermarket solutions to end customers.

Sales and Marketing

Our sales and marketing organizations work together closely to improve market awareness, build a strong sales pipeline, and cultivate ongoing customer relationships to drive sales growth.

Sales

We sell our products to OEMs, ODMs, carriers and through manufactures for retail. Our global sales effort consists of direct and indirect sales teams, and indirect channel partners. Our direct sales team consists of inside sales personnel based in China and Taiwan and our outside field sales teams based in United States, Europe, Korea, China, and Taiwan. Our outside field sales teams consist of business, sales, account, technical marketing and program managers, and field application engineers, or FAEs. Our indirect channel partners consist of distributors, engineering design companies and outside sales representatives.

Our outside sales team is engaged in pre-sales, account management, and creating partnership opportunities with third parties such as service providers and semiconductor manufacturers. They are assigned quotas and have defined sales territories and/or accounts. The sales process includes meeting and qualifying potential programs and customers, and actively managing the planning stage of devices they plan to bring to market. Our FAEs assist these managers by providing technical support to existing customers.

Our indirect channel partners provide lead generation, pre-sales support, product fulfillment and, in certain circumstances, post-sales customer service and support. This channel partner network often co-sells with our inside sales and field sales teams. Our channel provides us with additional sales leverage by sourcing new prospects, providing technical support to existing customers, upselling for additional use cases and daily indexing capacities, and maintaining repeat business with existing customers. These channels provide added coverage to customers and prospects we cannot reach directly. The percentage of our sales from indirect channel partners was 27%, 24% and 23% for the years ended December 31, 2018, 2017 and 2016, respectively.

Marketing

Our marketing strategy is focused on building market awareness and acceptance of our products, and promoting our brand. We market our products directly to both prospective and existing customers. The marketing department is engaged in product management, product marketing, program management, corporate marketing, tradeshows and public speaking, development of our website and collateral material, and creating partnership opportunities with third parties, such as service providers and semiconductor manufacturers. Marketing emphasizes our competitive strengths and provides input into the future direction of product development and customer profiles.

Our primary marketing initiatives include trade shows, industry events, industry reputation, and publications, including white papers and trade journals. We strategically choose the location and focus of each trade show based on each show's prospectus, reputation, and audience attendees, allocating marketing funds to support shows annually in North America, Asia, and Europe. These shows provide us with the opportunity to showcase our newest products and system designs, as well as set up meetings with current and potential OEM and ODM customers, carriers, and chipset manufacturers.

Competition

The embedded and external antenna market is highly competitive and is characterized by rapid technological change and evolving standards. Our principal competitors fall into three categories:

- *Direct competitors.* Direct competitors include independent antenna companies, 2J Antennas USA Corp., Adant Technologies Inc., Asian Creation Communications Factory, AVX Corporation, Fractus S.A., Baylin Technologies Inc., Honglin Technology Group Ltd., Laird PLC, Mobile Mark, Inc., PCTEL, Inc., Pinyon Technologies Inc., Sunwave Communications Co., Ltd., Taoglas Limited, Wanshih Electronic Co. Ltd., and WHA YU Industrial Co., Ltd., among others. In addition, the barriers to entry for the antenna industry are low, and we expect new competitors to emerge in the future.

- *In-house Antenna Design and Engineering Teams.* Several of our existing customers, including ODMs which design and build complete wireless devices, also have internal resources to design, engineer, and produce antenna solutions. In such cases, we compete against the captive resource of that ODM. Several ODMs, including Arcadyan Technology Corporation, Foxconn Electronics Inc., Gemtek Technology Co. Ltd., and Wistron Corporation, design, manufacture, and sell antennas, in direct competition with us.
- *Third-Party Custom Design and Engineering Companies.* Some of our existing customers and prospects use outsourced engineering services to provide antenna solutions. In these cases, there may be short-term or long-term contractors who work to design, engineer, test, and manage production of an antenna solution.

The principal competitive factors in our markets include:

- Price and total cost of ownership as a result of reliability and performance issues;
- Brand awareness and reputation;
- Antenna performance, such as reliability, range, throughput;
- Ability to integrate with other technology infrastructures;
- Offerings across breadth of in-home wireless products;
- Antenna design and testing capabilities;
- Relationships with semiconductor/chipset vendors; and
- Intellectual property portfolio.

We compete primarily based on antenna performance, our intellectual product portfolio, design and testing capabilities, and reputation. We believe we generally compete favorably on the basis of these factors. However, some of our existing and potential competitors may have advantages over us. Many of our competitors are significantly larger in scale than we are and have access to greater financial, technical, marketing, and other resources. In most instances, competition among these vendors creates some level of pricing pressure and forces us to lower prices below our established list prices. Many direct competitors compete based upon price, and some high-volume Asia-based competitors are prepared to operate at less than 20% gross product margins.

Manufacturing and Operations

We have limited manufacturing capability, solely with respect to antennas deployed in the fleet and M2M market. We do final assembly of these antenna products at our facility located in Scottsdale, Arizona, where we purchase raw materials, assemble, test, and ship products. We outsource the manufacturing for all of our other products to two principal contract manufacturers, or CMs, located in China. We work with these CMs to purchase raw materials, assemble, test, and ship our antenna products. We perform quality assurance and testing at our California facilities.

We maintain a close direct relationship with these manufacturers to help ensure supply and quality meet our requirements. Although the contract manufacturing services required to manufacture and assemble our products can be satisfied by one of our CMs or may be readily available from several established manufacturers, it may be time consuming and costly to qualify and implement new contract manufacturer relationships. If our CMs suffer an interruption in their businesses, or experiences delays, disruptions, or quality control problems in their manufacturing operations, or we otherwise have to change or add additional contract manufacturers or suppliers, our ability to ship products to our customers could be delayed, and our business adversely affected. The CMs manufacture antenna products according to our design specification, materials specification, quality standards, and delivery requirements. We have full control and authority over the selection of materials, manufacturing processes, and inspection processes.

Research and Development

We invest considerable time and financial resources in research and development to enhance our antenna design and system integration capabilities and conduct quality assurance testing to improve our technology. Our engineering team consists of engineers located in research, design, and test centers in California, the United Kingdom, China, and Taiwan. Our engineering team actively participates in research and development activities to expand our capabilities and target applications for the Consumer, Enterprise and Automotive markets. We expect to continue to expand our product offerings and technology solutions in the future and to invest significantly in ongoing research and development efforts.

In the connected home, we are developing a series of antenna products for the home security market, including designs ranging from Z-Wave applications for door sensors to customized connectivity solutions for smart metering using LTE and LPWAN standards, and near field antenna modules enabling gigabit speed last meter connectivity for broadband operators. We continue to architect and improve our antenna systems for our enterprise class smart antenna customers, as well as new high performance designs for the outdoor Wi-Fi and small cell markets. We continually review alternative antenna designs for increasingly complex carrier gateway products, which are expanding beyond just delivering Wi-Fi to also include 5G, ZigBee, Z-Wave, DECT, LPWAN, NB-IoT and Bluetooth applications. Finally, we are engaged in the design and evaluation of antenna systems for next generation 802.11ax technology, including reference designs with industry leading chipset vendors.

Seasonality

Our operating results historically have not been subject to significant seasonal variations. However, our operating results are affected by how customers make purchasing decisions around local holidays in China. For example, a national holiday the first week of October in China may cause customers to purchase product in the third quarter ahead of their holiday season to account for higher volume requirements in the fourth quarter. In addition, although it is difficult to make broad generalizations, our sales tend to be lower in the first quarter of each year compared to other quarters due to the Chinese New Year. Results for any quarter may not be indicative of the results that may be achieved for the full fiscal year and these patterns may change as a result of general customer demand or product cycles.

Intellectual Property

We rely on patent, trademark, copyright and trade secret laws, confidentiality procedures, and contractual provisions to protect our technology. As of December 31, 2018, we had 175 issued U.S. patents covering our embedded and external antenna technology with expiration dates ranging from 2020 to 2033, and 46 patent applications pending for examination in the United States. We also have 24 issued patents and 3 pending patent applications for examination in non-U.S. jurisdictions (Europe, China and Japan) with expiration dates ranging from 2020 to 2037, which entail counterparts of U.S. utility patent applications. The patents consist of several broad areas, as summarized by the following four patent groups:

- Methods of determining which antenna pattern to use;
- Antenna pattern selection with multiple stations connected to access point;
- Dynamically selected antennas for MIMO systems; and
- Hardware implementations of switched directional antennas.

Taken together, these patents with priority dates as far back as November 2000, form both a barrier to competition and a licensable asset for customers in the MIMO arena.

Despite our efforts to protect our proprietary rights, unauthorized parties may attempt to copy aspects of our products or obtain and use information that we regard as proprietary. We generally enter into confidentiality agreements with our employees, consultants, vendors and customers, and generally limit access to and distribution of our proprietary information. However, we cannot assure you that the steps taken by us will prevent misappropriation of our technology. In addition, the laws of some foreign countries do not protect our proprietary rights to as great an extent as the laws of the United States, and many foreign countries do not enforce these laws as diligently as government agencies and private parties in the United States.

Our industry is characterized by the existence of many patents and frequent claims and related litigation regarding patent and other intellectual property rights. In particular, leading companies in the technology industry have extensive patent portfolios. Third parties, including certain of these leading companies, may in the future assert patent, copyright, trademark and other intellectual property rights against us, our channel partners or our customers.

Employees

As of December 31, 2018, we had approximately 86 employees in the United States, 4 in the United Kingdom and 28 in China. Among the total 118 employees, 48 of them were primarily engaged in research and development, 24 of them were primarily engaged in sales and marketing and 46 of them were primarily engaged in operations and general and administration functions. In addition, we contract directly with engineers and sales contractors domestically and internationally. None of our employees are covered by a collective bargaining agreement or represented by a labor union. We consider our relationship with our employees to be good.

Available Information

We file electronically with the Securities and Exchange Commission, or SEC, our annual reports on Form 10-K, quarterly reports on Form 10-Q and current reports on Form 8-K pursuant to Section 13(a) or 15(d) of the Securities Exchange Act of 1934, as amended. We make available on our website at www.airgain.com, free of charge, copies of these reports, as soon as reasonably practicable after we electronically file such material with, or furnish it to, the SEC. The public may read or copy any materials we file with the SEC at the SEC's Public Reference Room at 100 F Street NE, Washington, D.C. 20549. The public may obtain information on the operation of the Public Reference Room by calling the SEC at 1-800-SEC-0330. The SEC maintains a website that contains reports, proxy and information statements, and other information regarding issuers that file electronically with the SEC. The address of that website is www.sec.gov. The information in or accessible through the SEC and our website are not incorporated into, and are not considered part of, this filing. Further, our references to the URLs for these websites are intended to be inactive textual references only.

ITEM 1A. RISK FACTORS

You should carefully consider the following risk factors, together with the other information contained in this annual report on Form 10-K, including our financial statements and the related notes and "Management's Discussion and Analysis of Financial Condition and Results of Operations," before making a decision to purchase or sell shares of our common stock. We cannot assure you that any of the events discussed in the risk factors below will not occur. These risks could have a material and adverse impact on our business, results of operations, financial condition and growth prospects. If that were to happen, the trading price of our common stock could decline. Additional risks and uncertainties not presently known to us or that we currently deem immaterial also may impair our business operations or financial condition.

Risks Related to Our Business and Industry

The markets for our antenna products is developing and may not develop as we expect.

The wireless industry is developing and the markets for our antenna products may not develop as we expect. It is difficult to predict customer adoption rates, customer demand for our antennas, the size and growth rate of our target markets, the entry of competitive products, or the success of existing competitive products. Any expansion in our markets depends on several factors, including the cost, performance, and perceived value associated with our antennas. If our antenna products do not achieve widespread adoption or there is a reduction in demand for antennas in our markets caused by a lack of customer acceptance, technological challenges, competing technologies and products, decreases in corporate spending, weakening economic conditions, or otherwise, it could result in reduced customer orders, early order cancellations, or decreased sales, any of which would adversely affect our business, operating results and financial condition.

Our operating results may fluctuate significantly, which makes our future operating results difficult to predict and could cause our operating results to fall below expectations or our guidance.

Our quarterly and annual operating results have fluctuated in the past and may fluctuate significantly in the future, which makes it difficult for us to predict our future operating results. The timing and size of sales of our products are variable and difficult to predict and can result in fluctuations in our net sales from period to period. In addition, our budgeted expense levels depend in part on our expectations of future sales. Because any substantial adjustment to expenses to account for lower levels of sales is difficult and takes time, we may not be able to reduce our costs sufficiently to compensate for an unexpected shortfall in net sales, and even a small shortfall in net sales could disproportionately and adversely affect our operating margin and operating results for a given quarter.

Our operating results may also fluctuate due to a variety of other factors, many of which are outside of our control, including the changing and volatile U.S., European, Asian and global economic environments, and any of which may cause our stock price to fluctuate. Besides the other risks in this "Risk Factors" section, factors that may affect our operating results include:

- fluctuations in demand for our products and services;
- the inherent complexity, length and associated unpredictability of product development windows and product lifecycles;
- the timing and extent of investment in our targeted growth markets and the timing and amount of sales in such markets;
- changes in customers' budgets for technology purchases and delays in their purchasing cycles;
- seasonal fluctuations around local holidays in China affecting how customers make purchasing decisions;
- changing market conditions;
- any significant changes in the competitive dynamics of our markets, including new entrants, or further consolidation; the timing of product releases or upgrades by us or by our competitors; and

- our ability to develop, introduce and ship in a timely manner new products and product enhancements and anticipate future market demands that meet our customers' requirements.

For example, the slower than expected rollouts of our customers 802.11ac, 802.11ax and DOCSIS 3.1 upgrade cycles in 2018 shifted the timing of our product sales, and such future deployment delays could also affect our quarterly operating results. The cumulative effects of the factors above could result in large fluctuations and unpredictability in our quarterly and annual operating results. As a result, comparing our operating results on a period-to-period basis may not be meaningful. You should not rely on our past results as an indication of future performance.

Our products are subject to intense competition, including competition from the customers to whom we sell.

Antenna solutions is an established technical field with low intellectual property and technological barriers to entry. Antenna competition exists globally for all areas of our business and product lines. The markets in which we compete are intensely competitive, and we expect competition to increase in the future from established competitors and new market entrants. The markets are influenced by, among others, brand awareness and reputation, price, strength and scale of sales and marketing efforts, professional services and customer support, product features, reliability and performance, scalability of products, and breadth of product offerings. Due to the proprietary nature of some of our products, competition occurs primarily at the design stage. As a result, a design win by our competitors or by us typically limits further competition regarding that design. This competition could result in increased pricing pressure, reduced profit margins, increased sales and marketing expenses and failure to increase, or the loss of, market share, any of which would likely seriously harm our business, operating results or financial condition. From a cost and control perspective, our products generally cost more than our competitors' products. If our ability to design antenna solutions is deemed to be on par or of lesser value than competing solutions, we could lose our customers and prospects.

New entrants and the introduction of other distribution models in our markets may harm our competitive position.

The markets for development, distribution, and sale of our products are rapidly evolving. New entrants seeking to gain market share by introducing new technology and new products may make it more difficult for us to sell our products, and could create increased pricing pressure, reduced profit margins, increased sales and marketing expenses, or the loss of market share or expected market share, any of which may significantly harm our business, operating results and financial condition.

Our future success depends on our ability to develop and successfully introduce new and enhanced products for the wireless market that meet the needs of our customers.

Our sales depend on our ability to anticipate our existing and prospective customers' needs and develop products that address those needs. Our future success will depend on our ability to introduce new products for the wireless market, anticipate improvements and enhancements in wireless technology and wireless standards, and to develop products that are competitive in the rapidly changing wireless industry. Introduction of new products and product enhancements will require coordination of our efforts with those of our customers, suppliers, and manufacturers to rapidly achieve volume production. If we fail to coordinate these efforts, develop product enhancements or introduce new products that meet the needs of our customers as scheduled, our operating results will be materially and adversely affected and our business and prospects will be harmed. We cannot assure that product introductions will meet the anticipated release schedules or that our wireless products will be competitive in the market. Furthermore, given the emerging nature of the wireless market, there can be no assurance our products and technology will not be rendered obsolete by alternative or competing technologies.

Our business is characterized by short product development windows and short product lifecycles.

Our solutions are purchased and integrated by customers in the electronics industry. In many cases, the products that include our solutions are subject to short product development windows and short product lifecycles. In the case of the short product development window, we may be pressured to provide solutions that are the lowest in cost to be accepted. Customer pressure could force us to reduce our price to win designs with short development windows. Regarding short product lifecycles, we might provide up-front design and engineering work, but ultimately lose the design to a competitor, or even if we win the design, such design could be extremely short-lived due to our customers' inability to sell the product in significant volume. Our up-front costs associated with a design can be significant, and if the sales volumes are inadequate due to lack of acceptance and/or short lifecycle, our financial performance will be impaired.

Any delays in our sales cycles could result in customers canceling purchases of our products.

Sales cycles for some of our products can be lengthy, often lasting several months to a year or longer. In addition, it can take additional time before a customer commences volume production of equipment that incorporates our products. Sales cycles can be lengthy for several reasons, including:

- our OEM customers and carriers usually complete a lengthy technical evaluation of our products, over which we have no control, before placing a purchase order;
- the commercial introduction of our products by OEM customers and carriers is typically limited during the initial release to evaluate product performance; and
- the development and commercial introduction of products incorporating new technologies frequently are delayed.

A significant portion of our operating expense is relatively fixed and is based in large part on our forecasts of volume and timing of orders. The lengthy sales cycles make forecasting the volume and timing of product orders difficult. In addition, the delays inherent in lengthy sales cycles raise additional risks of customer decisions to cancel or change product phases. If customer cancellations or product changes were to occur, this could result in the loss of anticipated sales without sufficient time for us to reduce our operating expenses. In addition, although we currently do not maintain significant inventories, we may in the future establish significant inventory levels to meet forecasted future demand. If the forecasted demand does not materialize into purchase orders for these products, we may be required to write off our inventory balances or reduce the value of our inventory, based on a reduced sales price. A write off of the inventory, or a reduction in the inventory value due to a sales price reduction, could have an adverse effect on our financial condition and operating results.

We have a history of losses, and we may not be profitable in the future.

Before 2013, we had incurred net losses in each year since our inception. As a result, we had an accumulated deficit of $45.0 million at December 31, 2018. Because the market for our antenna products is rapidly evolving, it is difficult for us to predict our operating results. We expect our operating expenses to increase over the next several years as we hire additional personnel, particularly in engineering, sales, and marketing, and continue to develop new antenna products to address new and evolving markets. In addition, as a public company we will incur additional significant legal, accounting, and other expenses that we did not incur as a private company. If our sales do not increase to offset these increases in our operating expenses, we may not be profitable in future periods. Our historical sales growth has been inconsistent and should not be considered indicative of our future performance. Any failure to sustain or increase our profitability consistently could cause the value of our common stock to materially decline.

A limited number of customers and devices represent a significant portion of our sales. If we were to lose any of these customers or devices, our sales could decrease significantly.

Our top two customers, Synnex Technology International (HK) Ltd. and Syntech Asia Ltd., accounted for approximately 36% and 8% of sales for the year ended December 31, 2018, respectively, and 21% and 13% of sales for the year ended December 31, 2017, respectively. Although our top customers that pay for our products are often ODMs and distributors, it is primarily the OEMs, carrier customers and retail-focused end-customers that drive the use of our antenna solutions and the purchase by the ODMs and distributors of our antenna solutions. In addition, a few end-customer devices which incorporate our antenna products comprise a significant amount of our sales, and the discontinuation or modification of such devices may materially and adversely affect our sales and results of operations. Any significant loss of, or a significant reduction in purchases by, these other significant customers or customers that drive the use of our antenna solutions or a modification or discontinuation of a device which constitutes a significant portion of sales could have an adverse effect on our financial condition and operating results.

We sell to customers who are extremely price conscious.

Our customers compete in segments of the electronics market. The electronics market is characterized by intense competition as companies strive to come to market with innovative designs that attract customers based upon design, performance, cost, ease of use, and convenience. Product lifecycles can be extremely short as companies try to gain advantage over their competitors. Because of the high design and engineering costs, companies that are customers or prospects for antenna solutions are extremely cost conscious. As a result, our customers and prospects demand price cuts in established products, and negotiate aggressively for lower pricing on new products. Because of the intense competition in the antenna solution market, we encounter situations that lead to difficult price negotiations potentially resulting in lower margins than forecast.

We generally rely on a limited number of contract manufacturers to produce and ship our products, and the failure to manage our relationships with these parties successfully could adversely affect our ability to market and sell our products.

We have limited manufacturing capability, solely with respect to antennas deployed in the fleet automotive market. For all of our other products, we outsource the manufacturing, assembly and testing of products. We rely on two contract manufacturers, which are both located in China, to manufacture, control quality of, and ship our products. We do not have long-term contracts with these manufacturers that commit them to manufacture products for us. Any significant change in our relationship with these manufacturers could have a material adverse effect on our business, operating results, and financial condition. We make substantially all of our purchases from our contract manufacturers on a purchase order basis. Our contract manufacturers are not required to manufacture our products for any specific period or in any specific quantity. We expect that it would take approximately six to nine months to transition manufacturing, quality assurance, and shipping services to new providers. Relying on contract manufacturers for manufacturing, quality assurance, and shipping also presents significant risks to us, including the inability of our contract manufacturers to:

- qualify appropriate component suppliers;
- manage capacity during periods of high demand;
- meet delivery schedules;
- assure the quality of our products;
- ensure adequate supplies of materials;
- protect our intellectual property; and
- deliver finished products at agreed-upon prices.

We manufacture products for our automotive market primarily in our facilities in Scottsdale, Arizona. We may not be able to manufacture our products with consistent and satisfactory quality or in sufficient quantities to meet demand. We also may experience delays or disruptions at our manufacturing facilities, which could result in delays of product shipments to our customers. Any failure by us or our contract manufacturers to timely product products of satisfactory quality or in sufficient quantities in compliance with applicable laws could hurt our reputation, cause customers to cancel orders or refrain from placing new orders for our products, which could have a material adverse effect on our business, operating results, and financial condition.

We may experience delays in obtaining product from manufacturers and may not be a high priority for our manufacturers.

The ability and willingness of our contract manufacturers to perform is largely outside of our control. We believe that our orders may not represent a material portion of our contract manufacturers' total orders and, as a result, fulfilling our orders may not be a priority if our contract manufacturers are constrained in their abilities or resources to fulfill all of their customer obligations in a timely manner. If any of our contract manufacturers suffers an interruption in its business, experiences delays, disruptions, or quality control problems in its manufacturing operations or we have to change or add additional contract manufacturers, our ability to ship products to our customers would be delayed and our sales could become volatile and our cost of sales may increase.

Our contract manufacturers purchase some components, subassemblies and products from a single or limited number of suppliers. The loss of any of these suppliers may substantially disrupt our ability to obtain orders and fulfill sales as we design in and qualify new components.

We rely on third-party components and technology to build and operate our products, and we rely on our contract manufacturers to obtain the components, subassemblies, and products necessary for the manufacture of certain of our products. Shortages in components we use in our products are possible, and our ability to predict the availability of such components is limited. If shortages occur in the future, as they have in the past, our business, operating results and financial condition would be materially adversely affected. Unpredictable price increases of such components due to market demand may occur. While components and supplies are generally available from a variety of sources, we and our contract manufacturers depend on a single or limited number of suppliers for several components for our products. If our suppliers of these components or technology were to enter into exclusive relationships with other providers of wireless networking equipment or were to discontinue providing such components and technology to us and we were unable to replace them cost effectively, or at all, our ability to provide our products would be impaired. Additionally, poor quality in any of the single or limited sourced components in our products could result in lost sales or lost sales opportunities. We and our contract manufacturers generally rely on purchase orders rather than long-term contracts with these suppliers. As a result, even if available, we and our contract manufacturers may not be able to secure sufficient components at reasonable prices or of acceptable quality to build our products in a timely manner. Therefore, we may be unable to meet customer demand for our products, which would have a material adverse effect on our business, operating results, and financial condition.

We rely significantly on channel partners to sell and support our products, and the failure of this channel to be effective could materially reduce our sales.

Our indirect channel partners, which include outside sales representatives, accounted for 27% of our sales in 2018 and 24% in 2017. We believe that establishing and maintaining successful relationships with these channel partners is, and will continue to be, important to our financial success. Recruiting and retaining qualified channel partners and training them in our technology and product offerings require significant time and resources. To develop and expand our channel, we must continue to scale and improve our processes and procedures that support our channel partners, including investment in systems and training.

Existing and future channel partners will only work with us if we are able to provide them with competitive products on terms that are commercially reasonable to them. If we fail to maintain the quality of our products or to update and enhance them, existing and future channel partners may elect to work instead with one or more of our competitors. In addition, the terms of our arrangements with our channel partners must be commercially reasonable for both parties. If we are unable to reach agreements that are beneficial to both parties, then our channel partner relationships will not succeed.

We have no minimum purchase commitments with any of our channel partners, and our contracts with channel partners do not prohibit them from offering products or services that compete with ours, including products they currently offer or may develop in the future and incorporate into their own systems. Some of our competitors may have stronger relationships with our channel partners than we do and we have limited control, if any, as to whether those partners use our products, rather than our competitors' products, or whether they devote resources to market and support our competitors' products, rather than our offerings.

The reduction in or loss of sales by these channel partners could materially reduce our sales. If we fail to maintain relationships with our channel partners, fail to develop new relationships with other channel partners in new markets, fail to manage, train or incentivize existing channel partners effectively, fail to provide channel partners with competitive products on terms acceptable to them, or if these channel partners are not successful in their sales efforts, our sales may decrease and our operating results could suffer.

Defects in our products or poor design and engineering services could result in lost sales and subject us to substantial liability.

Our antenna solutions are a critical element in determining the operating performance of our customers' products. If our antenna solutions perform poorly, whether due to design, engineering, placement or other reasons, we could lose sales. In certain cases, if our antenna solution is found to be the component that leads to failure or a failure to meet the performance specifications of our customer, we could be required to pay monetary damages to our customer. Real or perceived defects or errors in our antenna solutions could result in claims by channel partners and customers for losses they sustain. If channel partners or customers make these types of claims, we may be required, or may choose, for customer relations or other reasons, to expend additional resources to help correct the problem, including warranty and repair costs, process management costs and costs associated with remanufacturing our inventory. Liability provisions in our standard terms and conditions of sale may not be enforceable under some circumstances or may not fully or effectively protect us from claims and related liabilities and costs. In addition, regardless of the party at fault, errors of these kinds divert the attention of our engineering personnel from our product development efforts, damage our reputation and the reputation of our products, cause significant customer relations problems and can result in product liability claims. We maintain insurance to protect against certain types of claims associated with the use of our products, but our insurance coverage may not adequately cover any such claims. In addition, even claims that ultimately are unsuccessful could result in expenditures of funds in connection with litigation and divert management's time and other resources. We also may incur costs and expenses relating to a recall of one or more of our products.

The process of identifying recalled products that have been widely distributed may be lengthy and require significant resources, and we may incur significant replacement costs, contract damage claims from our customers and significant harm to our reputation. The occurrence of these problems could result in the delay or loss of market acceptance of our products and could adversely affect our business, operating results and financial condition.

Our recent management changes create uncertainties and could have a material adverse impact on our business, results of operations and financial condition.

On May 2, 2018, Charles Myers resigned as Chief Executive Officer, President and as a member of our board of directors. James K. Sims, who is our Chairman, was appointed to serve as our interim Chief Executive Officer at that time. On March 13, 2019, Mr. Sims was appointed as our Chairman and Chief Executive Officer. In addition, in April 2018, Glenn Selbo resigned as our Chief Operating Officer, and in March 2018 Anil Dordla succeeded Leo Johnson as our Chief Financial Officer. As a result of these management changes, we may experience disruption or have difficulty in maintaining or developing our business. We face significant competition for new executives, and we may not be able to find a suitable replacement for members of our senior management that we may lose in the future, and our business may be harmed as a result. Our ability to effectively manage our business and execute on our business strategy may be adversely affected by the uncertainty associated with these recent management changes.

Executive leadership transitions can be inherently difficult to manage and may cause disruption to our business. As a result of the recent changes in our management team, our existing management team has taken on substantially more responsibility, which has resulted in greater workload demands and could divert their attention away from certain key areas of our business. In addition, management transition inherently causes some loss of institutional knowledge, which can negatively affect strategy and execution, and our results of operations and financial condition could suffer as a result. The loss of services of one or more other members of senior management could have a material adverse effect on our business, operating results and financial condition.

The loss of key personnel or an inability to attract, retain and motivate qualified personnel may impair our ability to expand our business.

Our success depends upon the continued service and performance of our senior management team and key technical, marketing and production personnel, including James K. Sims, who is our Chief Executive Officer and Chairman, and Jacob Suen, who is our President. The replacement of any members of our senior management team or other key employees or consultants likely would involve significant time and costs and may significantly delay or prevent the achievement of our business objectives.

Our future success also depends, in part, on our ability to continue to attract, integrate and retain highly skilled personnel. Competition for highly skilled personnel is frequently intense. Any difficulties in obtaining or retaining human resource competencies we need to achieve our business objectives may have an adverse effect on our performance.

We are subject to the risk that third-party consultants will not perform their tasks effectively and that we will be unsuccessful in operating our business as a result.

We rely on third parties, such as a sales consultants and engineering contractors, for a portion of the design and sales and marketing of our products. The engineering contractors typically work directly with our design team but are employed by our contract manufacturers in China. We rely on these third parties in addition to our own employees to perform the daily tasks necessary to operate our business in these areas and cannot ensure that third-party consultants will be able to complete their work for us in a timely manner. Accordingly, our reliance on third parties exposes us to the risk that our business will be unsuccessful if they do not design and sell our product as expected.

Our acquisitions expose us to risks that could adversely affect our business and adversely affect our operating results, financial condition, and cash flows.

As part of our strategy to develop and identify new products, services and technologies, we have made, and may continue to make, acquisitions of select assets and businesses. For example, we acquired certain North American assets from Skycross, Inc., in December 2015 and in April 2017 we acquired the Antenna Plus assets. When pursuing acquisitions, we may not be able to find suitable acquisition candidates, and we may not be able to complete such acquisitions on favorable terms, if at all. Any acquisitions we complete, may not ultimately strengthen our competitive position or achieve our goals, and could be viewed negatively by our end-customers, investors and financial analysts. Acquisitions involve many risks. An acquisition may negatively affect our operating results, financial condition or cash flows because it may require us to incur charges or assume substantial debt or other liabilities, may cause adverse tax consequences or unfavorable accounting treatment, may expose us to claims and disputes by third parties, including intellectual property claims and disputes, or may not generate sufficient financial return to offset additional costs and expenses related to the acquisition.

Litigation or legal proceedings could expose us to significant liabilities and damage our reputation.

We may become party to litigation claims and legal proceedings. Litigation involves significant risks, uncertainties and costs, including distraction of management attention away from our current business operations. We evaluate litigation claims and legal proceedings to assess the likelihood of unfavorable outcomes and to estimate, if possible, the amount of potential losses. We caution you that actual outcomes or losses may differ materially from those envisioned by our current estimates. Our policies and procedures require strict compliance by our employees and agents with all United States and local laws and regulations applicable to our business operations, including those prohibiting improper payments to government officials. Nonetheless, there can be no assurance that our policies and procedures will always ensure full compliance by our employees and agents with all applicable legal requirements. Improper conduct by our employees or agents could damage our reputation in the United States and internationally or lead to litigation or legal proceedings that could result in civil or criminal penalties, including substantial monetary fines, as well as disgorgement of profits.

Recent U.S. tax legislation may materially adversely affect our financial condition, results of operations and cash flows.

On December 22, 2017, the Tax Cuts and Jobs Act, or the 2017 Tax Act, was enacted. The 2017 Tax Act makes broad and complex changes to the U.S. tax code, including, but not limited to, reducing the U.S. corporate income tax rate from 35% to 21% and permitting immediate expensing of certain capital expenditures. Many of these changes are effective immediately, without any transition periods or grandfathering for existing transactions. The legislation is unclear in many respects and could be subject to potential amendments and technical corrections, as well as interpretations and implementing regulations by the Treasury and IRS, any of which could lessen or increase certain adverse impacts of the legislation. In addition, it is unclear how these U.S. federal income tax changes will affect state and local taxation, which often uses federal taxable income as a starting point for computing state and local tax liabilities.

Our ability to use our net operating loss carryforwards and credits to offset future taxable income for U.S. federal income tax purposes may be subject to limitations, and future transfers of shares of our common stock, could cause us to experience an "ownership change" that could limit our ability to utilize our net operating losses.

Under U.S. federal income tax law, a corporation's ability to utilize its net operating losses, or NOL's, to offset future taxable income may be significantly limited if it experiences an "ownership change" as defined in Section 382 of the Internal Revenue Code of 1986, as amended, or the Code. In general, an ownership change will occur if there is a cumulative change in a corporation's ownership by "5 percent shareholders" that exceeds 50 percentage points over a rolling three-year period.

A corporation that experiences an ownership change will generally be subject to an annual limitation on its pre-ownership change NOLs equal to the value of the corporation immediately before the ownership change, multiplied by the long-term tax-exempt rate (subject to certain adjustments). The annual limitation for a taxable year is generally increased by the amount of any "recognized built-in gains" for such a year and the amount of any unused annual limitation in a prior year.

In May 2014, we completed an analysis that determined we had not undergone an ownership change. We believe however, that our initial public offering that occurred during 2016 may have triggered an ownership change. However, based on our value at the ownership change date, we believe that the limitation would not ultimately limit the amount of the net operating losses and credits that could be used prior to their expiration.

In addition, under the 2017 Tax Act, although the treatment of tax losses generated before December 31, 2017 has generally not changed, tax losses generated in calendar year 2018 and beyond may only offset 80% of our taxable income. This change may require us to pay federal income taxes in future years despite generating a loss for federal income tax purposes in prior years. Any such limitations on the ability to use our NOLs and other tax assets could adversely impact our business, financial condition and operating results.

Our election to not opt out of the extended accounting transition period under the Jumpstart Our Business Startups Act of 2012, or the JOBS Act, may make our financial statements difficult to compare to other companies.

Under the JOBS Act, as an emerging growth company, we can elect to opt out of the extended transition period for any new or revised accounting standards. We have elected not to opt out of such extended transition period. This means that when a standard is issued or revised and it has different application dates for public or private companies, we, as an emerging growth company, are permitted to use any extended transition period for adoption that is provided in the new or revised accounting standard having different application dates for public and private companies. This may make the comparison of our financial statements with any other public company, which is not either an emerging growth company nor an emerging growth company which has opted out of using the extended transition period, difficult or impossible as possible different or revised standards may be used.

If we are unable to implement and maintain effective internal control over financial reporting in the future, the accuracy and timeliness of our financial reporting may be adversely affected. In addition, because of our status as an emerging growth company, you will not be able to depend on any attestation from our independent registered public accounting firm as to our internal control over financial reporting for the foreseeable future.

The Sarbanes-Oxley Act of 2002, as amended, or the Sarbanes-Oxley Act, requires, among other things, that we maintain effective disclosure controls and procedures and controls over financial reporting. In particular, we are required to perform system and process evaluations and testing of our internal control over financial reporting to allow management to report on the effectiveness of our internal controls over financial reporting, as required by Section 404 of the Sarbanes-Oxley Act. We are required to furnish a report by management on, among other things, the effectiveness of our internal control over financial reporting beginning for our fiscal year ending December 31, 2017. However, our independent registered public accounting firm will not be required to attest to the effectiveness of our internal control over financial reporting pursuant to Section 404 of the Sarbanes-Oxley Act until the date we are no longer an "emerging growth company" as defined in the JOBS Act. Accordingly, you will not be able to depend on any attestation concerning our internal control over financial reporting from our independent registered public accounting firm for the foreseeable future.

Compliance with environmental matters and worker health and safety laws could be costly, and noncompliance with these laws could have a material adverse effect on our operating results, expenses and financial condition.

Some of our operations use substances regulated under various federal, state, local and international laws governing the environment and worker health and safety, including those governing the discharge of pollutants into the ground, air and water, the management and disposal of hazardous substances and wastes, and the cleanup of contaminated sites. Some of our products are subject to various federal, state, local and international laws governing chemical substances in electronic products. We could be subject to increased costs, fines, civil or criminal sanctions, third-party property damage or personal injury claims if we violate or become liable under environmental and/or worker health and safety laws.

Our business is subject to the risks of earthquakes, fire, floods and other natural catastrophic events.

Our corporate headquarters are located in Southern California, and our two contract manufacturers are located in eastern Asia, both regions known for seismic activity. A significant natural disaster, such as an earthquake, a fire or a flood, occurring near our headquarters, or near the facilities of our contract manufacturers, could have a material adverse impact on our business, operating results and financial condition.

The terms of our amended and restated loan and security agreement place restrictions on our operating and financial flexibility. If we raise additional capital through debt financing, the terms of any new debt could further restrict our ability to operate our business.

We have a $10.0 million revolving credit facility and a $4.0 million growth capital term loan under our second amended and restated loan and security agreement with Silicon Valley Bank. These loans are secured by a lien covering substantially all of our properties, rights and assets, excluding intellectual property. As of December 31, 2018, the revolving credit facility was undrawn, and the outstanding principal balance of the growth capital term loan and the additional term loan was paid off. The second amended and restated loan and security agreement contains customary affirmative and negative covenants and events of default applicable to us and any subsidiaries, if any. The affirmative covenants include, among others, covenants requiring us (and us to cause our subsidiaries) to maintain our legal existence and governmental approvals, deliver certain financial reports, maintain insurance coverage, keep inventory, if any, in good and marketable condition, maintain a liquidity ratio of cash and cash equivalents plus accounts receivable outstanding debt under the second amended and restated loan and security agreement minus deferred revenue of 1.25 to 1.00, and protect material intellectual property. The negative covenants include, among others, restrictions on us and our subsidiaries transferring collateral, incurring additional indebtedness, engaging in mergers or acquisitions, paying dividends or making other distributions, making investments, creating liens, selling assets and making any payment on subordinated debt, in each case subject to certain exceptions. If we default under the facility, the lender may accelerate all of our repayment obligations and take control of our pledged assets, potentially requiring us to renegotiate our agreement on terms less favorable to us or to immediately cease operations. Further, if we are liquidated, the lender's right to repayment would be senior to the rights of the holders of our common stock to receive any proceeds from the liquidation. The lender could declare a default upon the occurrence of any event that it interprets as a material adverse effect as defined under the credit facility, thereby requiring us to repay the loan immediately or to attempt to reverse the declaration of default through negotiation or litigation. Any declaration by the lender of an event of default could significantly harm our business and prospects and could cause the price of our common stock to decline. If we raise any additional debt financing, the terms of such additional debt could further restrict our operating and financial flexibility.

If we are unable to manage our growth and expand our operations successfully, our business and operating results will be harmed and our reputation may be damaged.

We have expanded our operations significantly since inception and anticipate that further significant expansion will be required to achieve our business objectives. The growth and expansion of our business and product offerings places a continuous and significant strain on our management, operational and financial resources. Any such future growth would also add complexity to and require effective coordination throughout our organization. To date, we have used the services of third-parties to perform tasks including design and sales and marketing. Our growth strategy may entail expanding our group of contractors or consultants to implement these tasks going forward. Because we rely on consultants, effectively outsourcing key functions of our business, we will need to be able to manage these consultants to ensure that they successfully carry out their contractual obligations and meet expected deadlines. However, if we are unable to effectively manage our outsourced activities or if the quality of the services provided by consultants is compromised for any reason, our ability to provide quality products in a timely manner could be harmed, which may have a material adverse effect on our business operating results and financial condition.

To manage any future growth effectively, we must continue to improve and expand our information technology and financial infrastructure, our operating and administrative systems and controls, and our ability to manage headcount, capital and processes in an efficient manner. We may not be able to successfully implement improvements to these systems and processes in a timely or efficient manner, which could result in additional operating inefficiencies and could cause our costs to increase more than planned. If we do increase our operating expenses in anticipation of the growth of our business and this growth does not meet our expectations, our operating results may be negatively impacted. If we are unable to manage future expansion, our ability to provide high quality products and services could be harmed, which could damage our reputation and brand and may have a material adverse effect on our business, operating results and financial condition.

Our business, operating results and growth rates may be adversely affected by current or future unfavorable economic and market conditions.

Our business depends on the economic health and general willingness of our current and prospective end- customers to make those capital commitments necessary to purchase our products. If the conditions in the U.S. and global economies remain uncertain or continue to be volatile, or if they deteriorate, our business, operating results and financial condition may be materially adversely affected. Economic weakness, end-customer financial difficulties, limited availability of credit and constrained capital spending have at times in the past resulted, and may in the future result, in challenging and delayed sales cycles, slower adoption of new technologies and increased price competition, and could negatively affect our ability to forecast future periods, which could result in an inability to satisfy demand for our products and a loss of market share.

In addition, if interest rates rise or foreign exchange rates weaken for our international customers, overall demand for our products and services could decline and related capital spending may be reduced. Furthermore, any increase in worldwide commodity prices may result in higher component prices for us and increased shipping costs, both of which may negatively affect our business, operating results and financial condition.

Our business and prospects depend on the strength of our market efforts and our brand. Failure to maintain and enhance our brand would harm our ability to maintain and expand our base of customers.

Maintaining and enhancing our brand is important to maintaining and expanding our base of customers who purchase our products. This will depend largely on our ability to continue to provide high-quality solutions, and we may not be able to do so effectively. While we may engage in a broader marketing campaign to further promote our brand, this effort may not succeed. Our efforts in developing our brand may be affected by the marketing efforts of our competitors. If we are unable to cost-effectively maintain and increase awareness of our brand, our business, results of operations and financial condition could be harmed. Our brand may be impaired by other factors, including product malfunctions. Any inability to effectively police our trademark rights against unauthorized uses by third parties could adversely impact the value of our trademarks and our brand recognition. If we fail to maintain and enhance our brand, or if we need to incur unanticipated expenses to establish our brand in new markets, our operating results would be negatively affected from reduced sales and increased marketing expenses.

Risks Relating to Intellectual Property

If we are unable to protect our intellectual property rights, our competitive position could be harmed or we could be required to incur significant expenses to enforce our rights.

Our ability to compete effectively is dependent in part upon our ability to protect our proprietary technology. We rely on patents, trademarks, trade secret laws, confidentiality procedures and licensing arrangements to protect our intellectual property rights. There can be no assurance these protections will be available in all cases or will be adequate to prevent our competitors from copying, reverse engineering or otherwise obtaining and using our technology, proprietary rights or products. For example, the laws of certain countries in which our products are manufactured or licensed do not protect our proprietary rights to the same extent as the laws of the United States. In addition, third parties may seek to challenge, invalidate or circumvent our patents, trademarks, copyrights and trade secrets, or applications for any of the foregoing. There can be no assurance that our competitors will not independently develop technologies that are substantially equivalent or superior to our technology or design around our proprietary rights. In each case, our ability to compete could be significantly impaired. To prevent substantial unauthorized use of our intellectual property rights, it may be necessary to prosecute actions for infringement and/or misappropriation of our proprietary rights against third parties. Any such action could result in significant costs and diversion of our resources and management's attention, and there can be no assurance we will be successful in such action. Furthermore, many of our current and potential competitors have the ability to dedicate substantially greater resources to enforce their intellectual property rights than we do. Accordingly, despite our efforts, we may not be able to prevent third parties from infringing upon or misappropriating our intellectual property.

Claims by others that we infringe their intellectual property rights could harm our business.

Our industry is characterized by vigorous protection and pursuit of intellectual property rights, which has resulted in protracted and expensive litigation for many companies. Third parties may in the future assert claims of infringement of intellectual property rights against us or against our customers or channel partners for which we may be liable. As the number of products and competitors in our market increases and overlaps occur, infringement claims may increase.

Intellectual property claims against us, and any resulting lawsuits, may result in our incurring significant expenses and could subject us to significant liability for damages and invalidate what we currently believe are our proprietary rights. Our involvement in any patent dispute or other intellectual property dispute or action to protect trade secrets and know-how could have a material adverse effect on our business. Adverse determinations in any litigation could subject us to significant liabilities to third parties, require us to seek licenses from third parties and prevent us from manufacturing and selling our products. Any of these situations could have a material adverse effect on our business.

These claims, regardless of their merits or outcome, would likely be time consuming and expensive to resolve and could divert management's time and attention.

We are generally obligated to indemnify our channel partners and end-customers for certain expenses and liabilities resulting from intellectual property infringement claims regarding our products, which could force us to incur substantial costs.

We have agreed, and expect to continue to agree, to indemnify our channel partners and end-customers for certain intellectual property infringement claims regarding our products. As a result, in the case of infringement claims against these channel partners and end-customers, we could be required to indemnify them for losses resulting from such claims or to refund amounts they have paid to us. Our channel partners and other end-customers in the future may seek indemnification from us in connection with infringement claims brought against them. We will evaluate each such request on a case-by-case basis and we may not succeed in refuting all such claims. If a channel partner or end-customer elects to invest resources in enforcing a claim for indemnification against us, we could incur significant costs disputing it. If we do not succeed in disputing it, we could face substantial liability.

Risks Related to Our International Operations

Our international sales and operations subject us to additional risks that can adversely affect our operating results and financial condition.

The substantial majority of our sales are to ODMs and distributors based in China. For the year ended December 31, 2018, approximately 46% of the end-customers of our products, based on sales, are outside of North America, and we are continuing to expand our international operations as part of our growth strategy. We have limited sales personnel and sales and support operations in the United States, Asia, and Europe. Our ability to convince customers to expand their use of our antenna products is directly correlated to our direct engagement with our end-customers and our channel partners. To the extent we are unable to engage with non-U.S. customers effectively with our limited sales force capacity, we may be unable to grow sales to existing customers.

Our international operations subject us to a variety of risks and challenges, including: increased management, travel, infrastructure and legal compliance costs associated with having multiple international operations; reliance on channel partners; increased financial accounting and reporting burdens and complexities; compliance with foreign laws and regulations; compliance with U.S. laws and regulations for foreign operations; and reduced protection for intellectual property rights in some countries and practical difficulties of enforcing rights abroad. Any of these risks could adversely affect our international operations, reduce our international sales or increase our operating costs, adversely affecting our business, operating results and financial condition and growth prospects.

In addition, we are subject to risks related to regulation of exports and reexports of products, software or technology regulated under United States laws and regulations. In April 2018, the U.S. Department of Commerce's Bureau of Industry and Security lifted its suspension of a denial of export privileges against Zhongxing Telecommunications Equipment Corporation of Shenzhen China, or ZTE, and a second ZTE entity. These restrictions were subsequently lifted in July 2018, but may be imposed in the future with little or no advance notice. While the export ban applicable to ZTE has been lifted by the United States, there can be no guarantee that the U.S. Department of Commerce will not take future regulatory action that may materially interfere with our ability to make sales, particularly in China. Even without such action by the U.S. Department of Commerce, we would be prohibited from exporting our products to any foreign recipient if we have knowledge that a violation of U.S. export regulations has occurred, is about to occur, or is intended to occur in connection with the item. The loss or temporary loss of such customers as a result of future regulatory limitation could have a material adverse effect on our business, financial condition and results of operations and affect our international sales strategy in China and elsewhere around the world.

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

Our products are subject to export control and import laws and regulations, including the U.S. Export Administration Regulations, U.S. Customs regulations and various economic and trade sanctions regulations administered by the U.S. Treasury Department's Office of Foreign Assets Controls. Exports of our products must be made in compliance with these laws and regulations. If we violate these laws and regulations, we and certain of our employees could be subject to substantial civil or criminal penalties, including the possible loss of export or import privileges, fines, which may be imposed on us and responsible employees or managers, and, in extreme cases, the incarceration of responsible employees or managers. In addition, if our channel partners, agents or consultants fail to obtain appropriate import, export or re-export licenses or authorizations, we may also be adversely affected through reputational harm and penalties. Obtaining the necessary authorizations, including any required license, for a particular sale may be time-consuming, is not guaranteed and may result in the delay or loss of sales opportunities.

Changes in our products or changes in applicable export or import laws and regulations may also create delays in the introduction and sale of our products in international markets, prevent our end-customers with international operations from deploying our products or, in some cases, prevent the export or import of our products to certain countries, governments or persons altogether. For example, as a result of the U.S. Department of Commerce's Bureau of Industry and Security lifting its suspension of a denial of export privileges against ZTE in April 2018, ZTE halted all future orders for antenna products we have previously been shipping to ZTE. This lifting of the suspension will also likely prevent us from shipping new products to ZTE. Any change in export or import laws and regulations, shift in the enforcement or scope of existing laws and regulations, or change in the countries, governments, persons or technologies targeted by such laws and regulations, could also result in decreased use of our products, or in our decreased ability to export or sell our products to existing or potential end-customers with international operations. Any decreased use of our products or limitation on our ability to export or sell our products would likely adversely affect our business, financial condition and operating results.

The results of the United Kingdom's referendum on withdrawal from the European Union may have a negative effect on global economic conditions, financial markets and our business.

In June 2016, a majority of voters in the United Kingdom elected to withdraw from the European Union in a national referendum. In March 2017, the United Kingdom formally notified the European Union of its intention to withdraw pursuant to Article 50 of the Lisbon Treaty. The referendum was advisory, and the terms of any withdrawal are subject to a negotiation period that could last until March 2019, and the terms of such withdrawal, if any, are still unresolved. The referendum and the ensuing process of the United Kingdom's withdrawal from the European Union has created significant uncertainty about the future relationship between the United Kingdom and the European Union, including with respect to the laws and regulations that will apply as the United Kingdom determines which European Union laws to replace or replicate in the event of a withdrawal. The referendum has also given rise to calls for the governments of other European Union member states to consider withdrawal. These developments, or the perception that any of them could occur, have had and may continue to have a material adverse effect on global economic conditions and the stability of global financial markets, and may significantly reduce global market liquidity and restrict the ability of key market participants to operate in certain financial markets. Any of these factors could depress economic activity and restrict our access to capital and negatively affect our customers, which could have a material adverse effect on our business, financial condition and results of operations and affect our strategy in the European market.

Changes to United States tax, tariff and import/export regulations may have a negative effect on global economic conditions, financial markets and our business.

There have been significant changes and proposed changes to United States trade policies, treaties, tariffs and taxes, including trade policies and tariffs regarding China. For example, the United States has imposed tariffs of 10-25% on certain imports from China, as well as tariffs on steel and aluminum products imported from various other countries. In response, China and other countries have imposed or proposed additional tariffs on certain exports from the United States. Although we do a significant amount of business in China, including dealing with Chinese suppliers and customers, only a limited number of our products use imported components that are covered under these recent policy changes, and we do not expect these tariffs to have a material impact on us. However, these and other proposed policy changes have created significant uncertainty about the future relationship between the United States and China, as well as other countries, including with respect to the trade policies, treaties, government regulations and tariffs that could apply to trade with those countries. These developments, or the perception that any of them could occur, may have a material adverse effect on global economic conditions and the stability of global financial markets, and may significantly reduce global trade and, in particular, trade between these countries and the United States. Any of these factors could depress economic activity and restrict our access to suppliers or customers and have a material adverse effect on our business, financial condition and results of operations and affect our strategy in China and elsewhere around the world.

New regulations or standards or changes in existing regulations or standards in the United States or internationally related to our end-customer's products may result in unanticipated costs or liabilities, which could have a material adverse effect on our business, operating results and future sales, and could place additional burdens on the operations of our business.

Our end-customers' products are subject to governmental regulations in many jurisdictions. To achieve and maintain market acceptance, our end-customers' products must continue to comply with these regulations and many industry standards. In the United States, our end-customers' products must comply with various regulations defined by the Federal Communications Commission, Underwriters Laboratories and others. Our end-customers must also comply with similar international regulations.

As these regulations and standards evolve, and if new regulations or standards are implemented, our end-customers may have to modify their products. The failure of their products to comply, or delays in compliance, with the existing and evolving industry regulations and standards could prevent or delay introduction of our antennas used in their products, which could harm our business. End-customer uncertainty regarding future policies may also affect demand for communications products, including our products. Moreover, channel partners or customers may require us, or we may otherwise deem it necessary or advisable, to alter our products to address actual or anticipated changes in the regulatory environment. Our inability to alter our products to address these requirements and any regulatory changes may have a material adverse effect on our business, operating results and financial condition.

We could be adversely affected by violations of the U.S. Foreign Corrupt Practices Act and similar worldwide anti-bribery laws.

We operate in several foreign countries. The U.S. Foreign Corrupt Practices Act and similar anti-bribery laws generally prohibit companies and their intermediaries from making improper payments to foreign government officials for the purpose of obtaining or retaining business. Practices in the local business communities of many countries outside the United States have a level of government corruption that is greater than that found in the developed world. Our policies mandate compliance with these anti-bribery laws and we have established policies and procedures designed to monitor compliance with these anti-bribery law requirements; however, we cannot assure that our policies and procedures will protect us from potential reckless or criminal acts committed by individual employees or agents. If we are found to be liable for anti-bribery law violations, we could suffer from criminal or civil penalties or other sanctions that could have a material adverse effect on our business.

Risks Related to Our Common Stock

The price of our common stock may be volatile.

The trading price of our common stock may be volatile and may fluctuate substantially in response to various factors. This may be especially true for companies with a small public float. Prior to our initial public offering, there was no public market for shares of our common stock. From August 12, 2016, the date that our common stock started trading on the Nasdaq Capital Market, through February 26, 2019, the trading price of our common stock has ranged from $7.31 per share to $29.30 per share. The trading price of our common stock depends on several factors, including those described in this "Risk Factors" section and elsewhere in this annual report, including:

- price and volume fluctuations in the overall stock market from time to time;
- volatility in the market prices and trading volumes of technology stocks;
- changes in operating performance and stock market valuations of other technology companies generally, or those in our industry in particular;
- sales of shares of our common stock by us or our stockholders;
- failure of financial analysts to maintain coverage of us, changes in financial estimates by any analysts who follow our company, or our failure to meet these estimates or the expectations of investors;
- the financial projections we may provide to the public, any changes in those projections or our failure to meet those projections;

- announcements by us or our competitors of new products or new or terminated significant contracts, commercial relationships or capital commitments;
- the public's reaction to our press releases, other public announcements and filings with the SEC;
- rumors and market speculation involving us or other companies in our industry;
- actual or anticipated changes in our operating results or fluctuations in our operating results;
- actual or anticipated developments in our business or our competitors' businesses or the competitive landscape generally;
- litigation involving us, our industry or both or investigations by regulators into our operations or those of our competitors;
- developments or disputes concerning our intellectual property or other proprietary rights;
- announced or completed acquisitions of businesses or technologies by us or our competitors;
- new laws or regulations or new interpretations of existing laws or regulations applicable to our business;
- changes in accounting standards, policies, guidelines, interpretations or principles;
- any major change in our management;
- general economic conditions and slow or negative growth of our markets; and
- other events or factors, including those resulting from war, incidents of terrorism or responses to these events.

In addition, the stock market in general, and the market for technology companies in particular, have experienced extreme price and volume fluctuations that have often been unrelated or disproportionate to the operating performance of those companies. Broad market and industry factors, as well as general economic, political and market conditions such as recessions or interest rate changes, may seriously affect the market price of our common stock, regardless of our actual operating performance. The realization of any of the above risks or any of a broad range of other risks, including those described in this "Risk Factors" section and elsewhere in this annual report on Form 10-K could have a dramatic and material adverse impact on the market price for our common stock.

In addition, in the past, following periods of volatility in the overall market and the market prices of particular companies' securities, securities class action litigations have often been instituted against these companies. Litigation of this type, if instituted against us, could result in substantial costs and a diversion of our management's attention and resources. Any adverse determination in any such litigation or any amounts paid to settle any such actual or threatened litigation could require that we make significant payments.

Our directors and principal stockholders own a significant percentage of our stock and will be able to exert significant control over matters subject to stockholder approval.

As of March 13, 2019, our directors, executive officers and holders of more than 5% of our common stock, together with their affiliates, beneficially owned, in the aggregate, approximately 19.5% of our outstanding common stock. As a result, these stockholders, acting together, would be able to significantly influence and may be able to control the outcome of matters submitted to our stockholders for approval, including the election of directors and any merger, consolidation or sale of all or substantially all of our assets. In addition, these stockholders, acting together, would be able to significantly influence and may be able to control the ability to control the management and affairs of our company. Accordingly, this concentration of ownership might adversely affect the market price of our common stock by:

- delaying, deferring or preventing a change in control of the company;
- impeding a merger, consolidation, takeover, or other business combination involving us; or
- a potential acquirer from making a tender offer or otherwise attempting to obtain control of the company**.**

If securities or industry analysts issue an adverse opinion regarding our stock our stock price and trading volume could decline.

The trading market for our common stock is influenced by the research and reports that securities or industry analysts may publish about us, our business, our market or our competitors. We currently have limited research coverage by securities and industry analysts. If any of the analysts who may cover us change their recommendation regarding our common stock adversely, or provide more favorable relative recommendations about our competitors, the trading price of our common stock would likely decline. If any analyst who may cover us were to cease coverage of our company or fail to regularly publish reports on us, we could lose visibility in the financial markets, which in turn could cause the trading price of our common stock or trading volume to decline.

Anti-takeover provisions in our charter documents and under Delaware law could make an acquisition of us, which may be beneficial to our stockholders, more difficult and may prevent attempts by our stockholders to replace or remove our current management and limit the market price of our common stock.

Provisions in our amended and restated certificate of incorporation and amended and restated bylaws may have the effect of delaying or preventing a change of control or changes in our management. Some of these provisions:

- authorize our board of directors to issue, without further action by the stockholders, up to 10,000,000 shares of undesignated preferred stock and up to 200,000,000 shares of authorized common stock;
- require that any action to be taken by our stockholders be effected at a duly called annual or special meeting and not by written consent;
- specify that special meetings of our stockholders can be called only by our board of directors, the Chairman, the Chief Executive Officer or the President;
- establish an advance notice procedure for stockholder approvals to be brought before an annual meeting of our stockholders, including proposed nominations of persons for election to our board of directors;
- establish that our board of directors is divided into three classes, Class I, Class II and Class III, with each class serving staggered terms;
- provide that our directors may be removed only for cause; and
- provide that vacancies on our board of directors may, except as otherwise required by law, be filled only by a majority of directors then in office, even if less than a quorum.

In addition, we are subject to the provisions of Section 203 of the Delaware General Corporation Law, which limits the ability of stockholders owning in excess of 15% of our outstanding voting stock to merge or combine with us. Furthermore, our amended and restated certificate of incorporation specifies that, unless we consent in writing to the selection of an alternative forum, the Court of Chancery of the State of Delaware will be the sole and exclusive forum for most legal actions involving actions brought against us by stockholders. We believe this provision benefits us by providing increased consistency in the application of Delaware law by chancellors particularly experienced in resolving corporate disputes, efficient administration of cases on a more expedited schedule relative to other forums and protection against the burdens of multi-forum litigation. However, the provision may have the effect of discouraging lawsuits against our directors and officers. The enforceability of similar choice of forum provisions in other companies' certificates of incorporation has been challenged in legal proceedings, and it is possible that, in connection with any applicable action brought against us, a court could find the choice of forum provisions contained in our amended and restated certificate of incorporation to be inapplicable or unenforceable in such action.

These anti-takeover provisions and other provisions in our amended and restated certificate of incorporation and amended and restated bylaws could make it more difficult for stockholders or potential acquirers to obtain control of our board of directors or initiate actions that are opposed by the then-current board of directors and could also delay or impede a merger, tender offer or proxy contest involving our company. These provisions could also discourage proxy contests and make it more difficult for you and other stockholders to elect directors of your choosing or cause us to take other corporate actions you desire. Any delay or prevention of a change of control transaction or changes in our board of directors could cause the market price of our common stock to decline.

We have never paid cash dividends on our common stock, and we do not anticipate paying cash dividends in the foreseeable future.

We have never declared or paid any cash dividends on our common stock and do not intend to pay any cash dividends in the foreseeable future. In addition, our second amended and restated loan and security agreement with Silicon Valley Bank restricts our ability to pay cash dividends on our common stock without the prior written consent of Silicon Valley Bank, and we may also enter into credit agreements or other borrowing arrangements in the future that will restrict our ability to declare or pay cash dividends on our common stock. We currently intend to retain any future earnings to fund the growth of our business. Any determination to pay dividends in the future will be at the discretion of our board of directors and will depend on our financial condition, operating results, capital requirements, general business conditions and other factors that our board of directors may deem relevant. As a result, capital appreciation, if any, of our common stock will be the sole source of gain for the foreseeable future.

An active trading market for our common stock may not be maintained.

Prior to our initial public offering in August 2016, there was not a public market for our common stock. Given the small size of our initial public offering, it may take some time for an active market to fully develop. We can provide no assurance that we will be able to maintain an active trading market for our shares. The lack of an active market may impair your ability to sell your shares at the time you wish to sell them or at a price that you consider reasonable. The lack of an active market may also reduce the fair market value of your shares. An inactive market may also impair our ability to raise capital to continue to fund operations by selling shares and may impair our ability to acquire other companies or technologies by using our shares as consideration.

Our inability to raise additional capital on acceptable terms in the future may limit our ability to develop and commercialize new solutions and technologies and expand our operations.

If our available cash balances anticipated cash flow from operations are insufficient to satisfy our liquidity requirements, including because of lower demand for our products as a result of other risks described in this “Risk Factors” section and elsewhere in this annual report, we may seek to raise additional capital through equity offerings, debt financings, collaborations or licensing arrangements. We may also consider raising additional capital in the future to expand our business, pursue strategic investments, take advantage of financing opportunities, or other reasons.

Additional funding may not be available to us on acceptable terms, or at all. If we raise funds by issuing equity securities, dilution to our stockholders could result. Any equity securities issued also may provide for rights, preferences or privileges senior to those of holders of our common stock. The terms of debt securities issued or borrowings could impose significant restrictions on our operations. The incurrence of indebtedness or the issuance of certain equity securities could result in increased fixed payment obligations and could also result in restrictive covenants, such as limitations on our ability to incur additional debt or issue additional equity, limitations on our ability to acquire or license intellectual property rights, and other operating restrictions that could adversely affect our ability to conduct our business. In addition, the issuance of additional equity securities by us, or the possibility of such issuance, may cause the market price of our common stock to decline. If we do not have, or are not able to obtain, sufficient funds, we may have to delay development or commercialization of our products or license to third parties the rights to commercialize products or technologies that we would otherwise seek to commercialize. If we raise additional funds through collaboration and licensing arrangements with third parties, it may be necessary to relinquish some rights to our technologies or our products, or to grant licenses on terms that are not favorable to us. If we are unable to raise adequate funds, we may have to liquidate some or all of our assets, or delay, reduce the scope of or eliminate some or all of our development programs. We also may have to reduce marketing, customer support or other resources devoted to our products or cease operations. Any of these actions could harm our business, operating results and financial condition.

We are an "emerging growth company" and we cannot be certain if the reduced disclosure requirements applicable to emerging growth companies will make our common stock less attractive to investors.

We are an "emerging growth company" as defined in the JOBS Act. For as long as we continue to be an emerging growth company, we may choose to take advantage of certain exemptions from various reporting requirements applicable to other public companies but not to emerging growth companies, which includes, among other things:

- exemption from the auditor attestation requirements under Section 404 of the Sarbanes-Oxley Act;
- reduced disclosure obligations regarding executive compensation in our periodic reports and proxy statements;
- exemption from the requirements of holding non-binding stockholder votes on executive compensation arrangements; and
- exemption from any rules requiring mandatory audit firm rotation and auditor discussion and analysis and, unless the SEC otherwise determines, any future audit rules that may be adopted by the Public Company Accounting Oversight Board.

We could be an emerging growth company until December 31, 2021, which is the last day of the fiscal year following the fifth anniversary after our initial public offering, or until the earliest of (i) the last day of the fiscal year in which we have annual gross revenue of $1 billion or more, (ii) the date on which we have, during the previous three year period, issued more than $1 billion in non-convertible debt or (iii) the date on which we are deemed to be a large accelerated filer under the federal securities laws. We will qualify as a large accelerated filer as of the first day of the first fiscal year after we have (i) more than $700 million in outstanding common equity held by our non-affiliates and (ii) been public for at least 12 months. The value of our outstanding common equity will be measured each year on the last day of our second fiscal quarter.

We cannot predict if investors will find our common stock less attractive if we rely on these exemptions. If some investors find our common stock less attractive as a result, there may be a less active trading market for our common stock and our stock price may be more volatile.

We incur significant increased costs as a result of operating as a public company, and our management is required to devote substantial time to comply with the laws and regulations affecting public companies, particularly after we are no longer an emerging growth company.

As a public company, particularly after we cease to qualify as an emerging growth company, we incur significant legal, accounting and other expenses that we did not incur as a private company, including costs associated with public company reporting and corporate governance requirements, to comply with the rules and regulations imposed by the Sarbanes-Oxley Act and the Dodd-Frank Act, as well as rules implemented by the SEC and Nasdaq. Our management and other personnel need to devote a substantial amount of time to these compliance initiatives and our legal and accounting compliance costs will increase. It is likely that we will need to hire additional staff in the areas of investor relations, legal and accounting. These new rules and regulations may make it more difficult and expensive for us to obtain director and officer liability insurance, and we may be required to accept reduced policy limits and coverage or incur substantially higher costs to obtain the same or similar coverage. As a result, it may be more difficult for us to attract and retain qualified individuals to serve on our board of directors or as executive officers. We are evaluating and monitoring developments regarding these rules, and we cannot predict or estimate the amount of additional costs we may incur or the timing of such costs.

For example, the Sarbanes-Oxley Act requires, among other things, that we maintain effective internal controls over financial reporting and disclosure controls and procedures. In particular, as a public company, we are required to perform system and process evaluations and testing of our internal control over financial reporting to allow management to report on the effectiveness of our internal controls over financial reporting, as required by Section 404 of the Sarbanes-Oxley Act. As described above, as an emerging growth company, we will not need to comply with the auditor attestation provisions of Section 404 for several years. Our testing, or the subsequent testing by our independent registered public accounting firm, may reveal deficiencies in our internal control over financial reporting that are deemed to be material weaknesses. Our compliance with Section 404 will require that we incur substantial accounting expense and management time on compliance-related issues. Moreover, if we are not able to comply with the requirements of Section 404 in a timely manner, or if we or our independent registered public accounting firm identify deficiencies in our internal control over financial reporting that are deemed to be material weaknesses, we could lose investor confidence in the accuracy and completeness of our financial reports, which could cause our stock price to decline.

When the available exemptions under the JOBS Act, as described above, cease to apply, we expect to incur additional expenses and devote increased management effort toward ensuring compliance with them. We cannot predict or estimate the amount of additional costs we may incur as a result of becoming a public company or the timing of such costs.

ITEM 1B. UNRESOLVED STAFF COMMENTS

None.

ITEM 2. PROPERTIES

Our corporate headquarters occupy approximately 10,300 square feet in San Diego, California, under a lease that expires in June 2020. We also lease a 4,300 square foot home facility and a 3,900 square foot home facility in Rancho Santa Fe, California and a 3,900 square foot home facility in Poway, California that are used as testing facilities. Additionally, we lease a manufacturing plant/facility in Scottsdale, Arizona. In addition, we lease an office space in Melbourne, Florida and office buildings in five locations outside of the United States in Shenzhen, China, Jiangsu Province, China, Shulin City, Taiwan, Gyeonggi-do, Korea and Cambridge, United Kingdom. We believe our facilities are suitable and sufficient to meet our current operating needs. We intend to add new facilities as we hire new employees, and we believe that the current headquarters in San Diego offers suitable additional space to accommodate such an expansion.

ITEM 3. LEGAL PROCEEDINGS

From time to time, we may be a party to legal proceedings and subject to claims incident in the ordinary course of business. Although the results of litigation and claims cannot be predicted with certainty, we believe that the final outcome of these matters will not have a material adverse effect on our financial condition or business. Regardless of the outcome, litigation can have an adverse impact on us because of defense and settlement costs, diversion of management resources, and other factors.

ITEM 4. MINE SAFETY DISCLOSURES

Not applicable.

PART II

ITEM 5. MARKET FOR REGISTRANT'S COMMON EQUITY, RELATED STOCKHOLDER MATTERS AND ISSUER PURCHASES OF EQUITY SECURITIES

Market Information

Our common stock is listed on the Nasdaq Capital Market under the symbol "AIRG".

Holders of Common Stock

As of March 13, 2019, there were 10,029,281 shares of our common stock outstanding held by approximately 68 holders of record of our common stock. This number was derived from our shareholder records and does not include beneficial owners of our common stock whose shares are held in the name of various dealers, clearing agencies, banks, brokers and other fiduciaries.

Dividend Policy

We have never declared or paid cash dividends on our common stock. We currently intend to retain all available funds and any future earnings for use in the operation of our business and do not anticipate paying any cash dividends on our common stock in the foreseeable future. Our second amended and restated loan and security agreement with Silicon Valley Bank restricts our ability to pay cash dividends on our common stock, and we may also enter into credit agreements or other borrowing arrangements in the future that will restrict our ability to declare or pay cash dividends on our common stock. Any future determination to declare dividends will be made at the discretion of our board of directors and will depend on our financial condition, operating results, capital requirements, general business conditions and other factors that our board of directors may deem relevant.

Equity Compensation Plan Information

See Part III, Item 12, "Security Ownership of Certain Beneficial Owners and Management and Related Stockholder Matters" for information regarding securities authorized for issuance under equity compensation plans.

Performance Graph

The information contained in this Performance Graph section shall not be deemed "soliciting material" or to be "filed" with the SEC, for purposes of Section 18 of the Securities Exchange Act of 1934, as amended, or the Exchange Act, or otherwise subject to the liabilities under that Section, and shall not be deemed to be incorporated by reference into any filing of Airgain, Inc. under the Securities Act of 1933, as amended, or the Securities Act, or the Exchange Act.

The following graph shows a comparison from August 12, 2016, the date our common stock commenced trading on the Nasdaq Capital Market, through December 31, 2018 of cumulative total return for our common stock, the Nasdaq Composite Index and the S&P Information Technology Index. Such returns are based on historical results and are not intended to suggest future performance. The graph assumes the investment of $100 on August 12, 2016 in our stock at the opening trading price of $8.00 and in the indices at the opening trading prices, with the reinvestment of dividends, although dividends have not been declared on our common stock.

Unregistered Sales of Equity Securities

None.

Issuer Repurchases of Equity Securities

In August 2017, our board of directors approved a share repurchase program pursuant to which we may purchase up to $7.0 million of shares of our common stock over the twelve-month period following establishment of the program. On August 7, 2018, the Board approved an extension to the existing share repurchase program for an additional twelve-month period ending August 7, 2019. The repurchases under the share repurchase program are made from time to time in the open market or in privately negotiated transactions and are funded from our working capital. Repurchases will be made in compliance with Rule 10b-18 of the Securities Exchange Act of 1934, as amended, subject to market conditions, available liquidity, cash flow, applicable legal requirements and other factors. All shares of common stock repurchased under our share repurchase program will be returned to the status of authorized but unissued shares of common stock.

The following table sets forth our repurchases of equity securities for the three months ended December 31, 2018:

Fiscal Period	Total Number of Shares Repurchased	Average Price Paid Per Share	Total Number of Shares Purchased As Part of a Publicly Announced Program	Approximate Dollar Amount of Shares That May Yet be Purchased Under the Program (1)
October 1, 2018 to October 31, 2018	—	—	—	—
November 1, 2018 to November 31, 2018	6,000	13.02	334,523	3,827,747
December 1, 2018 to December 31, 2018	22,791	11.38	357,314	3,568,470
Total during the three months ended December 31, 2018	80,991	$ 11.72	357,314	$ 3,568,470

(1) As of December 31, 2018, we have repurchased shares of common stock having an aggregate value of $3,431,530.

ITEM 6. SELECTED FINANCIAL DATA

The following tables set forth our selected historical financial data for each of our last five fiscal years during the period ended December 31, 2018. We have derived the statements of operations data for the years ended December 31, 2018, 2017, and 2016 and the balance sheet data as of December 31, 2018 and 2017 from our audited financial statements included elsewhere in this annual report. We have derived the statements of operations data for the year ended December 31, 2015 and 2014 and the balance sheet data as of December 31, 2016, 2015 and 2014 from our audited financial statements not included in this annual report. The following selected financial data should be read in conjunction with our financial statements and related notes included elsewhere in this annual report and "Management's Discussion and Analysis of Financial Condition and Results of Operations" included elsewhere in this annual report. Our historical results for any prior period are not indicative of our future results.

	For the Year Ended December 31,				
	2018	2017	2016	2015	2014
Sales	$ 60,625,212	$ 49,521,171	$ 43,433,867	$ 27,793,073	$ 25,509,572
Cost of goods sold	34,114,044	26,218,965	24,156,792	16,148,163	14,132,357
Gross profit	26,511,168	23,302,206	19,277,075	11,644,910	11,377,215
Operating expenses:					
Research and development	9,319,116	7,319,575	5,622,132	4,257,400	3,311,337
Sales and marketing	11,032,752	7,012,829	5,670,625	4,035,591	3,516,095
General and administrative	9,545,306	8,000,602	4,532,151	3,453,288	2,972,257
IPO costs	—	—	—	229,332	726,926
Total operating expenses	29,897,174	22,333,006	15,824,908	11,975,611	10,526,615
Income (loss) from operations	(3,386,006)	969,200	3,452,167	(330,701)	850,600
Other income	(903,229)	(197,740)	(289,721)	(60,981)	(2,743,871)
Income (loss) before income taxes	(2,482,777)	1,166,940	3,741,888	(269,720)	3,594,471
Provision for income taxes	101,543	25,685	8,181	622	6,171
Net income (loss)	(2,584,320)	1,141,255	3,733,707	(270,342)	3,588,300
Net income (loss) per share (1):					
Basic	$ (0.27)	$ 0.12	$ 0.65	$ (4.17)	$ 2.08
Diluted	$ (0.27)	$ 0.11	$ 0.40	$ (4.30)	$ (2.86)
Weighted average shares used in calculating income (loss) per share (1):					
Basic	9,520,947	9,485,271	3,373,316	651,593	555,805
Diluted	9,520,947	10,361,373	4,667,503	651,593	555,805

(1) See Note 1 of Notes to Financial Statements for an explanation of the method used to calculate net income or loss per share and the number of shares used in the computation of the net per share amounts.

	As of December 31,				
	2018	2017	2016	2015	2014
Balance Sheet Data:					
Cash and cash equivalents	$ 13,620,656	$ 15,026,068	$ 45,161,403	$ 5,335,913	$ 3,590,745
Short-term investments	20,168,981	21,287,064	—	—	—
Working capital	35,574,395	36,352,509	41,573,071	1,802,826	3,412,680
Total assets	52,907,112	56,297,908	56,063,503	15,260,414	8,733,058
Preferred stock warrant liability	—	—	—	709,504	809,974
Long-term notes payable	—	—	1,333,333	2,721,865	346,873
Preferred redeemable convertible stock	—	—	—	43,106,906	40,724,356
Preferred convertible stock	—	—	—	5,968,549	5,968,549
Additional paid in capital	93,583,069	89,907,766	88,582,470	—	—
Accumulated deficit	(44,994,061)	(42,409,741)	(43,550,996)	(46,475,746)	(44,389,408)
Total stockholders' equity (deficit)	45,147,332	46,224,979	45,032,402	(39,412,822)	(37,670,138)

ITEM 7. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

You should read the following discussion and analysis of our financial condition and operating results together with our financial statements and related notes included elsewhere in this annual report. This discussion and analysis contains forward-looking statements based upon current beliefs, plans and expectations that involve risks, uncertainties and assumptions. Our actual results may differ materially from those anticipated in these forward-looking statements as a result of various factors, including those set forth under "Risk Factors" or in other parts of this annual report.

Business Overview

We are a leading provider of advanced antenna technologies used to enable high performance wireless networking across a broad range of markets, including Consumer, Enterprise and Automotive. Our innovative antenna systems are designed to address key challenges with wireless system performance faced by our customers. We provide solutions to complex RF, engineering challenges and help improve wireless services that require higher throughput, broad coverage footprint, and carrier grade quality.

Within the Consumer market, our antennas are deployed in a large and growing market of devices that include consumer access points, wireless gateways, Wi-Fi Mesh systems, smart TVs, smart home devices, and set-top boxes, and support an array of technologies, that include WLAN, Wi-Fi, LTE, 5G and LPWAN.

Within the Enterprise market, our antennas are deployed across a wide range of systems, devices, and applications that include access points and gateways, small cells, and remote radio heads in high-density environments such as buildings, campuses, terminals and stadiums. Furthermore, within the enterprise market we support an array of technologies, including WiFi, LTE, 5G and LPWAN.

In the Automotive market, our antennas are deployed in a wide range of vehicles to support a variety of wireless connectivity solutions in the fleet and aftermarket segment. The majority of our revenues are currently derived from fleet and aftermarket sales and support a variety of technologies that include WiFi, 3G, LTE, Satellite and LPWAN. Going forward, our strategy is to augment our current sales in the automotive aftermarket with design wins and sales into the automotive OEMs and in 2018 we announced two design wins with automotive OEMs.

Our design teams partner with customers from the early stages of antenna prototyping to device throughput testing to facilitate optimal performance and quick time to market. Our capabilities include design, custom engineering support, integration, and OTA testing. These capabilities have resulted in a strong reputation across the OEM, ODM and chipset manufacturer ecosystem. Our competencies and strengths have helped us secure design wins used in multiple reference designs from leading Wi-Fi chipset vendors, OEMs, ODMs, chipset manufacturers and service providers rely on these reference designs and our engineering skills to deliver superior throughput performance. We view our relationship with OEM, ODM, chipset manufacturers and service providers as an important attribute to our long-term strategy and success.

We believe demand is growing rapidly for our advanced antenna solutions and there is a significant market opportunity. As the ability to provide mobile internet access has grown, our solutions and expertise have become more important to prospects and customers. As a passive component, embedded antennas can be viewed as a commodity. However, our design, engineering, and research show that antenna selection, placement, and testing can have significant improvements in device performance. We believe that we are chosen when performance is a more significant factor than price, and our distinctive focus on superior designs that provide increased range and throughput has allowed us to build a leadership position in the in-home WLAN device market.

Our financial highlights for 2018 include the following:

- Sales increased by 22% in 2018 compared to 2017. Our product sales increased across each of our targeted end markets.
- Gross profit as a percentage of sales decreased to 44% in 2018 compared to 47% in 2017. Our gross profit decreased due to a combination of sales mix within our end markets, introduction of new

products, pricing, and production related costs. Our gross profit in future periods will continue to be impacted by market conditions impacting our pricing power, the change in our sales mix and the introduction of new products.

- Income from operations decreased by $4.3 million in 2018 compared to 2017. Operating expenses in 2018 included a $2.0 million increase in non-recurring expenses related to a marketing-related agreement and its termination and executive severance and a $1.2 million increase in stock compensation expenses related to the vesting of options for a former executive. These non-recurring expenses in addition to increases in research and development, sales and marketing and general administrative expenses, offset by an increase in gross profit, led to the decrease in income from operations. We expect our research and development and sales and marketing expenses to continue to increase in the future periods but believe our general and administrative expenses will remain consistent with 2018.
- Our effective tax rate was 4% in 2018 compared to 2% in 2017. The variance from the U.S. federal statutory tax rate of 21% and 34% from 2018 to 2017 was due to the change in tax law.
- We ended 2018 with cash, cash equivalents, and short-term investments totaling $33.8 million.

We believe that our performance and future success depend upon several factors including manufacturing costs, investments in our growth, our ability to expand into growing addressable markets, including Consumer, Enterprise, and Automotive, the ASP of our products per device, the number of antennas per device, and our ability to diversify the number of devices that incorporate our antenna products. Our customers are extremely price conscious, and our operating results are affected by pricing pressure which may force us to lower prices below our established list prices. In addition, a few end-customer devices which incorporate our antenna products comprise a significant amount of our sales, and the discontinuation or modification of such devices may materially and adversely affect our sales and results of operations. Our ability to maintain or increase our sales depends on new and existing end-customers selecting our antenna solutions for their heterogeneous next-generation wireless devices and networks depends on the proliferation of Wi-Fi connected home devices and data intensive applications, investments in our growth to address customer needs, target new end markets, develop our product offerings and technology solutions and expand internationally, as well as successfully integrating past and any future acquisitions. While each of these areas presents significant opportunities for us, they also pose significant risks and challenges we must successfully address. We discuss many of these risks, uncertainties and other factors in this annual report in greater detail under the section entitled “Risk Factors.”

Seasonality

Our operating results historically have not been subject to significant seasonal variations. However, our operating results are affected by how customers make purchasing decisions around local holidays in China. For example, a national holiday the first week of October in China may cause customers to purchase product in the third quarter ahead of their holiday season to account for higher volume requirements in the fourth quarter. In addition, although it is difficult to make broad generalizations, our sales tend to be lower in the first quarter of each year compared to other quarters due to the Chinese New Year. Results for any quarter may not be indicative of the results that may be achieved for the full fiscal year and these patterns may change as a result of general customer demand or product cycles.

Key Components of Our Results of Operations and Financial Condition

Sales

We primarily generate revenue from the sales of our products. As discussed further in “Critical Accounting Policies and Significant Judgments and Estimates” below, we recognize revenue when persuasive evidence of an arrangement exists, delivery has occurred, the fee is fixed or determinable, and collectability is reasonably assured. We generally recognize sales at the time of shipment to our customers, provided that all other revenue recognition criteria have been met. Although currently insignificant, we may also generate service revenue derived from agreements to provide design, engineering, and testing for a customer.

Cost of Goods Sold

The cost of goods sold reflects the cost of producing antenna products that are shipped for our customers' devices. This primarily includes manufacturing costs of our products payable to our third-party contract manufacturers, as well as manufacturing costs incurred at our manufacturing facility in Arizona. The cost of goods sold that we generate from services provided to customers primarily includes personnel costs.

Operating Expenses

Our operating expenses are classified into three categories: research and development, sales and marketing, and general and administrative. For each category, the largest component is personnel costs, which includes salaries, employee benefit costs, bonuses, and stock-based compensation. Operating expenses also include allocated overhead costs for depreciation of equipment, facilities and information technology. Allocated costs for facilities consist of leasehold improvements and rent. Operating expenses are generally recognized as incurred.

Research and development. Research and development expenses primarily consist of personnel and facility-related costs attributable to our engineering research and development personnel. These expenses include work related to the design, engineering and testing of antenna designs, and antenna integration, validation and testing of customer devices. These expenses include salaries, including stock-based compensation, benefits, bonuses, travel, communications, and similar costs, and depreciation and allocated operating expenses such as office supplies, premises expenses and insurance. We may also incur expenses from consultants and for prototyping new antenna solutions. We expect research and development expense to continue to increase in future periods as we continue to invest in the development of new solutions and markets and as we invest in improving efficiencies within our supply chain, although our research and development expense may fluctuate as a percentage of total sales.

Sales and marketing. Sales and marketing expenses primarily consist of personnel and facility-related costs for our sales, marketing, and business development personnel, stock-based compensation, bonuses and commissions earned by our inside sales representatives and third-party sales representative firms. Sales and marketing expense also includes the costs of trade shows, marketing programs, promotional materials, demonstration equipment, travel, recruiting, and allocated costs for certain facilities. We expect sales and marketing expense to increase in future periods as we continue to invest in our growth opportunities, although our sales and marketing expense may fluctuate as a percentage of total sales.

General and administrative. General and administrative expenses primarily consist of personnel and facility- related costs for our executive, finance, and administrative personnel, including stock-based compensation, as well as legal, accounting, and other professional services fees, depreciation, and other corporate expenses. We have recently incurred, and expect to continue to incur, additional expenses as we grow our operations and operate as a public company, including higher legal, corporate insurance and accounting expenses, and the additional costs of achieving and maintaining regulatory compliance. We expect general and administrative expense to remain consistent with 2018, although our general and administrative expense may fluctuate as a percentage of total sales.

Other Income

Interest Income. Interest income consists of interest from our cash and cash equivalents and our short-term investments.

Gain on Deferred Purchase Price Liability. During the year ending December 31, 2018, Skycross, Inc. and us came to an agreement that we would pay Skycross $375,000 for deferred consideration under our asset purchase agreement entered into in December 2015. Gain on deferred consideration consists of the variance between the amount paid to Skycross for the deferred purchase price and the elimination of the accounts receivable due from Skycross and the accounts payable due to Skycross.

Interest Expense. Interest expense consists of interest on our outstanding debt.

Fair Market Value Adjustments—Warrants. Consists of the change in fair value of our convertible preferred stock warrant liability. The preferred stock warrants are classified as liabilities on our balance sheets and their estimated fair value is re-measured at each balance sheet date using a combination of an option-pricing model and current value model under the probability-weighted return method, with the corresponding change recorded within other expense (income). In May 2016, the warrants were amended such that they became immediately exercisable into shares of our common stock. Concurrent with such amendment, the holders of the outstanding warrants elected to net exercise the warrants, and they were granted an aggregate of 127,143 shares of our common stock. Following such net exercise, there will be no future re-measurement of the warrant liability.

Provision for Income Taxes

Provision for income taxes consists of federal and state income taxes. In assessing the realizability of deferred tax assets, management considers whether it is more likely than not that some portion or all of the deferred tax assets will not be realized. The ultimate realization of deferred tax assets is dependent upon the generation of future taxable income during the periods in which those temporary differences become deductible. Management considers the scheduled reversal of deferred tax liabilities (including the impact of available carryback and carryforward periods), projected future taxable income, and tax-planning strategies in making this assessment. It is difficult for us to project future taxable income as the timing and size of sales of our products are variable and difficult to predict. We concluded that it is not more likely than not that we will utilize our deferred tax assets other than those that are offset by reversing temporary differences.

On December 22, 2017, the 2017 Tax Act, was enacted. The 2017 Tax Act includes a number of changes to existing U.S. tax laws that impact us, most notably a reduction of the U.S. corporate income tax rate from 35% to 21% effective for tax years beginning January 1, 2018. The 2017 Tax Act changes primarily affected our tax rate on certain deferred tax assets and deferred tax liabilities.

Results of Operations

The following tables set forth our operating results for the periods presented as a percentage of our total sales for those periods. The period-to-period comparison of financial results is not necessarily indicative of financial results to be achieved in future periods.

	For the Year Ended December 31,		
	2018	2017	2016
	(calculated as a percentage of associated sales)		
Statement of Operations Data:			
Sales	100.0%	100.0%	100.0%
Cost of goods sold	56.3%	52.9%	55.6%
Gross profit	43.7%	47.1%	44.4%
Operating expenses:			
Research and development	15.4%	14.8%	12.9%
Sales and marketing	18.2%	14.2%	13.1%
General and administrative	15.7%	16.2%	10.4%
Total operating expenses	49.3%	45.2%	36.4%
Income (loss) from operations	(5.6)%	1.9%	8.0%
Other income	(1.5)%	(0.4)%	(0.7)%
Income (loss) before income taxes	(4.1)%	2.3%	8.7%
Provision for income taxes	0.2%	0.1%	0.0%
Net income (loss)	(4.3)%	2.2%	8.7%

Comparison of the Years Ended December 31, 2018, 2017 and 2016

	For the Year Ended December 31,			
	2018	2017	Increase/(Decrease)	% Change
Sales	$ 60,625,212	$ 49,521,171	$ 11,104,041	22.4%

	For the Year Ended December 31,			
	2017	2016	Increase/(Decrease)	% Change
Sales	$ 49,521,171	$ 43,433,867	$ 6,087,304	14.0%

The increase in sales of $11.1 million from $49.5 million for the year ended December 31, 2017 to $60.6 million for the year ended December 31, 2018, was primarily driven by an increase in demand within the Consumer, Enterprise and Automotive markets.

The increase in sales of $6.1 million from $43.4 million for the year ended December 31, 2016 to $49.5 million for the year ended December 31, 2017, was primarily driven by an increase in demand within the Consumer market.

Cost of Goods Sold

	For the Year Ended December 31,			
	2018	2017	Increase/(Decrease)	% Change
Cost of goods sold	$ 34,114,044	$ 26,218,965	$ 7,895,079	30.1%

	For the Year Ended December 31,			
	2017	2016	Increase/(Decrease)	% Change
Cost of goods sold	$ 26,218,965	$ 24,156,792	$ 2,062,173	8.5%

The increase in cost of goods sold between the years ended December 31, 2018 and December 31, 2017, was primarily due to an increase in costs of goods sold within the Consumer and Enterprise markets

The increase in cost of goods sold between the years ended December 31, 2017 and December 31, 2016, was primarily due to an increase in the Consumer market and the carrier gateway and set-top-box products.

Gross Profit

	For the Year Ended December 31,			
	2018	2017	Increase/(Decrease)	% Change
Gross profit	$ 26,511,168	$ 23,302,206	$ 3,208,962	13.8%
Gross profit (percentage of sales)	43.7%	47.1%		-3.3%

	For the Year Ended December 31,			
	2017	2016	Increase/(Decrease)	% Change
Gross profit	$ 23,302,206	$ 19,277,075	$ 4,025,131	20.9%
Gross profit (percentage of sales)	47.1%	44.4%		2.7%

Gross profit as a percentage of sales decreased 3.3% for the year ended December 31, 2018 as compared to the year ended December 31, 2017. The decrease in gross profit as a percentage of sales was primarily driven by a shift in the sales mix for the year ended December 31, 2018 when compared to the year ended December 31, 2017.

Gross profit as a percentage of sales increased 2.7% for the year ended December 31, 2017 as compared to the year ended December 31, 2016. The increase in gross profit as a percentage of sales was primarily driven by a shift in the sales mix for the year ended December 31, 2017 when compared to the year ended December 31, 2016.

Operating Expenses

	For the Year Ended December 31,			
	2018	2017	Increase/(Decrease)	% Change
Operating Expenses				
Research and development	$ 9,319,116	$ 7,319,575	$ 1,999,541	27.3%
Sales and marketing	11,032,752	7,012,829	4,019,923	57.3%
General and administrative	9,545,306	8,000,602	1,544,704	19.3%
Total	$ 29,897,174	$ 22,333,006	$ 7,564,168	33.9%

	For the Year Ended December 31,			
	2017	2016	Increase/(Decrease)	% Change
Operating Expenses				
Research and development	$ 7,319,575	$ 5,622,132	$ 1,697,443	30.2%
Sales and marketing	7,012,829	5,670,625	1,342,204	23.7%
General and administrative	8,000,602	4,532,151	3,468,451	76.5%
Total	$ 22,333,006	$ 15,824,908	$ 6,508,098	41.1%

Research and Development

Research and development expense increased $2.0 million for the year ended December 31, 2018 compared to the year ended December 31, 2017, primarily due to a $1.4 million increase in operating expenses associated with increase in personnel expenses associated with headcount increases, $0.4 million increase in miscellaneous research and development expenses and $0.1 million increase in depreciation.

Research and development expense increased $1.7 million for the year ended December 31, 2017 compared to the year ended December 31, 2016, primarily due to a $0.7 million increase in operating expenses associated with the acquisition of the Antenna Plus assets, $0.7 million increase in personnel expenses associated with headcount increases and $0.3 million increase in miscellaneous research and development expenses.

Sales and Marketing

Sales and marketing expense increased $4.0 million for the year ended December 31, 2018 compared to the year ended December 31, 2017, primarily due to $1.5 million increase in non-recurring expenses related to a marketing-related agreement and its termination and executive severance, $1.2 million increase in marketing expenses, $0.9 million increase in personnel expenses associated with headcount increases and $0.2 million increase in miscellaneous sales and marketing expenses.

Sales and marketing expense increased $1.3 million for the year ended December 31, 2017 compared to the year ended December 31, 2016, primarily due to a $0.6 million increase in operating expenses associated with the acquisition of the Antenna Plus assets, $0.5 million increase in personnel expenses associated with headcount increases, $0.1 million increase in travel and entertainment and $0.1 million increase in miscellaneous sales and marketing expenses.

General and Administrative

General and administrative expense increased $1.5 million for the year ended December 31, 2018 compared to the year ended December 31, 2017, primarily due to a $1.2 million increase in stock compensation expenses related to the acceleration of stock compensation expense for a former executive, $0.5 million in non-recurring expenses related to executive severance, and $0.4 million increase in personnel expenses associated with headcount increases offset by a $0.6 million decrease in outsourced services.

General and administrative expense increased $3.5 million for the year ended December 31, 2017 compared to the year ended December 31, 2016, primarily due to a $0.9 million increase in acquisition costs, $0.8 million increase in costs of being a public company, $0.7 million increase in operating expenses associated with the acquisition of the Antenna Plus assets, $0.6 million increase in personnel expenses associated with headcount increases, $0.2 million increase in expense due to the completion of the R&D tax credit study and $0.1 million increase in corporate legal expenses.

Other Income

	For the Year Ended December 31,			
	2018	2017	Increase/(Decrease)	% Change
Other expense (income):				
Interest income	$ (584,735)	$ (296,451)	$ (288,284)	97.2%
Interest expense	30,988	98,711	(67,723)	-68.6%
Gain on deferred purchase price liability	(388,733)	—	(388,733)	0.0%
Loss on disposal of fixed assets	39,251	—	39,251	0.0%
Total	$ (903,229)	$ (197,740)	$ (705,489)	356.8%

	For the Year Ended December 31,			
	2017	2016	Increase/(Decrease)	% Change
Other expense (income):				
Interest income	$ (296,451)	$ (7,803)	$ (288,648)	3699.2%
Interest expense	98,711	178,371	(79,660)	-44.7%
Fair market value adjustment, warrants	—	(460,289)	460,289	-100.0%
Total	$ (197,740)	$ (289,721)	$ 91,981	-31.7%

Other income increased $0.7 million for the year ended December 31, 2018 compared to the year ended December 31, 2017, primarily due to a $0.4 million gain on deferred purchase price liability, $0.3 million increase in interest income from investments, offset by a $70,000 decrease in interest expense and $40,000 loss on disposal of fixed assets.

Other income decreased $0.1 million for the year ended December 31, 2017 compared to the year ended December 31, 2016 primarily due to a $0.5 million decrease in the warrant fair market value adjustment partially offset by and a $0.1 million decrease in interest expense and a $0.3 million increase in interest income.

Liquidity and Capital Resources

We had cash and cash equivalents of $13.6 million and $20.2 million in short-term investments at December 31, 2018. In August 2017, we transferred a portion of our cash into an investment account. In April 2017, we paid approximately $6.3 million in cash, net of post-closing working capital adjustments, in connection with the acquisition of the Antenna Plus assets. In August 2016, we completed our initial public offering, or IPO, and received net proceeds of approximately $11.0 million, including the sale of shares pursuant to the exercise of the underwriters' over-allotment option and after deducting underwriting discounts and commissions and offering-related transaction costs. In December 2016, we completed our public offering of common stock and received net proceeds of approximately $26.0 million, including the sale of shares pursuant to the exercise of the underwriters' over-allotment option and after deducting underwriting discounts and commissions and estimated offering-related transaction costs.

Before 2013, we had incurred net losses in each year since our inception. As a result, we had an accumulated deficit of $45.0 million at December 31, 2018.

Since inception, we have primarily financed our operations and capital expenditures through private sales of preferred stock, public offerings of our common stock and cash flows from our operations. We have raised an aggregate of $29.5 million in net proceeds from the issuance of our preferred stock and convertible promissory notes and $37.0 million from the sale of common stock in public offerings.

As of December 31, 2018, we had paid off the remaining balance outstanding under a term loan pursuant to our prior amended and restated loan and security agreement with Silicon Valley Bank. In addition, under our second amended and restated loan and security agreement with Silicon Valley Bank, or the Amended Loan Agreement, we have a revolving line of credit for $10.0 million. As of December 31, 2018, there was no balance owed on the line of credit.

On January 31, 2018, we entered into the Amended Loan Agreement with Silicon Valley Bank. The Amended Loan Agreement amended and restated the terms of our prior amended and restated loan and security agreement with Silicon Valley Bank. The agreement, among other things, increased the aggregate principal amount available under the revolving line of credit from $3.0 million to $10.0 million and modified certain existing financial covenants. Under the Amended Loan Agreement, we may borrow up to $10.0 million under the line of credit, subject to a borrowing base limit of 80% of the aggregate face amount of all eligible receivables. The agreement removed the minimum EBITDA requirement previously applicable to the line of credit and term loan and maintained the liquidity ratio financial covenant such we must maintain a ratio of cash and cash equivalents plus accounts receivable to outstanding debt under Amended Loan Agreement minus deferred revenue of 1.25 to 1.00. We will be required to pay interest on borrowings outstanding, if any, under the revolving line of credit at a floating rate per annum equal to 1% above the Wall Street Journal prime rate (or, if unavailable, the SVB prime rate) on a monthly basis, so long as we maintain a liquidity ratio of cash and cash equivalents plus accounts receivable to outstanding debt under the Amended Loan Agreement minus deferred revenue of 1.50 to 1.00. If this liquidity ratio is not met, we will be subject to a minimum interest charge of $3,000 per month and borrowings outstanding, if any, under the revolving line of credit will accrue interest at a floating rate per annum equal to 2% above the Wall Street Journal prime rate (or if unavailable, the SVB prime rate) on a monthly basis. Borrowings outstanding on the Amended Loan Agreement matured on December 1, 2018, at which time all remaining balances on the loan were repaid. The revolving line of credit matures on January 31, 2020.

Silicon Valley Bank maintains a first security interest over our assets, excluding intellectual property, for which Silicon Valley Bank has received a negative pledge. The Amended Loan Agreement contains customary affirmative and negative covenants and events of default applicable to us and any subsidiaries.

In August 2017, our board of directors approved a share repurchase program pursuant to which we may purchase up to $7.0 million shares of our common stock over the twelve month period following the establishment of the program. The repurchases under the share repurchase program are made from time to time in the open market or in privately negotiated transactions and are funded from our working capital. Repurchases will be made in compliance with Rule 10b-18 of the Securities Exchange Act of 1934, as amended, subject to market conditions, available liquidity, cash flow, applicable legal requirements and other factors. All shares of common stock repurchased under our share repurchase program will be returned to the status of authorized and issued shares of common stock. In August 2018, our board of directors approved an extension to our share repurchase program for an additional twelve-month period ending August 14, 2019. During the year ended December 31, 2018, we repurchased 222,314 shares of common stock under the repurchase program. These shares were repurchased at an average price per share of $9.78, for a total cost of $2.2 million. Since inception of the stock repurchase program, we have purchased a total of 357,314 shares for a total cost of $3.4 million.

We plan to continue to invest for long-term growth, including expanding our sales force and engineering organizations and making additional capital expenditures to further penetrate markets both in the United States and internationally, as well as expanding our research and development for new product offerings and technology solutions. We anticipate that these investments will continue to increase in absolute dollars. We believe that our existing cash and cash equivalents balance together with cash proceeds from operations will be sufficient to meet our working capital requirements for at least the next 12 months.

The following table presents a summary of our cash flow activity for the periods set forth below:

	For the Year Ended December 31,		
	2018	2017	2016
Net cash provided by (used in) operating activities	$ 1,376,514	$ (254,656)	$ 4,669,277
Net cash provided by (used in) investing activities	335,570	(27,824,279)	(275,649)
Net cash provided by (used in) financing activities	(3,117,496)	(2,056,400)	35,431,862
Net increase (decrease) in cash and cash equivalents	$ (1,405,412)	$ (30,135,335)	$ 39,825,490

Net Cash Provided by (Used in) Operating Activities. Net cash provided by operating activities was $1.4 million for the year ended December 31, 2018. This was primarily driven by net non-cash operating expenses of $3.7 million and the change in operating assets and liabilities of $0.3 million, offset by our net loss of $2.6 million.

Net cash used in operating activities was $0.3 million for the year ended December 31, 2017. This was primarily driven by our net income of $1.1 million, net non-cash operating expenses of $1.7 million and the change in operating assets and liabilities of $3.1 million

Net cash provided by operating activities was $4.7 million for the year ended December 31, 2016. This was primarily driven by our net income of $3.7 million, net non-cash operating expenses of $1.2 million and the change in operating assets and liabilities of $0.2 million, offset by a decrease in the warrant liability of $0.5 million.

Net Cash Provided by (Used in) Investing Activities. Net cash provided by investing activities was $0.3 million for the year ended December 31, 2018. This consisted of $29.7 million in in purchases of available-for-sale securities, $1.0 million of purchases of property and equipment, offset by $31.0 million in maturities of available-for-sale securities.

Net cash used in investing activities was $27.8 million for the year ended December 31, 2017. This consisted of $22.0 million in purchases of available-for-sale securities, $6.3 million in cash paid for the acquisition of the Antenna Plus assets, $0.3 million of purchases of property and equipment, offset by $0.8 million in maturities of available-for-sale securities.

Net cash used in investing activities was $0.3 million for the year ended December 31, 2016. This consisted of the purchase of property and equipment.

Net Cash Provided by (Used in) Financing Activities. Net financing activities for the year ended December 31, 2018 used net cash of $3.1 million and primarily consisted of repayment of notes payable in the amount of $1.3 million, common stock repurchases in the amount of $2.2 million, and $0.4 million on the settlement of acquisition related deferred purchase price, offset by proceeds from the exercise of stock options in the amount of $0.8 million.

Net financing activities for the year ended December 31, 2017 used net cash of $2.1 million and primarily consisted of repayment of notes payable in the amount of $1.4 million, common stock repurchases in the amount of $1.3 million offset by proceeds from the exercise of stock options in the amount of $0.6 million.

Net financing activities for the year ended December 31, 2016 provided net cash of $35.4 million and primarily consisted of net proceeds received from our IPO and subsequent public offering of common stock in the amount of $36.8 million, collectively, offset by the repayment of notes in the amount of $1.6 million.

Contractual Obligations and Commitments

The following table summarizes our contractual obligations at December 31, 2018:

		Payments Due by Period			
	Total	Less than 1 Year	1-3 Years	3-5 Years	More than 5 Years
			(in thousands)		
Operating Leases					
Office leases	$ 1,697	$ 934	$ 763	$ —	$ —
Total	$ 1,697	$ 934	$ 763	$ —	$ —

We have entered into lease agreements for office space and research facilities in San Diego, California; Rancho Santa Fe, California; Poway, California; Scottsdale, Arizona; Melbourne, Florida; Taipei, Taiwan; Shenzhen and Jiangsu, China; and Cambridge, United Kingdom; under non-cancelable operating leases that expire at various dates through 2020.

We subcontract with other companies to manufacture our products. During the normal course of business, our contract manufacturers procure components based upon orders placed by us. If we cancel all or part of the orders, we may still be liable to the contract manufacturers for the cost of the components purchased by the subcontractors to manufacture our products. We periodically review the potential liability, and as of December 31, 2018, we have no significant accruals recorded. Our financial position and operating results could be negatively impacted if we were required to compensate the contract manufacturers for any unrecorded liabilities incurred.

Off-Balance Sheet Arrangements

We do not have any off-balance sheet arrangements (as defined by applicable regulations of the Securities and Exchange Commission) that are reasonably likely to have a current or future material effect on our financial condition, results of operations, liquidity, capital expenditures or capital resources.

Critical Accounting Policies and Significant Judgments and Estimates

Our management's discussion and analysis of financial condition and operating results is based on our financial statements, which have been prepared in accordance with GAAP. The preparation of these financial statements requires us to make estimates and assumptions that affect the reported amounts of assets and liabilities and the disclosure of contingent assets and liabilities at the date of the financial statements, as well as the reported sales and expenses during the reporting periods. These items are monitored and analyzed by us for changes in facts and circumstances, and material changes in these estimates could occur in the future. We base our estimates on 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. Changes in estimates are reflected in reported results for the period in which they become known. Actual results may differ materially from these estimates under different assumptions or conditions.

We have elected to use the extended transition period for complying with new or revised financial accounting standards available under Section 102(b)(2)(B) of the Securities Act of 1933, as amended. This election allows us to delay the adoption of new or revised accounting standards that have different effective dates for public and private companies until those standards apply to private companies. As a result of this election, our financial statements may not be comparable to companies that comply with public company effective dates.

While our significant accounting policies are more fully described in the notes to our financial statements in this annual report, we believe that the following accounting policies are critical to the process of making significant judgments and estimates in the preparation of our financial statements and understanding and evaluating our reported financial results.

Revenue Recognition

We generate revenue from the sale of our antenna products. We recognize revenue when products are shipped and the customer takes ownership and assumes risk of loss, collection of the relevant receivable is reasonably assured, persuasive evidence of an arrangement exists, and the sales price is fixed or determinable. Title and risk of loss transfer to customers either when the products are shipped to or received by the customer, based on the terms of the specific agreement with the customer. We incur selling expenses to obtain design wins prior to revenue recognition, which is not a deliverable of a revenue arrangement. In August 2018, the Financial Accounting Standards Board, or FASB, issued Accounting Standards Update, or ASU, No. 2018-13, *Revenue from Contracts with Customers (Topic 606).* We have assessed the new guidance and have determined that the new guidance will result in a change to the timing of revenue recognition for certain of our products from "point in time" upon physical delivery to an "over time" model. We are in the process of finalizing the new accounting policies, processes, and internal controls necessary to support the requirements.

A portion of our sales is made through distributors under agreements allowing for pricing credits and/or rights of return under certain circumstances. Pricing credits and returns under these provisions have been insignificant; accordingly, our allowance for sales returns and pricing credits was insignificant.

To date, services revenues have been immaterial as a percentage of total revenues. Service revenues are recognized ratably over the term of the agreement.

Business Combinations

We use an outside third party consultant to help determine the allocation of the purchase price of a business combination to the assets acquired and liabilities assumed, such as for our acquisition of the Skycross and Antenna Plus assets and related liabilities. The fair values assigned, defined as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, are determined based on estimates and assumptions made by management. We record any excess consideration over the aggregate fair value of tangible and intangible assets, net of liabilities assumed, as goodwill. These valuations require us to make significant estimates and assumptions, especially with respect to intangible assets.

Stock-based Compensation

We recognize compensation costs related to stock options granted to employees based on the estimated fair value of the awards on the date of grant, net of estimated forfeitures. We estimate the grant date fair value, and the resulting stock-based compensation expense, using the Black-Scholes-Merton option-pricing model. The grant date fair value of stock-based awards is expensed on a straight-line basis over the vesting period of the respective award.

We account for stock-based compensation arrangements with non-employees using a fair value approach. The fair value of these options is measured using the Black-Scholes-Merton option-pricing model reflecting the same assumptions as applied to employee options in each of the reported periods, other than the expected life, which is assumed to be the remaining contractual life of the option. The compensation costs of these arrangements are subject to remeasurement over the vesting terms as earned.

We recorded stock-based compensation expense of approximately $2.9 million, $ 0.7 million and $ 0.3 million for the years ended December 31, 2018, 2017 and 2016, respectively. We expect to continue to grant stock options and other equity-based awards in the future, and to the extent that we do, our stock-based compensation expense recognized in future periods will likely increase.

The Black-Scholes-Merton option-pricing model requires the use of highly subjective and complex assumptions, which determine the fair value of stock-based awards. If we had made different assumptions, our stock-based compensation expense, net loss and net loss per share of common stock could have been significantly different.

Our assumptions are as follows:

- *Fair value of our common stock.* Prior to our initial public offering, we estimated the fair value of our common stock. See "Significant Factors, Assumptions and Methodologies Used in Determining Fair Value of Our Common Stock" below. Upon the closing of our initial public offering, our common stock is valued by reference to the publicly traded price of our common stock.
- *Expected term.* The expected term represents the period that the stock-based awards are expected to be outstanding. Our historical share option exercise experience does not provide a reasonable basis upon which to estimate an expected term because of a lack of sufficient data. Therefore, we estimate the expected term by using the simplified method, which calculates the expected term as the average of the time-to-vesting and the contractual life of the options.
- *Expected volatility.* We have historically been a private company. Therefore, we historically estimated the expected volatility based on the average historical volatilities of publicly traded companies within our industry that we consider to be comparable to our business over a period approximately equal to the expected term. We intend to continue to consistently apply this process using the same or similar public companies until a sufficient amount of historical information regarding the volatility of our own common stock price becomes available, or unless circumstances change such that the identified companies are no longer similar to us, in which case, more suitable companies whose share prices are publicly available would be utilized in the calculation. In 2018, we started including our companies historical volatilities in the expected volatility calculation by equaling weighting the historical and implied volatility of our common stock.
- *Risk-free interest rate.* The risk-free interest rate is based on the U.S. Treasury yield in effect at the time of grant for zero coupon U.S. Treasury notes with maturities approximately equal to the expected term.
- *Expected dividend.* The expected dividend is assumed to be zero as we have never paid dividends and have no current plans to pay any dividends on our common stock.

Preferred Redeemable Convertible Stock Warrant Liability

As of December 31, 2015, we had issued freestanding warrants exercisable to purchase shares of our Series G preferred redeemable convertible stock. These warrants were classified as a liability in the accompanying balance sheets, because the terms for redemption of the underlying security were outside our control. The warrants were recorded at fair value using a combination of an option pricing model and current value model under the probability-weighted return method. The fair value of all warrants was remeasured at each balance sheet date with any changes in fair value being recognized in the statement of operations. In May 2016, the warrants were amended such that the warrants became immediately exercisable into shares of our common stock. Concurrent with such amendment, the holders of the outstanding warrants elected to net exercise the warrants, and were granted an aggregate of 127,143 shares of our common stock. Following such net exercise, there will be no future re-measurement of the warrant liability.

Recent Accounting Pronouncements

In August 2018, the FASB issued ASU No. 2018-15, *Intangibles – Goodwill and Other – Internal-Use Software*, which aligns the requirements for capitalizing implementation costs incurred in a hosting arrangement that is a service contract with the requirements for capitalizing implementation costs incurred to develop or obtain internal-use software. ASU 2018-15 is effective for fiscal years beginning after December 15, 2020, and interim periods within annual periods beginning after December 15, 2021. Early adoption is permitted. We adopted this standard during the year ended December 31, 2018. The impact on the financial statements are immaterial.

In August 2018, the FASB issued ASU No. 2018-13, *Fair Value Measurement: Disclosure Framework – Changes to Disclosure for Fair Value Measurement*, which modifies the disclosure requirements on fair value measurements. ASU 2018-13 is effective for fiscal years beginning after December 15, 2019 and interim periods within those fiscal years. Early adoption is permitted. We adopted this standard during the year ended December 31, 2018. The impact on the financial statements are immaterial.

In May 2014, the FASB issued ASU No. 2014-09, *Revenue from Contracts with Customers (Topic 606)*, which requires an entity to recognize the amount of revenue to which it expects to be entitled for the transfer of promised goods and services to customers. The standard will replace most existing revenue recognition guidance in GAAP when it becomes effective. ASU 2014-09 is effective for reporting periods beginning after December 15, 2018, and interim periods in fiscal years beginning after December 15, 2019. We will adopt the new guidance for fiscal year 2019 using the modified retrospective approach. We have assessed that the new guidance will result in a change to the timing of revenue recognition for certain of our products from "point in time" upon physical delivery to an "over time" model. We are in the process of finalizing our new accounting policies, processes, and internal controls necessary to support the requirements of Topic 606, and are still evaluating the full impact the standard will have on our financial reporting.

In February 2016, the FASB issued ASU No. 2016-02, *Leases (Topic 842)*, which requires lessees to recognize most leases on their balance sheets as lease liabilities with corresponding right-of-use assets. ASU 2016-02 is effective for annual periods beginning after December 15, 2019, and interim periods in fiscal years beginning after December 15, 2020. We are evaluating the effect that ASU 2016-02 will have on our financial statements and related disclosures. We have not yet selected a transition method nor have we determined the effect of the standard on our ongoing financial reporting.

ITEM 7A. QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK

Interest Rate Sensitivity

Our investment portfolio is exposed to market risk from changes in interest rates. The fair market value of fixed rate securities may be adversely impacted by fluctuations in interest rates while income earned on floating rate securities may decline as a result of decreases in interest rates. Under our current investment policies, we do not use interest rate derivative instruments to manager exposure to interest rate changes. We attempt to ensure the safety and preservation of our invested principal funds by limiting default risk, market risk, and reinvestment risk. We mitigate default risk by investing in investment grade securities. We maintain a relatively short average maturity for our investment portfolio, and we believe a hypothetical 100 basis point adverse move in interest rates along the entire interest rate yield curve would not material affect the fair value of our interest sensitive financial statements.

Our long-term debt bears interest at a fixed rate and therefore has minimal exposure to changes in interest rates. At December 31, 2017, our undrawn revolving credit facility under our loan and security agreement with Silicon Valley Bank bore interest at the U.S. prime rate (5.50% as of December 31, 2018) plus 1.25% and was subsequently amended and restated on January 31, 2018, and currently bears interest at the Wall Street Journal prime rate plus 1.00%. If we draw funds from our revolving credit facility, we will be exposed to interest rate sensitivity, which is affected by changes in the Wall Street Journal prime rate.

Foreign Currency Risk

All of our sales are denominated in U.S. dollars, and therefore, our sales are not currently subject to significant foreign currency risk. To date, foreign currency transaction gains and losses have not been material to our financial statements, and we have not engaged in any foreign currency hedging transactions.

ITEM 8. FINANCIAL STATEMENTS AND SUPPLEMENTARY DATA

The financial statements and the report of our independent registered public accounting firm required pursuant to this item are included in this annual report beginning on page F-1.

ITEM 9. CHANGES IN AND DISAGREEMENTS WITH ACCOUNTANTS ON ACCOUNTING AND FINANCIAL DISCLOSURE

None.

ITEM 9A. CONTROLS AND PROCEDURES

Conclusion Regarding the Effectiveness of Disclosure Controls and Procedures

We maintain disclosure controls and procedures that are designed to ensure that information required to be disclosed in our periodic and current reports that we file with the SEC is recorded, processed, summarized and reported within the time periods specified in the SEC's rules and forms, and that such information is accumulated and communicated to our management, including our principal executive officer and principal financial officer, as appropriate, to allow timely decisions regarding required disclosure. In designing and evaluating the disclosure controls and procedures, management recognized that any controls and procedures, no matter how well designed and operated, can provide only reasonable and not absolute assurance of achieving the desired control objectives. In reaching a reasonable level of assurance, management necessarily was required to apply its judgment in evaluating the cost-benefit relationship of possible controls and procedures. In addition, the design of any system of controls also is based in part upon certain assumptions about the likelihood of future events, and there can be no assurance that any design will succeed in achieving its stated goals under all potential future conditions; over time, control may become inadequate because of changes in conditions, or the degree of compliance with policies or procedures may deteriorate. Because of the inherent limitations in a cost-effective control system, misstatements due to error or fraud may occur and not be detected.

Our management, with the participation of our principal executive officer and principal financial officer, has evaluated the effectiveness of our disclosure controls and procedures as defined in Rules 13a-15(e) and 15d-15(e) under the Securities Exchange Act of 1934, as amended, or the Exchange Act, as of the end of the period covered by this annual report. 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 effective at the reasonable assurance level.

Management's Annual Report on Internal Control Over Financial Reporting

Our management is responsible for establishing and maintaining adequate internal controls over financial reporting, as such term is defined in Rules 13a-15(f) and 15d-15(f) of the Exchange Act. Internal control over financial reporting is a process designed under the supervision and with the participation of our management, including our principal executive officer and principal financial officer, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with GAAP. Our internal control over financial reporting includes those policies and procedures that: (i) pertain to the maintenance of records that in reasonable detail accurately and fairly reflect the transactions and dispositions of our assets, (ii) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with GAAP, and that our receipts and expenditures are being made only in accordance with authorizations of our management and directors, and (iii) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use or disposition of our assets that could have a material effect on our financial statements. Because of its inherent limitations, internal controls over financial reporting may not prevent or detect all misstatements. Therefore, even those systems determined to be effective can provide only reasonable assurance with respect to financial statement preparation and presentation.

We conducted an evaluation of the effectiveness of our internal control over financial reporting. Based on our evaluation, management has concluded that our internal control over financial reporting was effective as of December 31, 2018.

Attestation Report of the Registered Public Accounting Firm

This annual report does not include an attestation report of our independent registered public accounting firm due to an exemption established by the JOBS Act for "emerging growth companies."

Changes in Internal Control Over Financial Reporting

There has been no change in our internal control over financial reporting during the quarter ended December 31, 2018, that has materially affected, or is reasonably likely to materially affect, our internal control over financial reporting.

ITEM 9B. OTHER INFORMATION

Effective March 13, 2019, Mr. Sims was appointed permanent Chairman and Chief Executive Officer and the employment agreement with Mr. Sims was amended to reflect Mr. Sim's appointment to this role. Mr. Sims also continues in his role as Chairman of the board of directors.

Pursuant to the employment agreement with Mr. Sims, Mr. Sims receives an annual base salary of $400,000. Mr. Sims is also eligible to receive an annual incentive bonus in the discretion of our board of directors (with a target bonus of 90% of his base salary). Mr. Sims will also be entitled to participate in all employee benefit plans, programs and arrangements maintained by us and made available to employees generally and to receive reimbursement for all reasonable and necessary business expenses incurred by him. Mr. Sims, who does not participate in the company's healthcare plans, is also provided with a monthly reimbursement of his healthcare premiums under his individually obtained health coverage.

During his employment, Mr. Sims will not be entitled to any additional fees or other compensation for serving as a member of the Board, including any fees or equity grants in accordance with our non-employee director compensation program. Following cessation of Mr. Sims' employment under his employment agreement, subject to his remaining as a member of our board of directors thereafter, he will again be eligible to receive fees or other compensation for serving as a member of our board of directors.

Pursuant to his employment agreement, if we terminate Mr. Sim's employment without cause (as defined in the employment agreement) or he resigns for good reason (as defined in the employment agreement), in addition to the payment of his fully earned but unpaid base salary through the date of termination at the rate then in effect, plus all other amounts under any compensation plan or practice to which he is entitled, he will be entitled to the following severance and benefits, subject to his execution of a release of claims against us: (1) a lump sum cash payment in an amount equal to (A) if his employment is terminated prior to December 31, 2020, his base salary as in effect immediately prior to the date of his termination for a period of up to 18 months (which severance period will be prorated between 18 months and 6 months depending on his length of service following February 16, 2018 through December 31, 2020), or (C) six months of his annual base salary as in effect immediately prior to the date of this termination if his employment is terminated on or after December 31, 2020; (2) a lump sum cash payment in an amount equal to his full target bonus for the calendar year during which such date of termination occurs; and (3) the continuation of his health and dental coverage pursuant to COBRA at our expense for the applicable severance period of 6 months following the date of termination. Notwithstanding the foregoing, no severance will be payable in the event Mr. Sims' termination without cause or resignation for good reason occurs after February 16, 2021.

If Mr. Sims is terminated as a result of his death or following his permanent disability, in addition to the payment of his fully earned but unpaid base salary through the date of termination at the rate then in effect, plus all other amounts under any compensation plan or practice to which he is entitled, he or his estate, as applicable, is entitled to a lump sum cash payment in an amount equal to his "earned" bonus for the calendar year during which his date of termination occurs calculated as of the date of termination (wherein "earned" means that he has met the applicable bonus metrics as of date of such termination, as determined by the board of directors), prorated for such portion of the calendar year during which such termination occurs that has elapsed through the date of termination.

The foregoing description of the amended employment agreement with Mr. Sims is qualified in its entirety by reference to the amended employment agreement, which is filed as Exhibit 10.21 to this annual report.

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PART III

ITEM 10. DIRECTORS, EXECUTIVE OFFICERS AND CORPORATE GOVERNANCE

The following table sets forth information regarding our board of directors as of March 13, 2019:

BOARD OF DIRECTORS

Name	Age	Position(s)
James K. Sims	73	Chairman and Chief Executive Officer
Tzau-Jin (TJ) Chung	55	Director
Joan Gillman	55	Director
Frances Kordyback	65	Director
Thomas A. Munro	61	Director
Arthur M. Toscanini	75	Director

James K. Sims has served as our chairman of the board of directors since November 2003 and as our Chief Executive Officer since March 2019. Mr. Sims previously served as our interim Chief Executive Officer from May 2018 to March 2019 and as our Executive Chairman from October 2018 to March 2019. Mr. Sims has served as the Chairman and Chief Executive Officer of GEN3 Partners, a consulting company that specializes in science-based technology development, since 1999, and as Managing Partner of its affiliated private equity investment fund, GEN3 Capital, LLP, since 2005. In 2017, Mr. Sims was the founding partner of Silicon Valley Data Capital. Mr. Sims founded Silicon Valley Data Science (SVDS) in 2012 where he is currently the Chairman. Mr. Sims also founded Cambridge Technology Partners in 1991 where he held the position of Chief Executive Officer. Prior to Cambridge Technology Partners, Mr. Sims also founded Concurrent Computer Corporation. Mr. Sims currently serves on the board of directors of various private companies including EPAY Systems, Inc., where he is currently the Chairman of the Board, Connections 365, Inc. and Bright Volt, Inc. and has previously served on the board of directors of public companies including Cambridge Technology Partners, RSA Security, Inc., where he was the Chairman, and Electronic Data Systems Corporation.

TJ Chung has served on our board of directors since October 2018. Mr. Chung is currently a Senior Partner at Core Industrial Partners LLC, a private equity firm investing in North American lower middle-market industrial and manufacturing businesses, a position he has held since July 2017. From January 2013 to until his retirement in May 2016, Mr. Chung served as Chief Executive Officer of Teletrac Navman, a leading global Saas provider of commercial telematics solutions. From July 2007 to December 2012, Mr. Chung was Chief Executive Officer of Navman Wireless. Previously, Mr. Chung served as President of the New Technologies Division of Brunswick Corporation from 2002 to 2007. Prior to that, he served as Chief Strategy Officer of Brunswick Corporation and Senior Vice President of Brunswick Corporation's Mercury Marine Division. Before joining Brunswick Corporation, Mr. Chung was an executive at Emerson Electric. Mr. Chung currently serves on the board of directors of Littelfuse, Inc. and the board of directors of MCBC Holdings, Inc. Mr. Chung earned his bachelor's degree in science, electrical and computer engineering from the University of Texas at Austin. He also holds a MS in computer science from North Carolina State University and an MBA from the Fuqua School of Business at Duke University.

Joan Gillman has served on our board of directors since November 2016. Ms. Gillman has served as Executive Vice President and Chief Operating Officer of Time Warner Cable Media from September 2006 to June 2016. She first joined Time Warner Cable as a new product and marketing consultant in January 2004 and served from May 2005 to September 2006 as Vice President of Interactive TV and Advanced Advertising. Prior to Time Warner Cable, Ms. Gillman served in senior executive roles at OpenTV Corporation, British Interactive Broadcasting Holdings Limited and Physicians' Online Inc. She has also held two of the top senior roles in the Office of U.S. Senator Chris Dodd, State Director and Legislative Director. Ms. Gillman currently serves on the board of directors of Centrica PLC, InterDigital (IDCC) and The Jesuit Volunteer Corp. She has previously served on the board of directors of various private companies, industry associations, and not-for-profits, including the College of the Holy Cross, The CityParks Foundation, National Cable Communications (NCC) LLC and the Interactive Advertising Bureau (IAB).

Frances Kordyback has served on our board of directors since November 2005. Ms. Kordyback is a Commissioner with the Ontario Securities Commission, a position she has held since November 2016. Ms. Kordyback previously served as a Managing Director of Northwater Capital Management Inc., a position she held from January 2005 through September 2016. Prior to Northwater Capital Management, she served as the Managing Director of CCFL Parklea Capital Inc. from January 2003 to December 2004. Ms. Kordyback was a partner in Plaxton & Co. Limited from February 1999 to December 2001. Ms. Kordyback also serves on the board of directors of the Ontario Securities Commission. Ms. Kordyback holds a Bachelor of Mathematics from the University of Waterloo.

Thomas A. Munro has served on our board of directors since 2004. Mr. Munro is the Chief Executive Officer of Verimatrix, Inc., an Internet security technology company, a position he has held since April 2005. Prior to Verimatrix, Mr. Munro was the President of Wireless Facilities from 2001 to 2003 and Chief Financial Officer from 1997 to 2001. Previously, he was the Chief Financial Officer of Precision Digital Images from 1994 to 1995 and MetLife Capital Corporation from 1992 to 1994. Mr. Munro currently serves on the board of directors of BandwidthX, Inc., a private company, and previously served on the board of directors of private companies Kineticom, Inc. and CommNexus. Mr. Munro holds a B.A. in business and an M.B.A. from the University of Washington.

Arthur M. Toscanini has served on our board of directors since 2005. Mr. Toscanini is the Chief Financial Officer of GEN3 Partners, a position he has held since 2000. Prior to GEN3 Partners, he was with Cambridge Technology Partners from 1991 to 2000, where he served as the Chief Financial Officer. Mr. Toscanini also served as Vice President and Controller of Concurrent Computer Corporation from 1986 to 1991. Prior to Concurrent Computer Corporation, he worked at Perkin-Elmer Data Systems Group. Mr. Toscanini currently serves on the board of directors of EPAY Systems. He holds a B.A. in accounting from Pace University and an M.A. in management from Monmouth University.

Board Independence

Our board of directors has determined that all our directors are independent directors within the meaning of the applicable Nasdaq Stock Market LLC, or Nasdaq, listing standards, except for James K. Sims, our Chief Executive Officer.

Board Leadership Structure

Our board of directors is currently led by its chairman, James K. Sims. Our board of directors recognizes that it is important to determine an optimal board leadership structure to ensure the independent oversight of management as the company continues to grow.

Prior to the resignation of Charles Myers as our Chief Executive Officer and as a member of our board of directors, we separated the roles of chief executive officer and chairman of the board of directors in recognition of the differences between the two roles. In connection with Mr. Myers' resignation, Mr. Sims was appointed as our interim Chief Executive Officer and continued to serve as the chairman of our board of directors. On March 13, 2019, Mr. Sims was appointed as our permanent Chief Executive Officer. The board of directors reassessed these roles and believes that Mr. Sims' service as both chairman of the board of directors and Chief Executive Officer is in the best interest of the company and its stockholders at this time. Mr. Sims possesses detailed and in-depth knowledge of the issues, opportunities and challenges facing the company and its businesses and is thus best positioned to develop agendas that ensure that the board's time and attention are focused on the most critical matters.

Although we believe that the combination of the chairman and Chief Executive Officer roles is appropriate at this time based upon the current circumstances, our Corporate Governance Guidelines do not establish this approach as a policy. Pursuant to our Corporate Governance Guidelines, the board determines the best board leadership structure for our company from time to time. As part of our annual board self-evaluation process, we evaluate our leadership structure to ensure that the board continues to believe that it provides the optimal structure for our company and stockholders. We recognize that different board leadership structures may be appropriate for companies in different situations. We believe our current leadership structure is the optimal structure for our company at this time.

Each of the directors other than Mr. Sims is independent, and the board believes that the independent directors provide effective oversight of management. Moreover, in addition to feedback provided during the course of board meetings, the independent directors have regular executive sessions. Following an executive session of independent directors, the independent directors communicate with Mr. Sims directly regarding any specific feedback or issues, provide Mr. Sims with input regarding agenda items for board and board committee meetings, and coordinate with Mr. Sims regarding information to be provided to the independent directors in performing their duties. The board believes that this approach appropriately and effectively complements the combined Chief Executive Officer/chairman structure. No independent director serves as the lead independent director.

Role of Board in Risk Oversight Process

Our board of directors has responsibility for the oversight of the company's risk management processes and, either as a whole or through its committees, regularly discusses with management our major risk exposures, their potential impact on our business and the steps we take to manage them. The risk oversight process includes receiving regular reports from board committees and members of senior management to enable our board of directors to understand the company's risk identification, risk management and risk mitigation strategies with respect to areas of potential material risk, including operations, finance, legal, regulatory, strategic and reputational risk.

The audit committee reviews information regarding liquidity and operations, and oversees our management of financial risks. Periodically, the audit committee reviews our policies with respect to risk assessment, risk management, loss prevention and regulatory compliance. Oversight by the audit committee includes direct communication with our external auditors, and discussions with management regarding significant risk exposures and the actions management has taken to limit, monitor or control such exposures. The compensation committee is responsible for assessing whether any of our compensation policies or programs has the potential to encourage excessive risk-taking. While each committee is responsible for evaluating certain risks and overseeing the management of such risks, the entire board of directors is regularly informed through committee reports about such risks. Matters of significant strategic risk are considered by our board of directors as a whole.

Board Committees

Our board of directors has established three standing committees—audit, compensation and nominating and corporate governance – each of which operates under a charter that has been approved by our board of directors.

Audit Committee

The audit committee's main function is to oversee our accounting and financial reporting processes and the audits of our financial statements. This committee's responsibilities include, among other things:

- appointing our independent registered public accounting firm;
- evaluating the qualifications, independence and performance of our independent registered public accounting firm;
- approving the audit and non-audit services to be performed by our independent registered public accounting firm;
- reviewing the design, implementation, adequacy and effectiveness of our internal accounting controls and our critical accounting policies;
- discussing with management and the independent registered public accounting firm the results of our annual audit and the review of our quarterly unaudited financial statements;
- reviewing, overseeing and monitoring the integrity of our financial statements and our compliance with legal and regulatory requirements as they relate to financial statements or accounting matters;
- reviewing on a periodic basis, or as appropriate, any investment policy and recommending to our board of directors any changes to such investment policy;

- reviewing any earnings announcements and other public announcements regarding our results of operations;
- preparing the report that the SEC requires in our annual proxy statement;
- reviewing and approving any related party transactions and reviewing and monitoring compliance with our code of conduct and ethics; and
- reviewing and evaluating, at least annually, the performance of the audit committee and its members including compliance of the audit committee with its charter.

The members of our audit committee are Mr. Chung, Ms. Kordyback and Mr. Toscanini. Mr. Toscanini serves as the chairperson of the committee. The audit committee met four times during fiscal year 2018. Ms. Gillman served as a member of the committee until October 2018, at which time Mr. Chung joined the audit committee. Our board of directors has determined that all of the members of the audit committee are independent directors under the applicable rules and regulations of Nasdaq and by Rule 10A-3 of Securities and Exchange Act of 1934, as amended, or the Exchange Act, and our board of directors previously determined that Mr. Munro was an independent director under such qualification standards during his term of service on the audit committee. In addition, all members of our audit committee meet the requirements for financial literacy under the applicable rules and regulations of the SEC and Nasdaq. Our board of directors has determined that Mr. Toscanini is an "audit committee financial expert" as defined by applicable SEC rules and has the requisite financial sophistication as defined under the applicable Nasdaq rules and regulations. The audit committee operates under a written charter that satisfies the applicable standards of the SEC and Nasdaq.

Both our external auditor and internal financial personnel meet privately with the audit committee and have unrestricted access to this committee.

Compensation Committee

Our compensation committee approves, or recommends to our board of directors, policies relating to compensation and benefits of our officers and employees. The compensation committee approves, or recommends to our board of directors, corporate goals and objectives relevant to the compensation of our Chief Executive Officer and other executive officers, evaluates the performance of these officers in light of those goals and objectives and approves, or recommends to our board of directors, the compensation of these officers based on such evaluations. The compensation committee also approves, or recommends to our board of directors, the issuance of stock options and other awards under our equity plan. The compensation committee will review and evaluate, at least annually, the performance of the compensation committee and its members, including compliance by the compensation committee with its charter.

The members of our compensation committee are Mr. Munro and Mr. Toscanini. Mr. Munro serves as the chairperson of the committee. The compensation committee met two times during fiscal year 2018. Francis X. Egan served as a member of the committee until his resignation in January in January 2018, at which time Mr. Sims joined the committee. Mr. Sims served as a member of the committee until he assumed the role of interim Chief Executive Officer on May 2, 2018, at which time Mr. Toscanini joined the committee. Our board of directors has determined that all of the members of the compensation committee are independent under the applicable rules and regulations of Nasdaq relating to compensation committee independence. The compensation committee operates under a written charter, which the compensation committee will review and evaluate at least annually.

Nominating and Corporate Governance Committee

The nominating and corporate governance committee is responsible for assisting our board of directors in discharging the board's responsibilities regarding the identification of qualified candidates to become board members, the selection of nominees for election as directors at our annual meetings of stockholders (or special meetings of stockholders at which directors are to be elected), and the selection of candidates to fill any vacancies on our board of directors and any committees thereof. In addition, the nominating and corporate governance committee is responsible for overseeing our corporate governance policies, reporting and making recommendations to our board of directors concerning governance matters and oversight of the evaluation of our board of directors.

The members of our nominating and corporate governance committee are Ms. Gillman and Mr. Munro. Ms. Gillman serves as the chairperson of the committee. Mr. Sims served as a member of the committee until he assumed the role of interim Chief Executive Officer on May 2, 2018. The nominating and corporate governance committee met four times during fiscal year 2018. Our board of directors has determined that all members of the nominating and corporate governance committee are independent under the applicable rules and regulations of Nasdaq. The nominating and corporate governance committee operates under a written charter, which the nominating and corporate governance committee will review and evaluate at least annually.

Director Nomination Process

Director Qualifications

Our nominating and corporate governance committee is responsible for reviewing with the board of directors, on an annual basis, the appropriate characteristics, skills and experience required for the board of directors as a whole and its individual members. In evaluating the suitability of individual candidates (both new candidates and current members), the nominating and corporate governance committee, in recommending candidates for election, and the board of directors, in approving (and, in the case of vacancies, appointing) such candidates, will take into account many factors, including the following:

- personal and professional integrity, ethics and values;
- experience in corporate management, such as serving as an officer or former officer of a publicly-held company;
- experience as a board member or executive officer of another publicly-held company;
- strong finance experience;
- diversity of expertise and experience in substantive matters pertaining to our business relative to other members of our board of directors;
- diversity of background and perspective, including, but not limited to, with respect to age, gender, race, place of residence and specialized experience;
- experience relevant to our business industry and with relevant social policy concerns; and
- relevant academic expertise or other proficiency in an area of our business operations.

Currently, our board of directors evaluates each individual in the context of the board of directors as a whole, with the objective of assembling a group that can best maximize the success of the business and represent stockholder interests through the exercise of sound judgment using its diversity of experience in these various areas.

Other than the foregoing, there are no stated minimum criteria for director nominees, although the nominating and corporate governance committee may also consider such other factors as it may deem to be in the best interests of our company and our stockholders. The nominating and corporate governance committee does, however, believe it appropriate for at least one, and preferably, several, members of our board of directors to meet the criteria for an “audit committee financial expert” as defined by SEC rules, and that a majority of the members of our board of directors meet the definition of “independent director” under Nasdaq qualification standards.

Identification and Evaluation of Nominees for Directors

The nominating and corporate governance committee identifies nominees for director by first evaluating the current members of our board of directors willing to continue in service. Current members with qualifications and skills that are consistent with the nominating and corporate governance committee’s criteria for board of director service and who are willing to continue in service are considered for re-nomination, balancing the value of continuity of service by existing members of our board of directors with that of obtaining a new perspective or expertise.

If any member of our board of directors does not wish to continue in service or if our board of directors decides not to re-nominate a member for re-election or if the board of directors decides to expand the size of the board, the nominating and corporate governance committee identifies the desired skills and experience of a new nominee in light of the criteria above. The nominating and corporate governance committee generally polls our board of directors and members of management for their recommendations. The nominating and corporate governance committee may also review the composition and qualification of the boards of directors of our competitors, and may seek input from industry experts or analysts. The nominating and corporate governance committee reviews the qualifications, experience and background of the candidates. Final candidates are interviewed by the members of the nominating and corporate governance committee and by certain of our other independent directors and executive management. In making its determinations, the nominating and corporate governance committee evaluates each individual in the context of our board of directors as a whole, with the objective of assembling a group that can best contribute to the success of our company and represent stockholder interests through the exercise of sound business judgment. After review and deliberation of all feedback and data, the nominating and corporate governance committee makes its recommendation to our board of directors. Historically, the nominating and corporate governance committee has not relied on third-party search firms to identify director candidates. The nominating and corporate governance may in the future choose to do so in those situations where particular qualifications are required or where existing contacts are not sufficient to identify an appropriate candidate.

The nominating and corporate governance committee evaluates nominees recommended by stockholders in the same manner as it evaluates other nominees. We have not received director candidate recommendations from our stockholders, and we do not have a formal policy regarding consideration of such recommendations. However, any recommendations received from stockholders will be evaluated in the same manner that potential nominees suggested by members of our board of directors, management or other parties are evaluated.

Communications with our Board of Directors

Stockholders seeking to communicate with our board of directors should submit their written comments to our corporate secretary, Airgain, Inc., 3611 Valley Centre Drive, Suite 150, San Diego, CA 92130. The corporate secretary will forward such communications to each member of our board of directors; provided that, if in the opinion of our corporate secretary it would be inappropriate to send a particular stockholder communication to a specific director, such communication will only be sent to the remaining directors (subject to the remaining directors concurring with such opinion).

Section 16(a) Beneficial Ownership Reporting Compliance

Under Section 16(a) of the Exchange Act, directors, executive officers and beneficial owners of 10% or more of our common stock, or reporting persons, are required to report to the SEC on a timely basis the initiation of their status as a reporting person and any changes with respect to their beneficial ownership of our common stock. Based solely on our review of copies of such forms that we have received, or written representations from reporting persons, we believe that during the fiscal year ended December 31, 2018, all executive officers, directors and greater than 10% stockholders complied with all applicable filing requirements, other than a late Form 4 filed on February 12, 2018 by Anil Doradla and a late Form 4 filed on January 24, 2019 by each of GEN3 Capital Partners, LLC, GEN3 Capital I, LP and Gen 3 Partners, Inc.

Corporate Governance

We adopted a Code of Business Conduct and Ethics that applies to our officers, directors and employees which is available, free of charge, on our website at www.airgain.com. The Code of Business Conduct and Ethics contains general guidelines for conducting the business of our company consistent with the highest standards of business ethics, and is intended to qualify as a "code of ethics" within the meaning of Section 406 of the Sarbanes-Oxley Act of 2002 and Item 406 of Regulation S-K. In addition, we intend to promptly disclose on our website in the future (i) the nature of any amendment to our Code of Business Conduct and Ethics that applies to our principal executive officer, principal financial officer, principal accounting officer or controller or persons performing similar functions, and (ii) the nature of any waiver, including an implicit waiver, from a provision of our Code of Business Conduct and Ethics that is granted to one of these specified officers, the name of such person who is granted the waiver and the date of the waiver.

EXECUTIVE OFFICERS

The following table sets forth information regarding our executive officers as of March 13, 2019:

Name	Age	Position(s)
James K. Sims	73	Chairman and Chief Executive Officer
Jacob Suen	44	President
Anil Doradla	49	Chief Financial Officer and Secretary
Kevin Thill	58	Senior Vice President, Engineering

Business Experience

The following is a brief account of the education and business experience of our current executive officers.

The biography of James K. Sims can be found under "Directors, Executive Officers and Corporate Governance – Board of Directors."

Jacob Suen has served as our President Since January 2018 and previously served as our Senior Vice President, Worldwide sales from May 2017 through January 2018. He has been with the company since its April 2006 as the Vice President of Asia Pacific Sales. Previously, Mr. Suen served as the Director of Business Development from 1998 to 2005 at Paradyne Corporation. Prior to Paradyne, Mr. Suen was a Development Engineer at GVN Technologies in 1998. From 1997 to 1998, Mr. Suen was a Software Development Engineer for Motorola Incorporation. Mr. Suen holds a Master of Science in Electrical Engineering with a concentration in Communication Systems and a minor in Engineering Management from the University of South Florida. Mr. Suen also has his Master of Business Administration with a focus on International Business and Entrepreneurship from the University of Colorado.

Anil Doradla has served as our Chief Financial Officer since February 2018. From June 2008 to February 2018, Mr. Doradla served as a Senior Equity Research Analyst at William Blair. From June 2007 to June 2008, Mr. Doradla served as Senior Vice President at Caris and Company. Prior to that, Mr. Doradla was a Research Associate at Deutsche Bank from April 2006 to June 2007. From November 1998 to April 2006, Mr. Doradla was a Principal Technical Member of Staff at AT&T Labs. From 1994 to November 1998, Mr. Doradla served as a Senior Engineer at LCC International. Mr. Doradla holds a Master of Science in Electrical Engineering from Virginia Tech and a Master of Business Administration from the McCombs School of Business at the University of Texas at Austin.

Kevin Thill has served as our Senior Vice President, Engineering since January 2019. He has been with the company since April 2017 as the Vice President, Antenna-Plus. Prior to that, Mr. Thill founded Antenna Plus, LLC in 1991 and was the owner until its acquisition by us in 2017. Prior to Antenna Plus, Mr. Thill was a Senior Antenna Design Engineer at Motorola. Prior to Motorola, Mr. Thill was an Antenna Engineer at Northrop and prior to that he was an Antenna Engineer at McDonald Douglass. Mr. Thill received a Bachelor of Science in Electrical Engineering from Arizona State University.

ITEM 11. EXECUTIVE COMPENSATION

Overview

This section discusses the material components of the executive compensation program for our executive officers who are named in the "Summary Compensation Table" below. In 2018, our "named executive officers" and their positions were as follows:

- James K. Sims, Chairman and Chief Executive Officer;
- Jacob Suen, President;
- Anil Doradla, Chief Financial Officer and Secretary; and
- Charles Myers, former President and Chief Executive Officer;

On May 2, 2018, Charles Myers, former Chief Executive Officer, President and member of our board of directors, resigned from all positions with us, effective immediately, to pursue other opportunities. Also effective May 2, 2018, our board of directors appointed our Chairman, James K. Sims, as interim Chief Executive Officer. Mr. Sims was appointed Chief Executive Officer effective March 13, 2019.

Mr. Suen was appointed President effective January 16, 2019, and served as our Senior Vice President, Worldwide Sales prior to his promotion.

Effective February 5, 2018, the board of directors appointed Anil Doradla as our Chief Financial Officer. Leo Johnson, our previous Chief Financial Officer, continued to serve as our principal financial and accounting officer for our public filings with the SEC until March 15, 2018 and continues to serve as an employee in a non-executive role. Effective March 16, 2018, Mr. Doradla began serving as our principal financial and accounting officer, replacing Mr. Johnson in such capacities.

This discussion may contain forward-looking statements that are based on our current plans, considerations, expectations and determinations regarding future compensation programs. Actual compensation programs that we adopt in the future may differ materially from the currently planned programs summarized in this discussion.

Summary Compensation Table

The following table presents information regarding compensation earned by or awards to our named executive officers during 2018 and 2017.

Name and Principal Position	Year	Salary($)	Bonus($)(1)	Option Awards($)(2)	All Other Compensation($)(3)	Total($)
James K. Sims, Executive Chairman and Chief Executive Officer	2018	267,397	437,404	681,524	34,858	1,421,183
Jacob Suen,	2018	310,000	334,800	281,288	8,618	934,706
President	2017	310,000	195,000	156,900	—	661,900
Anil Doradla, Chief Financial Officer and Secretary (4)	2018	298,205	234,000	267,220	—	799,425
Charles Myers,	2018	200,847	—	2,010,365	537,788	2,749,000
Former President, Chief Executive Officer and Director (5)	2017	400,000	250,000	627,600	20,000	1,297,600

(1) Represents annual bonuses earned by the named executive officers for performance during the applicable year.

(2) Amounts reflect the full grant-date fair value of stock options granted during the relevant fiscal year computed in accordance with ASC Topic 718, rather than the amounts paid to or realized by the named individual. We provide information regarding the assumptions used to calculate the value of all option awards made to our named executive officers in Note 11 to the consolidated financial statements included in this Annual Report. Amount includes $1.2 million in incremental accounting expense as a result of the acceleration of Mr. Myers' stock options.

For Mr. Sims, amount includes (a) the grant date fair value of the stock options granted to him on May 8, 2018, in connection with his appointment as our interim Chief Executive Officer, and (b) the grant date fair value of the stock options granted to him on January 19, 2018 in his capacity as a non-employee director pursuant to our non-employee director compensation policy.

For Mr. Myers for 2018, amount includes $1,243,077 in incremental accounting expense computed in accordance with ASC Topic 718 as a result of the acceleration of Mr. Myers' stock options in connection

(3) For Mr. Sims for 2018, amount represents (a) $12,358 paid for healthcare premiums on his behalf, and (b) $22,500 paid to him for his service as a non-employee director pursuant to our non-employee director compensation policy prior to his appointment as interim Chief Executive Officer on May 2, 2018.

For Mr. Suen for 2018, amount represents travel and entertainment expense reimbursements for Mr. Suen's family to join him while on a sales trip.

For Mr. Myers for 2018, amount represents severance benefits consisting of (a) cash severance in the amount of $484,000, (b) $30,588 in continued healthcare coverage at our expense for 12 months following his termination at our expense, (c) a cash payment of $3,200 representing twelve months of monthly premiums for disability insurance under our disability insurance plan, and (d) a cash payment of $20,000 in lieu of provision of certain other employment benefits. For Mr. Myers for 2017, amount represents (a) $5,500 paid for an annual executive medical program for Mr. Myers, (b) $5,000 paid for health club dues and a personal trainer for Mr. Myers, and (c) $9,500 in annual reimbursements for Mr. Myers' vehicle payments, and the costs of maintenance and operation of such vehicle.

(4) Mr. Doradla commenced employment with us effective February 5, 2018.

(5) Mr. Myers resigned as our Chief Executive Officer, President and a member of our board of directors effective May 2, 2018.

Narrative Disclosure to Summary Compensation Table

Employment and Consulting Agreements

We have entered into employment agreements with each of our executive officers.

Arrangements with Mr. Sims

On May 8, 2018, our board of directors, upon the recommendation of the compensation committee, approved the compensation arrangements for Mr. Sims in his role as interim Chief Executive Officer. In consideration of his service as interim Chief Executive Officer, Mr. Sims received a monthly retainer of $33,333.33, which equated to an annual retainer of $400,000. On May 8, 2018, Mr. Sims was also granted stock options to purchase 175,000 shares of our common stock, which will vest in equal quarterly installments over the two years following his commencement of service as interim Chief Executive Officer, subject to his continued service in that role or as a member of our board of directors on each vesting date. The stock options will also vest in full upon a change in control. Mr. Sims was also eligible to be awarded a discretionary bonus by our board of directors in connection with his service as interim Chief Executive Officer.

During his service as interim Chief Executive Officer or Chief Executive Officer, Mr. Sims will not be entitled to any additional fees or other compensation for serving as Chairman of the Board or as a member of our board of directors, including any fees or equity grants in accordance with our non-employee director compensation policy, although the equity awards previously granted to him in connection with his service as a member of our board of directors will continue to vest based on his service as Chief Executive Officer. Following his return to status as a non-employee director, Mr. Sims will again be eligible to receive fees and equity grants in accordance with our non-employee director compensation policy.

On October 25, 2018, the Board approved the entry by us into an employment agreement with Mr. Sims, which agreement was designed to cover his future service as Executive Chairman. The employment agreement with Mr. Sims became effective on February 16, 2019, at which time Mr. Sims became an employee of the company and Executive Chairman in addition to interim Chief Executive Officer.

Effective March 13, 2019, Mr. Sims was appointed Chairman and Chief Executive Officer and the employment agreement with Mr. Sims was amended to reflect Mr. Sims' appointment to this role. Mr. Sims also continues in his role as Chairman and board of directors.

Pursuant to the employment agreement with Mr. Sims, Mr. Sims receives an annual base salary of $400,000. Mr. Sims is also eligible to receive an annual incentive bonus in the discretion of our board of directors (with a target bonus of 90% of his base salary). Mr. Sims will also be entitled to participate in all employee benefit plans, programs and arrangements maintained by us and made available to employees generally and to receive reimbursement for all reasonable and necessary business expenses incurred by him. Mr. Sims, who does not participate in the company's healthcare plans, is also provided with a monthly reimbursement of his healthcare premiums under his individually obtained health coverage

During his employment, Mr. Sims will not be entitled to any additional fees or other compensation for serving as a member of the Board, including any fees or equity grants in accordance with our non-employee director compensation program. Following cessation of Mr. Sims' employment under his employment agreement, subject to his remaining as a member of our board of directors thereafter, he will again be eligible to receive fees or other compensation for serving as a member of our board of directors.

Pursuant to his employment agreement, if we terminate Mr. Sim's employment without cause (as defined in the employment agreement) or he resigns for good reason (as defined in the employment agreement), in addition to the payment of his fully earned but unpaid base salary through the date of termination at the rate then in effect, plus all other amounts under any compensation plan or practice to which he is entitled, he will be entitled to the following severance and benefits, subject to his execution of a release of claims against us: (1) a lump sum cash payment in an amount equal to (A) if his employment is terminated prior to December 31, 2020, his base salary as in effect immediately prior to the date of his termination for a period of up to 18 months (which severance period will be prorated between 18 months and 6 months depending on his length of service following February 16, 2018 through December 31, 2020), or (C) six months of his annual base salary as in effect immediately prior to the date of this termination if his employment is terminated on or after December 31, 2020; (2) a lump sum cash payment in an amount equal to his full target bonus for the calendar year during which such date of termination occurs; and (3) the continuation of his health and dental coverage pursuant to COBRA at our expense for the applicable severance period of 6 months following the date of termination. Notwithstanding the foregoing, no severance will be payable in the event Mr. Sims' termination without cause or resignation for good reason occurs after February 16, 2021.

If Mr. Sims is terminated as a result of his death or following his permanent disability, in addition to the payment of his fully earned but unpaid base salary through the date of termination at the rate then in effect, plus all other amounts under any compensation plan or practice to which he is entitled, he or his estate, as applicable, is entitled to a lump sum cash payment in an amount equal to his "earned" bonus for the calendar year during which his date of termination occurs calculated as of the date of termination (wherein “earned” means that he has met the applicable bonus metrics as of date of such termination, as determined by the board of directors), prorated for such portion of the calendar year during which such termination occurs that has elapsed through the date of termination.

Mr. Sims is not present for the deliberations or decision by our board of directors when it approved his compensation arrangements.

Employment Agreements with Mr. Suen, Mr. Doradla and Mr. Thill

Effective January 16, 2019, we entered into amended and restated employment agreements with each of Jacob Suen, our President, Anil Doradla, our Chief Financial Officer and Secretary, and Kevin Thill, our Senior Vice President, Engineering.

The amended and restated employment agreements provide for an indefinite term and for at-will employment. The agreements also set forth each executive's annual base salary and target bonus opportunity, and provide that each executive will be entitled to the benefits provided to employees generally.

Pursuant to the amended and restated employment agreements, if we terminate an executive's employment without cause (as defined below) or he resigns for good reason (as defined below), he is entitled to the following payments and benefits: (1) his fully earned but unpaid base salary through the date of termination at the rate then in effect, plus all other amounts under any compensation plan or practice to which he is entitled; (2) a lump sum cash payment in an amount equal to 6 months of his base salary as in effect immediately prior to the date of termination plus an amount equal to his target bonus for the calendar year during which his date of termination occurs, prorated for such portion of the calendar year during which such termination occurs that has elapsed through the date of termination; and (3) continuation of health benefits at our expense for a period of 6 months following the date of termination. Prior to the amendment and restatement of his employment agreement, Mr. Suen was entitled to three months' severance in the event of such a termination and no prorated target bonus. Prior to the amendment and restatement of their employment agreements, Mr. Doradla and Mr. Thill were not entitled to a prorated target bonus in the event of such a termination.

In the event an executive's termination without cause or resignation for good reason occurs within 12 months following a change in control, he is entitled to the following payments and benefits: (1) his fully earned but unpaid base salary through the date of termination at the rate then in effect, plus all other amounts under any compensation plan or practice to which he is entitled; (2) a lump sum cash payment in an amount equal to 12 months of his base salary as in effect immediately prior to the date of termination; (3) a lump sum cash payment in an amount equal to his target bonus for the year in which the termination of his employment occurs; and (4) continuation of health benefits at our expense for a period of 18 months following the date of termination. All of an executive's outstanding equity awards will become fully vested and exercisable in the event of a termination without cause or resignation for good reason at any time following a change in control. Prior to the amendment and restatement of his employment agreement, Mr. Suen was entitled to 6 months' severance, 50% of his target bonus and continuation of health benefits at our expense for a period of 12 months in the event of such a termination and no prorated target bonus.

If an executive's employment is terminated as a result of his death or following his permanent disability, he or his estate, as applicable, is entitled to the following payments and benefits: (1) his fully earned but unpaid base salary through the date of termination at the rate then in effect, plus all other amounts under any compensation plan or practice to which he is entitled; and (2) a lump sum cash payment in an amount equal to his “earned” bonus for the calendar year during which his date of termination occurs calculated as of the date of termination (wherein “earned” means that he has met the applicable bonus metrics as of date of such termination, as determined by the board of directors), prorated for such portion of the calendar year during which such termination occurs that has elapsed through the date of termination.

Defined Terms Applicable to Executive Employment Agreements

For purposes of the executive employment agreements, “cause” generally means an executive officer’s (1) material breach of his employment agreement, his confidentiality and inventions assignment agreement or the definitive agreements relating to his stock option awards; (2) continued substantial and material failure or refusal to perform according to, or to comply with, the policies, procedures or practices established by us; (3) appropriation (or attempted appropriation) of a material business opportunity of the company, including attempting to secure or securing any personal profit in connection with any transaction entered into on our behalf; (4) misappropriation (or attempted appropriation) of any of our funds or property of any kind; (5) willful gross misconduct; or (6) conviction of a felony involving moral turpitude that is likely to inflict or has inflicted material injury on our business; provided, however, that except for Cause being the result of item (6) above, we will provide written notice to the executive officer, which notice specifically identifies the nature of the alleged cause claimed by us with enough specificity for the executive officer to be able to cure, and the executive officer will have 15 days to cure the purported ground(s) for cause.

For purposes of the executive employment agreements, “good reason” generally means (1) a material reduction in the executive officer’s authority, duties or responsibilities relative to the executive officer’s authority, duties or responsibilities in effect immediately prior to such reduction; as set forth in his employment agreement (provided that for Mr. Sims, his cessation of service as Chief Executive Officer will not constitute good reason if he continues in the role of Executive Chairman); (2) a material reduction in the executive officer’s annual base salary; (3) other than for Mr. Sims, a relocation of the executive officer’s or our principal executive offices to a location outside of San Diego County, if the executive officer’s principal office is at such offices; or (4) any material breach by us or any successor or affiliate of obligations to the executive officer under the employment agreement.

For purposes of the employment agreements, “change in control” generally means (1) any “person” (as such term is used in Sections 13(d) and 14(d) of the Exchange Act) (other than us, any of our subsidiaries, or any existing stockholder) becomes the “beneficial owner” (as defined in Rule 13d-3 of the Exchange Act), directly or indirectly, of our securities representing 50% or more of the total voting power represented by our then outstanding voting securities, (2) the consummation of the sale, liquidation or disposition by us of all or substantially all of our assets, (3) the consummation of a merger, consolidation, reorganization or other similar transaction involving us, in each case in which our voting securities outstanding immediately prior thereto do not continue to represent (either by remaining outstanding or by being converted into voting securities of the surviving entity or its parent) at least 50% of the power represented by our voting securities or such surviving entity or its parent outstanding immediately after such transaction, or (4) for Mr. Myers, during any period of two consecutive years, individuals who, at the beginning of such period, constitute the board of directors together with any new director(s) (other than a director designated by a person who shall have entered into an agreement with us to effect a transaction described in clause (1) or (3) of this definition) whose election by the board of directors or nomination for election by our stockholders was approved by a vote of at least a majority of the directors then still in office who either were directors at the beginning of the two-year period or whose election or nomination for election was previously so approved, cease for any reason to constitute a majority thereof.

Separation Arrangements with Mr. Myers

On May 2, 2018, Charles Myers, former Chief Executive Officer, President and member of our board of directors, resigned from all positions with us, effective immediately, to pursue other opportunities. In connection with his resignation, Mr. Myers received the following severance benefits pursuant to a general release of claims as set forth in his employment agreement: a lump sum cash payment in the amount of $484,000; the reimbursement of business expenses in accordance with our policies; the acceleration of all of his unvested options exercisable for a total of 282,944 shares; a lump sum payment of twelve months of monthly premiums for disability insurance under our disability insurance plan; a cash payment in the amount of $20,000, in lieu of provision of certain other employment benefits; and the continuation of his health coverage pursuant to COBRA at our expense for a period of twelve months following his last day of employment. In addition, all of Mr. Myers' outstanding stock options vested in connection with his termination of employment.

Transition Agreement with Mr. Johnson

Effective February 5, 2018, the board of directors appointed Mr. Doradla as our Chief Financial Officer. Mr. Johnson, our previous Chief Financial Officer, continued to serve as our principal financial and accounting officer for our public filings with the SEC until March 15, 2018, and he continues to serve as an employee in a non-executive role. Effective with his transition to a non-executive role in March 2018, his base salary was reduced to $75,000.

In March 2018, we entered into an employment transition agreement with Mr. Johnson. Pursuant to the transition agreement, Mr. Johnson will remain employed by us in a non-executive role through September 20, 2019. His base salary will remain at $75,000 and he will not be eligible for an annual bonus.

Pursuant to the transition agreement, if Mr. Johnson's employment is terminated for any reason other than his voluntary resignation, he is entitled to the following payments and benefits, subject to his execution of a general release of claims: (1) his fully earned but unpaid base salary through the date of termination at the rate then in effect, plus all other amounts under any compensation plan or practice to which he is entitled; (2) a lump sum cash payment in an amount equal to the base salary he would have received had he remained employed through September 30, 2019; (3) continuation of health benefits at our expense through September 30, 2019; and (4) accelerated vesting of all of his outstanding stock options.

Annual Cash Bonus

For 2018, Mr. Sims, Mr. Suen and Mr. Doradla were eligible for target bonuses equal to 90%, 90% and 60% of their respective base salaries. The executives' bonuses for 2018 were determined in the discretion of our board of directors based on its subjective assessment of both our corporate performance and their individual performance. Based on this assessment, our board of directors determined to award our named executive officers the following 2018 bonuses: Mr. Sims, $437,404; Mr. Suen, $334,800; and Mr. Doradla, $234,000.

The compensation committee has also adopted a 2019 annual bonus program for our executive officers. Under the 2019 program, 90% of an executive's annual bonus will be tied to corporate revenue and EBITDA performance, with "threshold," "target" and "maximum" performance levels corresponding to the payout levels for the corporate component of each executive's target annual bonus payout (with target performance representing a 100% payout level for each financial measure and maximum or greater performance representing a 150% payout level for each financial measure). The other 10% of an executive's annual bonus will continue to be determined in the discretion of the board of directors or the compensation committee based on the executive's individual performance and such other factors as the board of directors or the compensation committee deems appropriate, with a maximum payout level of 150%. Pursuant to his employment agreement, Mr. Sims' annual bonus remains in the discretion of the board of directors, although he has a target bonus equal to 90% of his base salary.

Equity Compensation

We primarily offer stock options to our named executive officers as the long-term incentive component of our compensation program. Our stock options allow employees to purchase shares of our common stock at a price per share equal to the fair market value of our common stock on the date of grant and may or may not be intended to qualify as "incentive stock options" for U.S. federal income tax purposes. Generally, the stock options we grant vest over four years, subject to the employee's continued employment with us on the vesting date. We also, when appropriate, grant restricted stock or restricted stock units to our executives.

Our board of directors has adopted, and our stockholders have approved, the 2016 Plan, in order to facilitate the grant of cash and equity incentives to directors, employees (including our named executive officers) and consultants of our company and certain of its affiliates and to enable our company and certain of its affiliates to obtain and retain services of these individuals, which is essential to our long-term success.

In January 2018, each of Mr. Myers and Mr. Suen received stock option awards to purchase 175,000 shares and 45,000 shares, respectively. The options were granted with an exercise price per share equal to the closing stock price on the grant date. The options have a term of ten years from the date of grant. The stock options vest over four years, with 25% of the shares subject to the option vesting on the first anniversary of the date of grant and the remainder vesting in equal monthly installments over a period of three years thereafter, subject to his continued employment with us on each vesting date. The options granted to Mr. Myers were eligible vest on an accelerated basis in the event of a change in control (as defined in his employment agreement), or in the event of Mr. Myers' termination of employment by us without cause (as defined in his employment agreement), his resignation for good reason (as defined in his employment agreement), his death or his termination of employment by reason of his disability (as defined in his employment agreement). Mr. Myers' options were accelerated pursuant to his employment agreement in connection with his resignation in May 2018.

In February 2018, in connection with his commencement of employment, Mr. Doradla received a stock option award to purchase 50,000 shares. The options were granted with an exercise price per share equal to the closing stock price on the grant date. The options have a term of ten years from the date of grant. The stock options vest over four years, with 25% of the shares subject to the option vesting on the first anniversary of the date of grant and the remainder vesting in equal monthly installments over a period of three years thereafter, subject to his continued employment with us on each vesting date.

On May 8, 2018, in connection with his appointment as interim Chief Executive Officer, Mr. Sims was granted stock options to purchase 175,000 shares of our common stock, which will vest in equal quarterly installments over the two years following his commencement of service as interim Chief Executive Officer, subject to his continued service in that role or as a member of our board of directors on each vesting date. The stock options will also vest in full upon a change in control or in the event of Mr. Sims' termination without cause or resignation for good reason prior to February 16, 2021.

On May 16, 2018, each of Mr. Suen and Mr. Doradla received stock option awards to purchase 25,000 shares of our common stock, which will vest in equal quarterly installments over the two years following his commencement of service as interim Chief Executive Officer, subject to his continued service in that role or as a member of our board of directors on each vesting date. The stock options will also vest in full upon a change in control.

The options granted to each of Messrs. Suen and Doradla will vest on an accelerated basis in the event of their termination of employment by us without cause (as defined in their employment agreements) or their resignation for good reason (as defined in their employment agreements), in each case following a change in control.

Stock awards granted to our named executive officers may be subject to accelerated vesting in certain circumstances. For additional discussion, see "-Change in Control Benefits" below and "Outstanding Equity Awards at the End of 2018" below.

Other Elements of Compensation

Retirement Plans

We currently maintain a 401(k) retirement savings plan that allows eligible employees to defer a portion of their compensation, within limits prescribed by the Internal Revenue Code, or the Code, on a pre-tax basis through contributions to the plan. Our named executive officers are eligible to participate in the 401(k) plan. We may make discretionary matching contributions under the 401(k) plan, but we have not done so to date. We believe that providing a vehicle for tax-deferred retirement savings through our 401(k) plan adds to the overall desirability of our executive compensation package and further incentivizes our named executive officers in accordance with our compensation policies.

Employee Benefits and Perquisites

Our named executive officers are eligible to participate in our health and welfare plans. In addition, pursuant to his employment agreement, Mr. Myers was entitled to receive the following additional benefits with an aggregate annual cost not to exceed $20,000: (1) annual executive medical program; (2) health club dues/personal trainer; and (3) reimbursement of monthly vehicle payment, plus the costs of maintenance and operation of such vehicle. Mr. Sims, who does not participate in the company's healthcare plans, is provided with a monthly reimbursement of his healthcare premiums under his individually obtained health coverage. We do not provide our named executive officers with any other significant perquisites or other personal benefits.

Change in Control Benefits

Our named executive officers may become entitled to certain benefits or enhanced benefits in connection with a change in control of our company. Each of our named executive officers' employment agreements entitles them to accelerated vesting of all outstanding equity awards, as well as certain other benefits, upon a change in control of our company. For additional discussion, please see "—Employment Agreements" above.

Outstanding Equity Awards at the End of 2018

The following table summarizes the number of shares of common stock underlying outstanding equity incentive plan awards for each named executive officer as of December 31, 2018.

		Option Awards					
Name	Grant Date	Number of Securities Underlying Unexercised Options (#) Exercisable (1)		Number of Securities Underlying Unexercised Options Unexercisable (1)		Option Exercise Price ($)	Option Expiration Date
James K. Sims	3/17/2009	4,000	(3)	—		$ 2.60	3/16/2019
	12/3/2009	4,000	(3)	—		$ 2.60	12/2/2019
	1/19/2011	4,000	(3)	—		$ 2.60	1/18/2021
	6/12/2013	8,000	(3)	—		$ 2.30	6/11/2023
	5/13/2014	4,000	(3)	—		$ 3.10	5/12/2024
	6/11/2015	32,370	(3)	—		$ 1.60	6/10/2025
	5/24/2016	9,510	(3)	—		$ 1.90	5/23/2026
	6/15/2017	7,500	(3)	—		$ 14.09	6/14/2027
	1/19/2018	—		22,500	(3)	$ 10.94	1/18/2028
	5/8/2018	43,750	(2)	131,250		$ 8.15	5/7/2028
Jacob Suen	1/22/2014	4,200		—		$ 2.20	1/21/2024
	3/18/2015	14,062		938		$ 2.00	3/17/2025
	5/24/2016	10,123		5,552		$ 1.90	5/23/2026
	4/25/2017	5,565		14,299		$ 15.20	4/24/2027
	4/25/2017	4,851		285		$ 15.20	4/24/2027
	1/19/2018	—		45,000		$ 10.94	1/18/2028
	5/16/2018	—		25,000		$ 8.17	5/15/2028
Anil Doradla	2/5/2018	—		50,000		$ 9.11	2/4/2028
	5/16/2018	—		25,000		$ 8.17	5/15/2028

(1) Except as specified below, all options have a term of ten years from the date of grant and vest over four years, with 25% of the shares underlying the options vesting on the first anniversary of the date of grant and the remaining shares underlying the options vesting monthly over the three-year period thereafter, subject to the option holder's continuous employment or service. The options granted to Mr. Sims are also eligible to vest on an accelerated basis in the event of a change in control (as defined his employment agreement) or in the event of Mr. Sims' termination without cause (as defined his employment agreement) or resignation for good reason (as defined his employment agreement) prior to February 16, 2021. The options granted to each of Messrs. Suen and Doradla are also eligible to vest on an accelerated basis in the event of his termination of employment by us without cause (as defined in the executive's employment agreement) or his resignation for good reason (as defined in the executive's employment agreement), in each case following a change in control.

(2) Represents stock options granted to Mr. Sims upon his appointment as interim Chief Executive Officer, which stock options will vest in equal quarterly installments over the two years following his commencement of service as interim Chief Executive Officer, subject to his continued service as our Chief Executive Officer or as a member of our board of directors on each vesting date. The stock options will also vest in full upon a change in control.

(3) Represents stock options granted to Mr. Sims in his capacity as a non-employee director prior to his appointment as interim Chief Executive Officer on May 8, 2018. These stock options vest on the first anniversary of the date of grant and, consistent with all awards granted to our non-employee directors, will vest in full immediately prior to the occurrence of a change in control, to the extent outstanding at such time.

Additional Narrative Disclosure

For a description of the material terms of our retirement plans and the change-in-control and severance provisions of the employment agreements with our named executive officers, please see above under "Narrative Disclosure to Summary Compensation Table."

Compensation Committee Interlocks and Insider Participation

During 2018 and prior to January 31, 2018, our compensation committee consisted of Thomas A. Munro (chairperson), Francis X. Egan, and James K. Sims served on our compensation committee. Mr. Egan resigned from our board of directors on January 31, 2018. In connection with the appointment of Mr. Sims as our interim Chief Executive Officer, the board of directors appointed Arthur M. Toscanini to replace Mr. Sims on the Compensation Committee. Other than Mr. Sims, our Chairman and Chief Executive Officer, none of the members of our compensation committee during the 2018 fiscal year has ever been one of our officers or employees. None of our executive officers currently serves, or has served, as a member of the board of directors or compensation committee of any entity that has one or more executive officers serving as a member of our board of directors or compensation committee.

Director Compensation

Our board of directors has approved a compensation policy for our non-employee directors. The non-employee director compensation policy provides for annual retainer fees and long-term equity awards for our non-employee directors. Pursuant to the terms of the non-employee director compensation policy, each non-employee director will receive an annual retainer of $30,000, with an additional $25,000 annual retainer payable to the chairman of the board of directors. Non-employee directors serving as the chairs of the audit, compensation and nominating and corporate governance committees will receive additional annual retainers of $15,000, $10,000 and $7,500, respectively. Non-employee directors serving as members of the audit, compensation and nominating and corporate governance committees will receive additional annual retainers of $7,500, $5,000 and $3,750, respectively.

Effective January 17, 2018, the board of directors amended our non-employee director compensation policy to revise the annual equity awards to non-employee directors. Effective January 19, 2018, the board of directors awarded each non-employee director stock options to purchase 15,000 shares of our common stock (with Mr. Sims receiving stock options to purchase 20,000 shares of our common stock in recognition of his service as chairman of the board), which awards will vest on the first anniversary of the date of grant and were granted in lieu of the annual grants that would have been granted at the time of the 2018 annual meeting of stockholders under the non-employee director compensation policy in effect prior to January 17, 2018.

On October 25, 2018, the board of directors further amended our non-employee director compensation policy. Pursuant to the terms of the amended policy, each non-employee director will receive an annual retainer of $32,000, with an additional $26,500 annual retainer payable to the chairperson of the board of directors. Non-employee directors serving as the chairs of the audit, compensation and nominating and corporate governance committees will receive additional annual retainers of $16,000, $10,600 and $8,000, respectively. Non-employee directors serving as members of the audit, compensation and nominating and corporate governance committees will receive additional annual retainers of $8,000, $5,300 and $4,000, respectively.

Each non-employee director who is newly elected or appointed to the board of directors will also receive, effective on the date of such election or appointment (or such other date specified by the board of directors), (1) an initial grant of options to purchase a number of shares of our common stock having a value of $50,000, calculated as of the date of grant in accordance with the Black-Scholes option pricing model (utilizing the same assumptions that we utilize in preparation of our financial statements and the thirty-day trailing average trading price of our common stock preceding the date of grant (the "Thirty-Day Trailing Average"), plus (2) such number of restricted stock units as is determined by dividing (A) $50,000 by (B) the Thirty-Day Trailing Average, which initial awards will vest in substantially equal installments on each of the first three anniversaries of the date of grant. All of a non-employee director's initial awards shall vest in full immediately prior to the occurrence of a change in control, to the extent outstanding at such time.

Commencing in 2019, each non-employee director will receive an annual award on the first trading day in February of each year of (1) a number of stock options having a value of $30,000 (with the award to the chairperson of the board of directors having a value of $45,000), calculated as of the date of grant in accordance with the Black-Scholes option pricing model (utilizing the same assumptions that we use in preparation of our financial statements and the thirty-day trailing average), plus (2) such number of restricted stock units as is determined by dividing (A)

$30,000 (with the award to the chairperson of the board of directors having a value of $45,000) by (B) the Thirty-Day Trailing Average, which annual awards will vest on the first anniversary of the date of grant. All of a non-employee director's annual awards shall vest in full immediately prior to the occurrence of a change in control, to the extent outstanding at such time.

In addition, the amended policy contains an ownership guideline so that members of the board of directors are required to own shares with a value of at least three times the then-current annual retainer on or before September 30, 2021, or, if later, within three years after the director's first appointment to the board of directors. Compensation under our non-employee director compensation policy is subject to the annual limits on non-employee director compensation set forth in our 2016 Incentive Award Plan, referred to herein as the 2016 Plan. Our board of directors or its authorized committee may modify the non-employee director compensation program from time to time in the exercise of its business judgment, taking into account such factors, circumstances and considerations as it shall deem relevant from time to time, subject to the annual limit on non-employee director compensation set forth in the 2016 Plan. As provided in the 2016 Plan, our board of directors or its authorized committee may make exceptions to this limit for individual non-employee directors in extraordinary circumstances, as the board of directors or its authorized committee may determine in its discretion, provided that the non-employee director receiving such additional compensation may not participate in the decision to award such compensation or in other compensation decisions involving non-employee directors.

Mr. Myers, who served as our Chief Executive Officer and a member of our board of directors until May 2, 2018, received no compensation for his service as a director. Following his appointment as interim Chief Executive Officer on May 2, 2018 and Chief Executive Officer on March 13, 2019, and during his service as both interim Chief Executive Officer and Chief Executive Officer, Mr. Sims is not entitled to any additional fees or other compensation for serving as Chairman of the Board or as a member of our board of directors, including any fees or equity grants in accordance with our non-employee director compensation policy, although the equity awards previously granted to him in connection with his service as a member of our board of directors will continue to vest based on his service as Chief Executive Officer. The compensation received by Mr. Myers as an employee during 2018 and by Mr. Sims in his capacity as both a non-employee director and interim Chief Executive Officer during 2018 is presented in "Executive Compensation—Summary Compensation Table."

The following table sets forth information for the year ended December 31, 2018 regarding the compensation awarded to, earned by or paid to our non-employee directors who served on our board of directors during 2018.

Name	Fees Earned or Paid in Cash($)	Stock Awards ($)(1)	Option Awards ($)(1)	All Other Compensation($)	Total($)
Tzau-Jin Chung (2)	$ 5,935	$ 50,000	$ 50,000	—	$ 55,935
Francis X. Egan (3)	—	—	—	—	—
Joan Gillman	43,750	—	65,768	—	109,518
Frances Kordyback	37,500	—	65,768	—	103,268
Thomas A. Munro	43,750	—	65,768	—	109,518
Arthur M. Tsocanini	48,333	—	65,768	—	114,101

(1) Amounts reflect the full grant-date fair value of stock awards and stock options granted during 2018 computed in accordance with Accounting Standards Codification, or ASC, Topic 718, rather than the amounts paid to or realized by the named individual. We provide information regarding the assumptions used to calculate the value of all option awards made to our directors in Note 11 to the consolidated financial statements included in our Annual Report on Form 10-K for the year ended December 31, 2018 and filed with the SEC on March 15, 2018.

(2) Mr. Chung was appointed to the board of directors on October 25, 2018.

(3) Mr. Egan resigned from the board of directors on January 31, 2018.

The table below shows the aggregate numbers of restricted stock unit and option awards outstanding held as of December 31, 2018 by each non-employee director listed in the table above who held outstanding awards as December 31, 2018.

Name	Options Outstanding at Year End	Restricted Stock Units Outstanding at Year End
Tzau-Jin Chung	10,334	3,962
Joan Gillman	27,500	—
Frances Kordyback	20,001	—
Thomas A. Munro	57,981	—
Arthur M. Toscanini	70,180	—

ITEM 12. SECURITY OWNERSHIP OF CERTAIN BENEFICIAL OWNERS AND MANAGEMENT AND RELATED STOCKHOLDER MATTERS

SECURITY OWNERSHIP OF CERTAIN BENEFICIAL OWNERS AND MANAGEMENT

The following table sets forth information relating to the beneficial ownership of our common stock as of March 13, 2019 by:

- each person, or group of affiliated persons, known by us to beneficially own more than 5% of our outstanding shares of common stock;
- each of our directors;
- each of our named executive officers; and
- all directors and executive officers as a group.

The number of shares beneficially owned by each stockholder, executive officer or director is determined in accordance with SEC rules. Under such rules, beneficial ownership includes any shares over which the person or entity has sole or shared voting power or investment power as well as any shares that the person has the right to acquire within 60 days of March 13, 2019 through the exercise of any stock options, warrants or other rights. Except as otherwise indicated, and subject to applicable community property laws, to our knowledge, the persons named in the table have sole voting and investment power with respect to all shares of common stock held by that person. For purposes of calculating each person's or group's percentage ownership, stock options, warrants and other rights exercisable within 60 days after March 13, 2019 are included for that person but not for any other person.

The percentage of shares beneficially owned is based on 10,029,281 shares of our common stock outstanding as of March 13, 2019. Unless otherwise noted below, the address of each person listed on the table is c/o Airgain, Inc., 3611 Valley Centre Drive, Suite 150, San Diego, CA 92130.

Name and Address of Beneficial Owner	Number of Shares Beneficially Owned	Percentage of Shares Beneficially Owned
5% and Greater Stockholders		
Entities affiliated with GEN3 Capital (1)	1,048,428	10.5%
Named Executive Officers and Directors		
James K. Sims (1)(2)	1,456,402	14.3%
Jacob Suen (3)	94,761	*
Anil Doradla (4)	20,625	*
Charles Myers (5)	195,924	2.0%
Tzau-Jin Chung (6)	-	*
Joan Gillman (7)	24,100	*
Frances Kordyback (8)	20,000	*
Thomas A. Munro (9)	59,980	*
Arthur M. Toscanini (1)(10)	146,730	1.5%
All current directors and executive officers as a group (9 persons) (11)	2,039,952	19.5%

* Indicates beneficial ownership of less than 1% of the total outstanding common stock.

(1) Includes (a) 1,043,464 shares of common stock held by GEN3 Capital I, LP, or GEN3 Capital, and (b) 4,964 shares of common stock held by Gen 3 Partners, Inc., or Gen 3 Partners. The general partner of GEN3 Capital is GEN3 Capital Partners, LLC, or GEN3 LLC, and James K. Sims is the Managing Member of GEN3 LLC. As a result, each of GEN3 LLC and Mr. Sims may be deemed to share beneficial ownership of the shares held by GEN3 Capital. Mr. Sims and Arthur M. Toscanini may be deemed to share beneficial ownership of the shares held by Gen 3 Partners in their capacity as directors of Gen 3 Partners. Each of such persons disclaims beneficial ownership of the shares held by Gen 3 Partners and GEN3 Capital, except to the extent of their respective pecuniary interest therein. Information regarding these shares is based in part on information contained in a Form 4 filed by GEN3 Capital Partners, LLC on March 6, 2019.

(2) Includes 179,380 shares of common stock that Mr. Sims has the right to acquire from us within 60 days of March 13, 2019 pursuant to the exercise of stock options. Beneficial ownership does not include 20,326 restricted stock units since no shares would be acquired within 60 days of March 13, 2019.

(3) Includes 49,191 shares of common stock that Mr. Suen has the right to acquire from us within 60 days of March 13, 2019 pursuant to the exercise of stock options.

(4) Includes 15,625 shares of common stock that Mr. Doradla has the right to acquire from us within 60 days of March 13, 2019 pursuant to the exercise of stock options. Beneficial ownership does not include 15,244 restricted stock units since no shares would be acquired within 60 days of March 13, 2019.

(5) Based on information contained in a Form 4 filed by Mr. Myers on March 8, 2018. Mr. Myers resigned as our President and Chief Executive Officer on May 2, 2018.

(6) Beneficial ownership does not include 6,797 restricted stock units since no shares would be acquired within 60 days of March 13, 2019.

(7) Includes 24,100 shares of common stock that Ms. Gillman has the right to acquire from us within 60 days of March 13, 2019 pursuant to the exercise of stock options. Beneficial ownership does not include 2,835 restricted stock units since no shares would be acquired within 60 days of March 13, 2019.

(8) Includes 20,000 shares of common stock that Ms. Kordyback has the right to acquire from us within 60 days of March 13, 2019 pursuant to the exercise of stock options. Beneficial ownership does not include 2,835 restricted stock units since no shares would be acquired within 60 days of March 13, 2019.

(9) Includes 57,980 shares of common stock that Mr. Munro has the right to acquire from us within 60 days of March 13, 2019 pursuant to the exercise of stock options. Beneficial ownership does not include 2,835 restricted stock units since no shares would be acquired within 60 days of March 13, 2019.

(10) Includes 68,179 shares of common stock that Mr. Munro has the right to acquire from us within 60 days of March 13, 2019 pursuant to the exercise of stock options. Beneficial ownership does not include 2,835 restricted stock units since no shares would be acquired within 60 days of March 13, 2019.

(11) Includes shares of common stock issuable upon the exercise of outstanding options, as set forth in the previous footnotes.

EQUITY COMPENSATION PLAN INFORMATION

The following table provides information on our equity compensation plans as of December 31, 2018.

As of December 31, 2018, we had four equity compensation plans in place under which equity awards were outstanding or shares of our common stock were authorized for issuance detailed as follows:

Plan Category	Number of securities to be issued upon exercise of outstanding options, warrants and rights (a)		Weighted-average exercise price of outstanding options, warrants and rights (b)		Number of securities remaining available for future issuance under equity compensation plans (excluding securities reflected in column(a)) (c)	
Equity compensation plans approved by security holders	1,407,049	(1)	$ 8.73	(2)	563,491	(3)
Equity compensation plans not approved by security holders	—		$ —		—	

(1) Includes 1,046,990 shares of common stock that were subject to option awards and 3,962 shares of common stock that were subject to restricted stock units as of December 31, 2018 under the 2016 Plan, 342,059 shares subject to option awards under our 2013 Equity Incentive Plan, or the 2013 Plan and 18,000 shares subject to option awards under our 2003 Equity Incentive Plan.

(2) Represents the weighted-average exercise price of outstanding options.

(3) Includes 463,491 shares of common stock available for issuance under the 2016 Plan and 100,000 shares of common stock available for issuance under our Employee Stock Purchase Plan. This amount does not include

any additional shares that may become available for future issuance under the 2016 Plan or the Employee Stock Purchase Plan pursuant to the automatic increases to the share reserves under such plans on January 1 of each of our calendar years pursuant to their terms. There were no offering periods in effect under our Employee Stock Purchase Plan as of December 31, 2018.

ITEM 13. CERTAIN RELATIONSHIPS AND RELATED TRANSACTIONS, AND DIRECTOR INDEPENDENCE

We describe below the transactions and series of similar transactions, since January 1, 2018, to which we were a party or will be a party, in which the amounts involved exceeded or will exceed $120,000, and in which any of our directors, executive officers or, to our knowledge, beneficial owners of more than 5% of our capital stock holders or any member of their immediate family had or will have a direct or indirect material interest.

Investors' Rights Agreement

We entered into a fourth amended and restated investors' rights agreement in May 2008 with the holders of our preferred stock, including entities with which certain of our directors are affiliated. This agreement provides for certain registration rights that will terminate three years following the closing of our initial public offering, or August 17, 2019, or for any particular holder with registration rights, at such time following this offering when such holder may sell all of such shares pursuant to Rule 144(b)(1) under the Securities Act of 1933, as amended, or the Securities Act.

Director and Executive Officer Compensation

Please see Item 11 of Part III of this Annual Report on Form 10-K for additional information regarding compensation of our directors and executive officers.

Employment Agreements

We have entered into employment agreements with our executive officers. For more information regarding these agreements, see "Executive Compensation—Narrative Disclosure to Summary Compensation Table—Employment Agreements" in Item 11 of Part III of this Annual Report on Form 10-K.

Indemnification

Our amended and restated certificate of incorporation and our amended and restated bylaws provide that we will indemnify each of our directors and officers to the fullest extent permitted by the Delaware General Corporation Law. Further, we have entered into indemnification agreements with each of our directors and officers, and we have purchased a policy of directors' and officers' liability insurance that insures our directors and officers against the cost of defense, settlement or payment of a judgment under certain circumstances.

Stock Option and Restricted Stock Unit Grants to Executive Officers and Directors

We have granted stock options to our executive officers as more fully described in the sections entitled "Executive Compensation—Equity Compensation" and "Executive Compensation—Outstanding Equity Awards at the End of 2018" in Item 11 of Part III of this Annual Report on Form 10-K. We have granted stock options and restricted stock units to certain of our directors as more fully described in the section entitled "Executive Compensation—Director Compensation" in Item 11 of Part III of this Annual Report on Form 10-K.

Policies and Procedures Regarding Related Party Transactions

Our board of directors has adopted a written related person transaction policy setting forth the policies and procedures for the review and approval or ratification of related-person transactions. This policy covers, with certain exceptions set forth in Item 404 of Regulation S-K under the Securities Act, any transaction, arrangement or relationship, or any series of similar transactions, arrangements or relationships in which we were or are to be a participant, where the amount involved exceeds $120,000 and a related person had or will have a direct or indirect material interest, including, without limitation, purchases of goods or services by or from the related person or person has a material interest, indebtedness, guarantees of indebtedness and employment by us of a related person. In reviewing and approving any such transactions, our audit committee is tasked to consider all relevant facts and circumstances, including, but not limited to, whether the transaction is on terms comparable to those that could be obtained in an arm's length transaction and the extent of the related person's interest in the transaction. All of the transactions described in this section occurred prior to the adoption of this policy.

Director Independence

Our board of directors has determined that all our directors are independent directors within the meaning of the applicable Nasdaq listing standards, except for James K. Sims, our Chief Executive Officer.

ITEM 14. PRINCIPAL ACCOUNTING FEES AND SERVICES

Independent Registered Public Accounting Firm's Fees

The following table represents aggregate fees billed to us for services related to the fiscal years ended December 31, 2018 and 2017, by KPMG, LLP, our independent registered public accounting firm.

	Year Ended December 31, 2018	Year Ended December 31, 2017
Audit Fees (1)	$ 442,000	$ 475,000
Audit Related Fees (2)	—	265,000
Tax Fees (3)	82,625	219,455
All Other Fees (4)	1,780	124,117
Total	$ 526,405	$ 1,083,572

(1) Audit Fees consist of fees billed for professional services performed by KPMG LLP for the audit of our annual financial statements, the quarterly review of our financial statements, and related services that are normally provided in connection with statutory and regulatory filings or engagements.

(2) Audit Related Fees consist of fees billed by KPMG LLP for audits of acquisitions. There were no such audit related fees incurred during 2018.

(3) Tax Fees consist of fees related to services rendered for the preparation of tax filings and completion of an R&D tax credit study.

(4) All Other Fees for 2018 consist of fees billed for an accounting research subscription. All Other Fees for 2017 consist of fees billed for professional services performed by KPMG LLP for acquisition due diligence services and an accounting research subscription.

The audit committee has considered whether the provision of non-audit services is compatible with maintaining the independence of KPMG LLP, and has concluded that the provision of such services is compatible with maintaining the independence of our auditors.

Pre-Approval Policies and Procedures

Our audit committee has established a policy that all audit and permissible non-audit services provided by our independent registered public accounting firm will be pre-approved by the audit committee, and all such services were pre-approved in accordance with this policy during the fiscal years ended December 31, 2018 and 2017. These services may include audit services, audit-related services, tax services and other services. The audit committee considers whether the provision of each non-audit service is compatible with maintaining the independence of our auditors. Pre-approval is detailed as to the particular service or category of services and is generally subject to a specific budget. Our independent registered public accounting firm and management are required to periodically report to the audit committee regarding the extent of services provided by the independent registered public accounting firm in accordance with this pre-approval, and the fees for the services performed to date.

PART IV

ITEM 15. EXHIBITS, FINANCIAL STATEMENT SCHEDULES

1. Financial Statements.

The financial statements of Airgain, Inc., together with the report thereon of KPMG LLP, an independent registered public accounting firm, are included in this annual report on Form 10-K.

2. Finance Statement Schedules.

All schedules are omitted because they are not applicable or the required information is shown in the financial statements or notes thereto.

3. Exhibits

A list of exhibits is set forth on the Exhibit Index immediately preceding the signature page of this annual report on Form 10-K and is incorporated herein by reference.

ITEM 16. FORM 10-K SUMMARY

None.

Airgain, Inc.

Index to Financial Statements

Report of Independent Registered Public Accounting Firm

To the Stockholders and Board of Directors
Airgain, Inc.:

Opinion on the Financial Statements

We have audited the accompanying balance sheets of Airgain, Inc. (the "Company") as of December 31, 2018 and 2017, and the related statements of operations, comprehensive income (loss), stockholders' equity, and cash flows for each of the years in the three-year period ended December 31, 2018, and the related notes (collectively, the "financial statements"). In our opinion, the financial statements present fairly, in all material respects, the financial position of the Company as of December 31, 2018 and 2017, and the results of its operations and its cash flows for each of the years in the three-year period ended December 31, 2018, in conformity with U.S. generally accepted accounting principles.

Basis for Opinion

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

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

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

/s/ KPMG LLP

We have served as the Company's auditor since 2012.

San Diego, California
March 15, 2019

Airgain, Inc.

Balance Sheets

	December 31, 2018	December 31, 2017
Assets		
Current assets:		
Cash and cash equivalents	$ 13,620,656	$ 15,026,068
Short term investments	20,168,981	21,287,064
Trade accounts receivable	7,013,220	8,418,132
Inventory	1,351,104	741,557
Prepaid expenses and other current assets	931,254	609,786
Total current assets	43,085,215	46,082,607
Property and equipment, net	1,400,591	1,036,860
Goodwill	3,700,447	3,700,447
Customer relationships, net	3,592,918	4,075,918
Intangible assets, net	858,805	1,052,333
Other assets	269,136	349,743
Total assets	$ 52,907,112	$ 56,297,908
Liabilities and stockholders' equity		
Current liabilities:		
Accounts payable	$ 4,136,943	$ 3,969,083
Accrued bonus	2,640,406	2,224,517
Accrued liabilities	652,139	1,121,833
Deferred purchase price	—	1,000,000
Current portion of long-term notes payable	—	1,333,333
Current portion of deferred rent obligation under operating lease	81,332	81,332
Total current liabilities	7,510,820	9,730,098
Deferred tax liability	37,577	7,971
Deferred rent obligation under operating lease	211,383	334,860
Total liabilities	7,759,780	10,072,929
Stockholders' equity:		
Common shares, par value $0.0001, 200,000,000 shares authorized at December 31, 2018 and December 31, 2017; 9,958,448 and 9,616,992 shares issued at December 31, 2018 and December 31, 2017, respectively; 9,601,134 and 9,481,992 shares outstanding at December 31, 2018 and December 31, 2017, respectively	995	961
Additional paid in capital	93,583,069	89,907,766
Treasury stock, at cost: 357,314 and 135,000 shares at December 31, 2018 and December 31, 2017, respectively	(3,431,530)	(1,257,100)
Accumulated other comprehensive loss	(11,141)	(16,907)
Accumulated deficit	(44,994,061)	(42,409,741)
Total stockholders' equity	45,147,332	46,224,979
Commitments and contingencies (note 13)		
Total liabilities and stockholders' equity	$ 52,907,112	$ 56,297,908

See accompanying notes to the financial statements.

Airgain, Inc.

Statements of Operations

	For the Year Ended December 31,		
	2018	2017	2016
Sales	$ 60,625,212	$ 49,521,171	$ 43,433,867
Cost of goods sold	34,114,044	26,218,965	24,156,792
Gross profit	26,511,168	23,302,206	19,277,075
Operating expenses:			
Research and development	9,319,116	7,319,575	5,622,132
Sales and marketing	11,032,752	7,012,829	5,670,625
General and administrative	9,545,306	8,000,602	4,532,151
Total operating expenses	29,897,174	22,333,006	15,824,908
Income (loss) from operations	(3,386,006)	969,200	3,452,167
Other (income) expense:			
Interest income	(584,735)	(296,451)	(7,803)
Interest expense	30,988	98,711	178,371
Fair market value adjustment - warrants	—	—	(460,289)
Gain on deferred purchase price liability	(388,733)	—	—
Loss on disposal of fixed assets	39,251	—	—
Total other income	(903,229)	(197,740)	(289,721)
Income (loss) before income taxes	(2,482,777)	1,166,940	3,741,888
Provision for income taxes	101,543	25,685	8,181
Net income (loss)	(2,584,320)	1,141,255	3,733,707
Accretion of dividends on preferred convertible stock	—	—	(1,537,021)
Net income (loss) attributable to common stockholders	$ (2,584,320)	$ 1,141,255	$ 2,196,686
Net income (loss) per share:			
Basic	$ (0.27)	$ 0.12	$ 0.65
Diluted	$ (0.27)	$ 0.11	$ 0.40
Weighted average shares used in calculating income (loss) per share			
Basic	9,520,947	9,485,271	3,373,316
Diluted	9,520,947	10,361,373	4,667,503

See accompanying notes to the financial statements.

Airgain, Inc.

Statements of Comprehensive Income (Loss)

	For the Year Ended December 31,		
	2018	2017	2016
Net income (loss)	$ (2,584,320)	$ 1,141,255	$ 3,733,707
Unrealized gain (loss) on available-for-sale securities, net of deferred taxes	5,766	(16,907)	—
Total comprehensive income (loss)	$ (2,578,554)	$ 1,124,348	$ 3,733,707

See accompanying notes to the financial statements.

Airgain, Inc.

Statements of Stockholders' Equity

	Preferred Convertible Stock Shares	Preferred Convertible Stock Amount	Common Stock Shares	Common Stock Amount	Additional Paid-in Capital	Treasury Stock	Accumulated Other Comprehensive Loss	Accumulated Deficit	Total Stockholders' Equity
Balance at December 31, 2015	6,244,174	$ 5,968,549	665,842	$ 1,094,375	$ —	$ —	$ —	$ (46,475,746)	$ (39,412,822)
Stock-based compensation	—	—	—	—	298,535	—	—	—	298,535
Conversion of warrants	—	—	127,143	—	249,215	—	—	—	249,215
Exercise of stock options	—	—	58,155	112,101	25,302	—	—	—	137,403
Effect of accretion to redemption value	—	—	—	—	(547,750)	—	—	(808,957)	(1,356,707)
Change in par value from no par value to $0.0001	—	—	—	(1,206,391)	1,206,391	—	—	—	—
Issuance of common stock upon initial public offering, net of issuance costs	—	—	1,700,100	170	10,816,808	—	—	—	10,816,978
Issuance of warrants to underwriters	—	—	—	—	126,218	—	—	—	126,218
Conversion of preferred redeemable convertible stock to common stock upon initial public offering	—	—	3,778,753	378	44,463,235	—	—	—	44,463,613
Conversion of preferred convertible stock to common stock upon initial public offering	(6,244,174)	(5,968,549)	1,259,187	126	5,968,423	—	—	—	—
Issuance of common stock upon secondary public offering, net of issuance costs	—	—	1,685,882	169	25,976,093	—	—	—	25,976,262
Net income	—	—	—	—	—	—	—	3,733,707	3,733,707
Balance at December 31, 2016	—	$ —	9,275,062	$ 928	$ 88,582,470	$ —	$ —	$ (43,550,996)	$ 45,032,402
Stock-based compensation	—	—	—	—	736,066	—	—	—	736,066
Exercise of stock options	—	—	284,455	28	588,454	—	—	—	588,482
Shares issued pursuant to stock awards	—	—	57,475	5	(5)	—	—	—	—
Common stock repurchases	—	—	(135,000)	—	—	(1,257,100)	—	—	(1,257,100)
Reversal of costs related to secondary offering	—	—	—	—	781	—	—	—	781
Unrealized loss on available-for-sale securities	—	—	—	—	—	—	(16,907)	—	(16,907)
Net income	—	—	—	—	—	—	—	1,141,255	1,141,255
Balance at December 31, 2017	—	$ —	9,481,992	$ 961	$ 89,907,766	$ (1,257,100)	$ (16,907)	$ (42,409,741)	$ 46,224,979
Stock-based compensation	—	—	—	—	2,910,070	—	—	—	2,910,070
Exercise of stock options	—	—	341,456	34	765,233	—	—	—	765,267
Common stock repurchases	—	—	(222,314)	—	—	(2,174,430)	—	—	(2,174,430)
Unrealized gain on available-for-sale securities, net of deferred taxes	—	—	—	—	—	—	5,766	—	5,766
Net loss	—	—	—	—	—	—	—	(2,584,320)	(2,584,320)
Balance at December 31, 2018	—	$ —	9,601,134	$ 995	$ 93,583,069	$ (3,431,530)	$ (11,141)	$ (44,994,061)	$ 45,147,332

See accompanying notes to the financial statements.

Airgain, Inc.

Statements of Cash Flows

	For the Year Ended December 31, 2018	2017	2016
Cash flows from operating activities:			
Net income (loss)	$ (2,584,320)	$ 1,141,255	$ 3,733,707
Adjustments to reconcile net income (loss) to net cash provided by (used in) operating activities:			
Depreciation	586,884	436,247	495,347
Amortization	676,528	581,386	373,350
Fair market value adjustment - warrants	—	—	(460,289)
Amortization of discounts on investments, net	(201,587)	(91,485)	—
Stock-based compensation	2,910,070	736,066	298,535
Deferred Tax Liability	29,606	1,805	6,166
Loss on disposal of fixed assets	39,251	—	—
Gain on deferred purchase price liability	(388,733)	—	—
Changes in operating assets and liabilities:			
Trade accounts receivable	1,042,843	(2,678,746)	(1,422,998)
Inventory	(609,547)	(161,972)	(27,082)
Prepaid expenses and other assets	(240,861)	(525,919)	(120,567)
Accounts payable	293,662	(101,801)	1,075,534
Accrued bonus	415,889	475,966	413,051
Accrued liabilities	(469,694)	49,591	411,255
Deferred obligation under operating lease	(123,477)	(117,049)	(106,732)
Net cash provided by (used in) operating activities	1,376,514	(254,656)	4,669,277
Cash flows from investing activities:			
Purchases of available-for-sale securities	(29,666,317)	(21,962,486)	—
Maturities of available-for-sale securities	30,991,753	750,000	—
Cash paid for acquisition	—	(6,348,730)	—
Purchases of property and equipment	(989,866)	(263,063)	(275,649)
Net cash provided by (used in) investing activities	335,570	(27,824,279)	(275,649)
Cash flows from financing activities:			
Repayment of notes payable	(1,333,333)	(1,388,563)	(1,624,999)
Proceeds from initial public offering and issuance of warrants to underwriters	—	—	13,600,800
Costs related to initial public offering	—	781	(2,657,604)
Proceeds from secondary public offering		—	26,797,094
Costs related to secondary public offering	—	—	(820,832)
Payments on acquisition related deferred purchase price	(375,000)	—	—
Common stock repurchases	(2,174,430)	(1,257,100)	—
Proceeds from exercise of stock options	765,267	588,482	137,403
Net cash provided by (used in) financing activities	(3,117,496)	(2,056,400)	35,431,862
Net increase (decrease) in cash and cash equivalents	(1,405,412)	(30,135,335)	39,825,490
Cash and cash equivalents, beginning of period	15,026,068	45,161,403	5,335,913
Cash and cash equivalents, end of period	$ 13,620,656	$ 15,026,068	$ 45,161,403
Supplemental disclosure of cash flow information			
Interest paid	$ 36,667	$ 98,711	$ 177,460
Taxes paid	$ 46,198	$ 102,819	$ —
Supplemental disclosure of non-cash investing and financing activities:			
Accretion of Series E, F, and G preferred redeemable convertible stock to redemption amount	$ —	$ —	$ 1,356,707
Conversion of warrants	$ —	$ —	$ 249,215
Conversion of preferred stock into common stock	$ —	$ —	$ 50,432,162

See accompanying notes to the financial statements.

(1) Significant Accounting Policies

(a) Description of Business

Airgain, Inc. (the Company) was incorporated in the State of California on March 20, 1995 and reincorporated in the State of Delaware on August 15, 2016. The Company is a leading provider of advanced antenna technologies used to enable high performance wireless networking across a broad range of devices and markets, including Consumer, Enterprise and Automotive. The Company designs, develops, and engineers its antenna products for original equipment and design manufacturers worldwide. The Company's headquarters is in San Diego, California with office space and research, design and test facilities in the United States, United Kingdom, Korea, China and Taiwan.

(b) Basis of Presentation

The financial statements of the Company have been prepared in conformity with U.S. generally accepted accounting principles (GAAP).

(c) Recently Issued Accounting Pronouncements

In August 2018, the Financial Accounting Standards Board (FASB) issued Accounting Standards Update (ASU) No. 2018-15, *Intangibles – Goodwill and Other – Internal-Use Software*, which aligns the requirements for capitalizing implementation costs incurred in a hosting arrangement that is a service contract with the requirements for capitalizing implementation costs incurred to develop or obtain internal-use software. ASU 2018-15 is effective for fiscal years beginning after December 15, 2020, and interim periods within annual periods beginning after December 15, 2021. Early adoption is permitted. The Company adopted this standard during the year ended December 31, 2018 on a prospective basis. The impact on the financial statements are immaterial.

In August 2018, the FASB issued ASU No. 2018-13, *Fair Value Measurement: Disclosure Framework – Changes to Disclosure for Fair Value Measurement*, which modifies the disclosure requirements on fair value measurements. ASU 2018-13 is effective for fiscal years beginning after December 15, 2019 and interim periods within those fiscal years. Early adoption is permitted. The Company adopted this standard during the year ended December 31, 2018 on a prospective basis. The impact on the financial statements are immaterial.

In May 2014, the FASB issued ASU No. 2014-09, *Revenue from Contracts with Customers (Topic 606)*, which requires an entity to recognize the amount of revenue to which it expects to be entitled for the transfer of promised goods and services to customers. The standard will replace most existing revenue recognition guidance in GAAP when it becomes effective. ASU 2014-09 is effective for reporting periods beginning after December 15, 2018, and interim periods in fiscal years beginning after December 15, 2019. The Company will adopt the new guidance for fiscal year 2019. The Company is in the process of finalizing their new accounting policies, processes, and internal controls necessary to support the requirements of ASU 2014-09. The Company has not yet selected a transition method, nor has determined the effect of the standard on our ongoing financial reporting.

In February 2016, the FASB issued ASU No. 2016-02, *Leases (Topic 842)*, which requires lessees to recognize most leases on their balance sheets as lease liabilities with corresponding right-of-use assets. ASU 2016-02 is effective for annual periods beginning after December 15, 2019, and interim periods in fiscal years beginning after December 15, 2020. The Company is evaluating the effect that ASU 2016-02 will have on its financial statements and related disclosures. The Company has not yet selected a transition method nor has it determined the effect of the standard on the Company's ongoing financial reporting.

(d) ***Segment Information***

The Company's operations are located primarily in the United States, and most of its assets are located in San Diego, California and Scottsdale, Arizona. The Company operates in one segment related to the sale of antenna products. The Company's chief operating decision-maker is its chief executive officer, who reviews operating results on an aggregate basis and manages the Company's operations as a single operating segment.

(e) ***Cash Equivalents and Short-Term Investments***

Cash equivalents are comprised of short-term, highly liquid investments with maturities of 90 days or less at the date of purchase.

Short-term investments consist predominantly of commercial paper, corporate debt securities, U.S. Treasury securities and asset backed securities. The Company classifies short-term investments based on the facts and circumstances surrounding the investments at the time of purchase and evaluates such classification as of each balance sheet date. All short-term investments are classified as available-for-sale securities as of December 31, 2018 and are recorded at estimated fair value. Unrealized gains and losses for available-for-sale securities are included in accumulated other comprehensive income, a component of stockholders' equity. Realized gains and losses are included in other income, in the statement of operations. The Company evaluates its investments to determine whether those with unrealized loss positions are other than temporarily impaired. Impairments are considered to be other than temporary if they are related to deterioration in credit risk or if it is likely that the Company will sell the securities before recovery of their cost basis.

(f) ***Trade Accounts Receivable***

Trade accounts receivable is adjusted for all known uncollectible accounts. The policy for determining when receivables are past due or delinquent is based on the contractual terms agreed upon. Accounts are written off once all collection efforts have been exhausted. An allowance for doubtful accounts is established when, in the opinion of management, collection of the account is doubtful. The allowance for doubtful accounts was $0 as of December 31, 2018 and December 31, 2017.

(g) ***Inventory***

The majority of the Company's products are manufactured by third parties that retain ownership of the inventory until title is transferred to the customer at the shipping point. In certain instances, shipping terms are delivery at place and the Company is responsible for arranging transportation and delivery of goods ready for unloading at the named place. The Company bears all risk involved in bringing the goods to the named place and records the related inventory in transit to the customer as inventory on the accompanying balance sheet. With the acquisition of substantially all of the assets of Antenna Plus, LLC (Antenna Plus), in April 2017, the Company began manufacturing products at its Scottsdale, Arizona and Shullsburg, Wisconsin locations. In July 2017, the Company relocated all of its product manufacturing operations in Shullsburg, Wisconsin to the Scottsdale, Arizona facility. See Note 4 for additional information relating to the Company's acquisition of the Antenna Plus assets.

Inventory is stated at the lower of cost or net realizable value. For items manufactured by the Company, cost is determined using the weighted average cost method. For items manufactured by third parties, cost is determined using the first-in, first-out method (FIFO). Any adjustments to reduce the cost of inventories to their net realizable value are recognized in earnings in the current period. As of December 31, 2018, the Company's inventories consist primarily of raw materials. Provisions for excess and obsolete inventories are estimated based on product life cycles, quality issues, and historical experience. As of December 31, 2018 and December 31, 2017, there was no provision for excess and obsolete inventories.

(h) Property and Equipment

Property and equipment are stated at cost and are depreciated using the straight-line method over the estimated useful lives of the assets, generally three years. The estimated useful lives for leasehold improvements is determined as either the estimated useful life of the asset or the lease term, whichever is shorter. Depreciation of assets that are recorded under operating leases are included in depreciation expense. Maintenance and repairs are expensed as incurred. Property and equipment are reviewed for impairment whenever events or changes in circumstances indicate the carrying amount of an asset may not be recoverable. When assets are sold, or otherwise disposed of, the cost and related accumulated depreciation are removed from the accounts and any gain or loss is included as a non-operating expense.

(i) Goodwill

Goodwill, which has an indefinite useful life, represents the excess of cost over fair value of net assets acquired. The change in the carrying value of goodwill during the year ended December 31, 2017, was due to an acquisition during 2017. See Note 5.

The Company reviews goodwill for impairment annually on December 1st and whenever events or changes in circumstances indicate that goodwill may be impaired. The Company completed its annual assessment for goodwill impairment in December 2018 and determined that goodwill is not impaired as of December 31, 2018.

(j) Long-lived Assets

The Company's identifiable intangible assets are comprised of acquired developed technologies, customer relationships, tradenames and non-compete agreements. The cost of the identifiable intangible assets with finite lives is amortized on a straight-line basis over the assets' respective estimated useful lives. The Company periodically re-evaluates the original assumptions and rationale utilized in the establishment of the carrying value and estimated lives of long-lived assets and finite-lived intangible assets. Long- lived assets and finite-lived intangibles are assessed for impairment whenever events or changes in circumstances indicate that the carrying amount of an asset may not be recoverable. If an asset is considered to be impaired, the impairment recognized is equal to the amount by which the carrying value of the asset exceeds its fair value.

(k) Revenue Recognition

The Company generates revenue primarily from the sale of its antenna products. The Company recognizes revenue when products are shipped and the customer takes ownership and assumes risk of loss, collection of the relevant receivable is reasonably assured, persuasive evidence of an arrangement exists, and the sales price is fixed or determinable. Title and risk of loss transfer to customers either when the products are shipped to or received by the customer, based on the terms of the specific agreement with the customer.

A portion of the Company's sales are made through distributors under agreements allowing for pricing credits and/or rights of return under certain circumstances. Pricing credits and returns under these provisions have been insignificant; accordingly, the Company's allowance for sales returns and pricing credits was insignificant for the years ended December 31, 2018, 2017 and 2016.

To date, services revenues have been immaterial as a percentage of total revenues. Service revenues are recognized ratably over the term of the agreement.

(l) Shipping and Transportation Costs

Shipping and other transportation costs are expensed as incurred. Shipping and other transportation costs were $433,234, $462,297 and $321,093 for the years ended December 31, 2018, 2017 and 2016, respectively. These costs are included in general and administrative expenses in the accompanying statements of operations.

(m) Research and Development Costs

Costs incurred in connection with research and development are expensed as incurred.

(n) Advertising Costs

Advertising costs are expensed as incurred and included in sales and marketing expenses. Advertising costs were $2,525,626, $15,867 and $0, for the years ended December 31, 2018, 2017 and 2016, respectively.

(o) Income Taxes

The Company records income taxes under the asset and liability method. Deferred tax assets and liabilities are recognized for the future tax consequences attributable to differences between the financial statements carrying amounts of existing assets and liabilities and their respective tax bases. Deferred tax assets and liabilities are measured using enacted tax rates expected to apply to taxable income in the years in which those temporary differences are expected to be recovered or settled. The effect on deferred tax assets and liabilities of a change in tax rates is recognized in income in the period that includes the enactment date. When applicable, a valuation allowance is established to reduce any deferred tax asset when it is determined that it is more likely than not that some portion of the deferred tax asset will not be realized.

The Company recognizes the effect of income tax positions only if those positions are more likely than not of being sustained. Recognized income tax positions are measured at the largest amount that is greater than 50% likely of being realized. Changes in recognition or measurement are reflected in the period in which the change in judgment occurs. The Company records interest related to unrecognized tax benefits in interest expense and penalties in general and administrative expenses.

(p) Stock-Based Compensation

The Company recognizes all employee stock-based compensation as a cost in the financial statements. Equity classified awards are measured at the grant-date fair value of the award. The Company estimates the grant-date fair value using the Black-Scholes-Merton option-pricing model. The Company recognizes forfeitures when incurred. Compensation cost is recognized on a straight-line basis over the requisite service period for the entire award. Stock-based compensation expense for the years ended December 31, 2018, 2017 and 2016 was $2,910,070, $736,066 and $298,535, respectively.

(q) Fair Value Measurements

The carrying values of the Company’s financial instruments, including cash, trade accounts receivable, accounts payable, and accrued liabilities approximate their fair values due to the short maturity of these instruments.

Fair value measurements are market-based measurements, not entity-specific measurements. Therefore, fair value measurements are determined based on the assumptions that market participants would use in pricing the asset or liability. The Company follows a three-level hierarchy to prioritize the inputs used in the valuation techniques to derive fair values. The basis for fair value measurements for each level within the hierarchy is described below:

- Level 1: Quoted prices in active markets for identical assets or liabilities.
- Level 2: Quoted prices for similar assets or liabilities in active markets; quoted prices for identical or similar instruments in markets that are not active; and model-derived valuations in which all significant inputs are observable in active markets.
- Level 3: Valuations derived from valuation techniques in which one or more significant inputs are unobservable in active markets.

(r) Use of Estimates

The preparation of financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates. Significant items subject to such estimates and assumptions include valuation of the preferred redeemable convertible stock warrant liability, stock- based compensation and intangible assets.

(s) Accumulated Other Comprehensive Loss

Comprehensive income (loss) is comprised of net income (loss) and other comprehensive income (loss). Accumulated other comprehensive loss on the balance sheet at December 31, 2018 and December 31, 2017 includes unrealized gains and losses on the Company's available-for-sale securities.

(t) Net Income (Loss) Per Share

Basic net income (loss) per share is calculated by dividing net income (loss) available to common stockholders by the weighted average shares of common stock outstanding for the period. Diluted net income (loss) per share is calculated by dividing net income (loss) by the weighted average shares of common stock outstanding for the period plus amounts representing the dilutive effect of securities that are convertible into common stock. Preferred dividends are deducted from net income (loss) in arriving at net income (loss) attributable to common stockholders. The Company calculates diluted earnings (loss) per common share using the treasury stock method and the as-if-converted method, as applicable.

The following table presents the computation of net income or loss per share:

	For the Year Ended December 31, 2018	2017	2016
Numerator:			
Net income (loss)	$ (2,584,320)	$ 1,141,255	$ 3,733,707
Accretion of dividends on preferred stock	—	—	(1,537,021)
Net income (loss) attributable to common stockholders - basic	$ (2,584,320)	$ 1,141,255	$ 2,196,686
Accretion of dividends on preferred stock	—	—	125,205
Adjustment for change in fair value of warrant liability	—	—	(460,289)
Net income (loss) attributable to common stockholders - diluted	$ (2,584,320)	$ 1,141,255	$ 1,861,602
Denominator:			
Weighted average common shares outstanding			
Basic	9,520,947	9,485,271	3,373,316
Diluted	9,520,947	10,361,373	4,667,503
Net income (loss) per share:			
Basic	$ (0.27)	$ 0.12	$ 0.65
Diluted	$ (0.27)	$ 0.11	$ 0.40

Basic and diluted weighted average common shares outstanding for the year ended December 31, 2018 were the same. Diluted weighted average common shares outstanding for the year ended December 31, 2017 includes 1,532 warrants and 874,571 options outstanding. Diluted weighted average common shares outstanding for the year ended December 31, 2016 includes 577,529 options outstanding and 716,658 preferred shares.

Potentially dilutive securities not included in the calculation of diluted net income (loss) per share because to do so would be anti-dilutive are as follows (in common stock equivalent shares):

	For the Year Ended December 31, 2018	2017	2016
Preferred redeemable convertible stock, including accumulated dividends	—	—	2,406,894
Employee stock options	978,464	513,869	—
Warrants outstanding	51,003	—	51,003
Total	1,029,467	513,869	2,457,897

(2) Cash, Cash Equivalents and Short-Term Investments

The following table shows the Company's cash and cash equivalents and short-term investments by significant investment category as of December 31, 2018:

	December 31, 2018 Amortized Cost	Gross Unrealized Gains	Gross Unrealized Losses	Estimated Fair Value	Cash and Cash Equivalents	Short-Term Investments
Cash	$ 3,043,800	$ —	$ —	$ 3,043,800	$ 3,043,800	$ —
Level 1 (1):						
Money market funds	5,481,647	—	—	5,481,647	5,481,647	—
U.S. treasury securities	1,987,794	—	(164)	1,987,630	—	1,987,630
Subtotal	7,469,441	—	(164)	7,469,277	5,481,647	1,987,630
Level 2 (2):						
Commercial paper	10,639,390	—	—	10,639,390	2,094,983	8,544,407
Corporate debt obligations	5,963,913	—	(6,678)	5,957,235	—	5,957,235
Repurchase agreements	3,000,226	—	—	3,000,226	3,000,226	—
Asset-backed securities	3,682,413	250	(2,954)	3,679,709	—	3,679,709
Subtotal	23,285,942	250	(9,632)	23,276,560	5,095,209	18,181,351
Total	$33,799,183	$ 250	$ (9,796)	$33,789,637	$13,620,656	$20,168,981

	December 31, 2017					
	Amortized Cost	Gross Unrealized Losses	Estimated Fair Value	Cash and Cash Equivalents	Short-Term Investments	Long-Term Marketable Securities
Cash	$ 3,040,696	$ —	$ 3,040,696	$ 3,040,696	$ —	$ —
Level 1 (1):						
Money market funds	8,234,751	—	8,234,751	8,234,751	—	—
U.S. treasury securities	2,490,799	(5,540)	2,485,259	—	2,485,259	—
Subtotal	10,725,550	(5,540)	10,720,010	8,234,751	2,485,259	—
Level 2 (2):						
Commercial paper	9,716,093	—	9,716,093	—	9,716,093	—
Corporate debt obligations	6,829,191	(9,414)	6,819,777	—	6,819,777	—
Repurchase agreements	3,000,233	—	3,000,233	3,000,233	—	—
Asset-backed securities	3,018,276	(1,953)	3,016,323	750,388	2,265,935	—
Subtotal	22,563,793	(11,367)	22,552,426	3,750,621	18,801,805	—
Total	$ 36,330,039	$ (16,907)	$ 36,313,132	$ 15,026,068	$ 21,287,064	$ —

(1) Level 1 fair value estimates are based on quoted prices in active markets for identical assets or liabilities.

(2) Level 2 fair value estimates are based on observable inputs other than quoted prices in active markets for identical assets and liabilities, quoted prices for identical or similar assets or liabilities in inactive markets, or other inputs that are observable or can be corroborated by observable market data for substantially the full term of the assets or liabilities.

The Company's investments were primarily valued based upon one or more valuations reported by its investment accounting and reporting service provider. The investment service provider values the securities using a hierarchical security pricing models that relies primarily on valuations provided by a third-party pricing vendor. Such valuations may be based on trade prices in active markets for identical assets or liabilities (Level 1 inputs) or valuation models using inputs that are observable either directly or indirectly (Level 2 inputs), such as quoted prices for similar assets or liabilities, yield curve, volatility factors, credit spreads, default rates, loss severity, current market and contractual prices for underlying instruments or debt, broker and dealer quotes, as well as other relevant economic measures. The Company performs certain procedures to corroborate the fair value of its holdings, including comparing valuations obtained from its investment service provider with other pricing sources to validate the reasonableness of the valuations.

The Company typically invests in highly-rated securities, and its investment policy limits the amount of credit exposure to any one issuer. The policy requires investments in fixed income instruments denominated and payable in U.S. dollars only and requires investments to be investment grade, with a primary objective of minimizing the potential risk of principal loss.

The following table presents the Company's short-term investments with unrealized losses by investment category and length of time that individual securities have been in a continuous unrealized loss position as of December 31, 2018:

	Less Than 12 Months	
Description of Securities	Estimated Fair Value	Unrealized Losses
December 31, 2018		
U.S. treasury securities	$ 1,987,630	$ (164)
Corporate debt obligations	5,957,235	(6,678)
Asset-backed securities	3,031,912	(2,954)
Total	$ 10,976,777	$ (9,796)

The Company considers the declines in market value of its short-term investments to be temporary in nature. Fair values were determined for each individual security in the investment portfolio. When evaluating an investment for other-than-temporary impairment, the Company reviews factors such as length of time and extent to which fair value has been below its cost basis, the financial condition of the issuer and any changes thereto, changes in market interest rates and the Company's intent to sell, or whether it is more likely than not it will be required to sell the investment before recovery of the investment's cost basis. As of December 31, 2018, the Company does not consider any of its investments to be other-than temporarily impaired.

Contractual maturities of short-term investments as of December 31, 2018 are as follows:

	Estimated Fair Value
Due within one year	$ 20,168,981
Total	$ 20,168,981

(3) Property and Equipment

Depreciation and amortization of property and equipment is calculated on the straight-line method based on estimated useful lives of six to ten years for tenant improvements and three to five years for all other property and equipment. Property and equipment consist of the following:

	As of December 31,	
	2018	2017
Lab equipment	$ 2,503,086	$ 1,914,911
Computer equipment	113,248	169,366
Computer software	193,694	299,227
Furniture and fixtures	266,960	202,218
Tenant improvements	894,304	763,898
Other office equipment	126,099	63,825
	4,097,391	3,413,445
Less accumulated depreciation	(2,696,800)	(2,376,585)
	$ 1,400,591	$ 1,036,860

Depreciation expense was $586,884, $436,247 and $495,347 for the years ended December 31, 2018, 2017 and 2016, respectively. For the year ended December 31, 2018, the Company incurred a $39,251 loss on disposal of fixed assets.

(4) Acquisitions

Antenna Plus

On April 27, 2017, the Company completed the acquisition of substantially all of the assets of Antenna Plus. Antenna Plus is a supplier of antenna-based solutions for mobile and automotive fleet applications for government, public safety, and industrial Internet of Things (IOT) markets. The acquisition provides leverage for the Company's existing products into several new markets, including the fast-growing automotive fleet and industrial IOT space.

The transaction was completed pursuant to an Asset Purchase Agreement with MCA Financial Group, Ltd., acting as the court-appointed receiver for Antenna Plus. Upon the closing of the transaction, the Company paid to Antenna Plus total consideration of approximately $6.3 million in cash, net of post-closing working capital adjustments. In addition, the Company assumed certain contracts and other liabilities of Antenna Plus, as expressly set forth in the Asset Purchase Agreement.

The following table shows the allocation of the purchase price for Antenna Plus to the acquired identifiable assets, liabilities assumed and goodwill:

Consideration:		
Cash	$	6,383,500
Working capital adjustments		(34,770)
Fair value of total consideration transferred	$	6,348,730
Recognized amounts of identifiable assets acquired and liabilities assumed:		
Accounts receivable	$	584,390
Inventory		432,770
Fixed assets		402,958
Intangible assets		2,600,000
Current liabilities		(121,879)
Total identifiable net assets acquired		3,898,239
Goodwill		2,450,491
Total	$	6,348,730

Goodwill was primarily attributable to the anticipated synergies and economies of scale expected from the operations of the combined business. The synergies include certain cost savings, operating efficiencies, and other strategic benefits projected to be achieved as a result of the acquisition. Goodwill is expected to be deductible for tax purposes.

Sales associated with the acquired Antenna Plus assets since the date of acquisition was $5.2 million for the year ended December 31, 2017. Cost of goods sold associated with the acquired Antenna Plus assets since the date of acquisition was $2.3 million for the year ended December 31, 2017. Net income associated with the acquired Antenna Plus assets since the date of acquisition was $0.4 million for the year ended December 31, 2017.

Unaudited Pro Forma Information

The following unaudited pro forma financial information presents combined results of operations for each of the periods presented, as if Antenna Plus had been acquired as of the beginning of the fiscal year 2016. The pro forma information includes adjustments to amortization and depreciation for intangible assets and property, plant and equipment acquired. The pro forma data are for informational purposes only and are not necessarily indicative of the consolidated results of operations of the combined business had the acquisition actually occurred at the beginning of fiscal year 2016 or of the results of future operations of the combined business. Consequently, actual results will differ from the unaudited pro forma information presented below:

	For the Year Ended December 31,			
		2017		2016
Pro forma sales	$	51,789,215	$	50,940,773
Pro forma income from operations	$	1,539,538	$	4,436,281
Pro forma net income	$	1,711,598	$	4,717,872

Skycross

On December 17, 2015, the Company executed and entered into an asset purchase agreement for certain North American assets of Skycross, Inc. (Skycross), a manufacturer of advanced antenna and radio-frequency solutions. In addition to the $4.0 million paid up front, the purchase price also included a contingent consideration arrangement. The $1.0 million of contingent consideration is payable upon the later of (i) the expiration of the Transition Services Agreement between the Company and Skycross which defined transition services to be provided by Skycross to the Company and (ii) the date on which the Company received copies of third party approvals with respect to each customer and program that was purchased. The potential undiscounted amount of all future payments that could be required to be paid under the contingent consideration arrangement was between zero and $1.0 million. The fair value of the contingent consideration was estimated by applying the income approach. The income approach is based on estimating the value of the present worth of future net cash flows. During the year ended December 31, 2018, the Company and Skycross came to an agreement that the Company would pay Skycross $375,000 to settle all outstanding balances between the parties, which included $1.0 million of deferred purchase price, $125,802 due to Skycross and $362,069 of accounts receivable from Skycross. The settlement with Skycross resulted in the recognition of a gain on deferred purchase price liability of $388,733 during the year ended December 31, 2018.

(5) Goodwill

Changes to the Company's goodwill balance during the year ended December 31, 2018 and 2017 are as follows:

Balance at December 31, 2016	$	1,249,956
Current period adjustments		2,450,491
Balance at December 31, 2017	$	3,700,447
Current period adjustments		—
Balance at December 31, 2018	$	3,700,447

(6) Intangible Assets

The following is a summary of the Company's acquired intangible assets:

	As of December 31, 2018						
	Weighted Average Amortization Period (years)		Gross Carrying Amount		Accumulated Amortization		Intangibles, Net
Customer relationships	10	$	4,830,000	$	1,237,082	$	3,592,918
Developed technologies	9		1,080,000		274,528		805,472
Tradename	3		120,000		66,667		53,333
Non-compete agreement	3		67,000		67,000		—
Total intangible assets, net	10	$	6,097,000	$	1,645,277	$	4,451,723

	As of December 31, 2017						
	Weighted Average Amortization Period (years)		Gross Carrying Amount		Accumulated Amortization		Intangibles, Net
Customer relationships	10	$	4,830,000	$	754,082	$	4,075,918
Developed technologies	9		1,080,000		142,477		937,523
Tradename	3		120,000		26,667		93,333
Non-compete agreement	3		67,000		45,523		21,477
Total intangible assets, net	10	$	6,097,000	$	968,749	$	5,128,251

The estimated annual amortization of intangible assets for the next five years and thereafter is shown in the following table. Actual amortization expense to be reported in future periods could differ from these estimates as a result of acquisitions, divestitures, asset impairments, among other factors.

		Estimated Future Amortization
2019		655,052
2020		628,385
2021		597,701
2022		563,000
2023		563,000
Thereafter		1,444,585
Total	$	4,451,723

Amortization expense was $676,528, $581,386 and $373,350 for the years ended December 31, 2018, 2017 and 2016, respectively.

(7) Long-term Notes Payable (including current portion) and Line of Credit

In December 2013, the Company amended its revolving line of credit under the amended and restated loan and security with Silicon Valley Bank to include a growth capital term loan of up to $750,000. The growth capital term loan required interest only payments through June 30, 2014 at which point it was to be repaid in 32 equal monthly installments of interest and principal. The growth capital term loan matured on February 1, 2017, at which time $55,230 in principal and accrued interest was paid. The growth capital term loan interest rate was 6.5%. As of December 31, 2018 there was no balance owed under this loan.

In December 2015, the Company further amended its amended and restated loan and security agreement with Silicon Valley Bank to include a term loan in the amount of $4.0 million. The loan required 36 monthly installments of interest and principal. The loan matured on December 1, 2018. Effective September 2017, the Company further amended its amended and restated loan and security agreement with Silicon Valley Bank to update the financial covenants. The amended and restated loan and security agreement requires the Company to maintain, at all times, measured as of the last day of each month (unless otherwise specified) either (i) a minimum cash balance of unrestricted cash at Silicon Valley Bank or its affiliate of not less than $25.0 million or (ii) a liquidity ratio of 1.25 to 1.00 and a minimum EBITDA, measured as of the last day of each fiscal quarter for the previous six month period (for December 31, 2018 the minimum EBITDA is 750,000). The interest rate is fixed at 5%.

In January 2018, the Company entered into a second amended and restated loan and security agreement (the Amended Loan Agreement) with Silicon Valley Bank. The Amended Loan Agreement modified the amended and restated loan and security agreement to, among other things, increase the aggregate principal amount available under the revolving line of credit from $3.0 million to $10.0 million and modify certain existing financial covenants. There was no balance owed on the line of credit as of December 31, 2018.

Under the Amended Loan Agreement, the Company may borrow up to $10.0 million under the line of credit, subject to a borrowing base limit of 80% of the aggregate face amount of all eligible receivables. The Amended Loan Agreement removed the minimum EBITDA requirement previously applicable to the line of credit and term loan and maintained the liquidity ratio financial covenant such that the Company must maintain a ratio of cash and cash equivalents plus accounts receivable outstanding debt under the Amended Loan Agreement minus deferred revenue of 1.25 to 1.00.

The Company will be required to pay interest on borrowings outstanding, if any, under the revolving line of credit at a floating rate per annum equal to 1% above the Wall Street Journal prime rate (5.25% as of December 31, 2018) (or, if unavailable, the Silicon Valley Bank prime rate) on a monthly basis, so long as the Company maintains a liquidity ratio of cash and cash equivalents plus accounts receivable to outstanding debt under the Amended Loan Agreement minus deferred revenue of 1.50 to 1.00. If this liquidity ratio is not met, the Company will be subject to a minimum interest charge of $3,000 per month and borrowings outstanding, if any, under the revolving line of credit will accrue interest at a floating rate per annum equal to 2% above the Wall Street Journal prime rate (5.25% as of December 31, 2018) (or, if unavailable the Silicon Valley Bank prime rate) on a monthly basis. Prior to the amendment in January 2018, the revolving line of credit bore interest rate at the U.S. prime rate plus 1.25%. The revolving line of credit matures on January 31, 2020.

Silicon Valley Bank maintains a first security interest over the Company's assets, excluding intellectual property, for which Silicon Valley Bank has received a negative pledge. The Amended Loan Agreement contains customary affirmative and negative covenants and events of default applicable to the Company and any of its subsidiaries.

As of December 31, 2018 and 2017, $0 and $1,333,333 was outstanding under the $4.0 million term loan, respectively.

The Company was in compliance with all financial term loan and revolving line of credit financial covenants as of December 31, 2018 and 2017.

(8) Treasury Stock

In August 2017, the Company's Board of Directors approved a share repurchase program pursuant to which the Company may purchase up to $7 million of shares of its common stock over the twelve month period following the establishment of the program. The repurchases under the share repurchase program are made from time to time in the open market or in privately negotiated transactions and are funded from the Company's working capital. Repurchases will be made in compliance with Rule 10b-18 of the Securities Exchange Act of 1934, as amended, subject to market conditions, available liquidity, cash flow, applicable legal requirements and other factors. All shares of common stock repurchased under the Company's share repurchase program will be returned to the status of authorized but unissued shares of common stock. On August 7, 2018, the Board approved an extension to the existing share repurchase program for an additional twelve month period ending August 14, 2019.

In the year ended December 31, 2017, the Company has repurchased an aggregate of 135,000 share of common stock under the repurchase program at an average price per share of $9.40, for a total cost of $1,257,100. In the year ended December 31, 2018, the Company further repurchased additional 222,314 shares of common stock under the repurchase program. These shares were repurchased at an average price per share of $9.92, for a total cost of $2,174,430.

As of December 31, 2018, the Company has repurchased an aggregate of 357,314 shares of common stock under the repurchase program at an average price per share of $9.60, for a total cost of $3,431,530.

(9) Income Taxes

(a) Income Taxes

The December 31, 2018, 2017 and 2016 income tax provision is as follows:

	For the Year Ended December 31,		
	2018	2017	2016
Current:			
U.S. federal	$ 67,632	$ 21,272	$ —
State and local	5,902	2,608	2,015
Total current provision	73,534	23,880	2,015
Deferred:			
U.S. federal	23,137	483	6,124
State and local	4,872	1,322	42
Total deferred provision	28,009	1,805	6,166
Total tax provision	$ 101,543	$ 25,685	$ 8,181

(b) ***Tax Rate Reconciliation***

A reconciliation of the total income tax provision tax rate to the statutory federal income tax rate of 21%, 34% and 34% for the years ended December 31, 2018, 2017 and 2016, respectively, is as follows:

	For the Year Ended December 31, 2018	2017	2016
Income taxes at statutory rates	$ (521,383)	$ 396,760	$ 1,272,242
State income tax, net of federal benefit	10,774	3,910	2,054
Permanent items	17,771	(5,060)	68,944
Meals and entertainment	46,983	74,755	54,375
Equity based compensation	(99,007)	(645,512)	48,385
Warrant liability	—	—	(156,498)
Corporate tax rate change - impact on deferred income taxes	—	2,768,458	—
Research and development credit	(195,336)	206,801	(141,494)
Federal NOL adjustment	—	(386,441)	(206,133)
Federal return to provision	(167,755)	53,265	11,104
Other federal credits	—	112,262	—
Other	64,196	15,695	—
Change in federal valuation allowance	945,300	(2,569,208)	(944,798)
	$ 101,543	$ 25,685	$ 8,181

(c) ***Significant Components of Current and Deferred Taxes***

The tax effects of temporary differences that give rise to significant portions of the deferred tax assets and deferred tax liabilities at December 31, 2018 and 2017 are as follows:

	For the Year Ended December 31, 2018	2017
Deferred tax assets:		
Net operating loss carryforwards	$ 4,924,181	$ 4,584,606
Capitalization of patent costs, goodwill and amortization	247,239	221,593
Capitalization of acquisition costs	81,088	84,640
Research and AMT credits	2,074,363	1,447,479
Stock based compensation	326,755	82,085
Deferred lease obligation	63,946	91,017
Accrued bonuses	198,102	—
Other timing differences	60,773	72,787
	7,976,447	6,584,207
Less valuation allowance	(7,658,670)	(6,453,466)
Total deferred tax assets, net of allowance	$ 317,777	$ 130,741
Deferred tax liabilities:		
Fixed assets	(192,673)	(104,324)
Goodwill	(162,681)	(34,388)
Total deferred tax liabilities	$ (355,354)	$ (138,712)
Total deferred tax liabilities	$ (37,577)	$ (7,971)

The Company has established a valuation allowance against its net deferred tax assets due to the uncertainty surrounding the realization of such assets. The Company periodically evaluates the recoverability of the deferred tax assets. At such time it is determined that it is more likely than not that deferred assets are realizable, the valuation allowance will be reduced. The Company has recorded a valuation allowance of $7,658,670 as of December 31, 2018 as it does not believe it is more likely than not that certain deferred tax assets will be realized due to the recent history of both pre-tax book income and losses, the lack of taxable income available in carryback periods or feasible tax-planning strategies, the limited existing taxable temporary differences, and the subjective nature of forecasting future taxable income into the future. The Company increased its valuation allowance by approximately $1,205,204 during the year ended December 31, 2018.

At December 31, 2018, the Company had federal and California tax loss carryforwards of approximately $20,710,625, and $5,759,329, respectively. The federal loss generated in 2018 of $1,836,983 will carryforward indefinitely and be available to offset up to 80% of future taxable income each year. The remaining federal and state net operating loss carry forwards begin to expire in 2020 and 2028, respectively, if unused.

At December 31, 2018, the Company had federal and state tax credit carry forwards of approximately $1,360,917, and $1,409,318, respectively, after reduction for uncertain tax positions. The federal credits will begin to expire in 2026, if unused, and the state credits carry forward indefinitely.

Pursuant to the Internal Revenue Code of 1986, as amended (IRC), specifically IRC §382 and IRC §383, the Company's ability to use net operating loss and research and development tax credit carry forwards ("tax attribute carry forwards") to offset future taxable income is limited if the Company experiences a cumulative change in ownership of more than 50% within a three-year testing period. The Company has not completed an ownership change analysis pursuant to IRC Section 382 for taxable years ended after December 31, 2012. If ownership changes within the meaning of IRC Section 382 are identified as having occurred subsequent to 2012, the amount of remaining tax attribute carry forwards available to offset future taxable income and income tax expense in future years may be significantly restricted or eliminated. Further, the Company's deferred tax assets associated with such tax attributes could be significantly reduced upon realization of an ownership change within the meaning of IRC §382.

In December 2017, the Tax Cuts and Jobs Act (the 2017 Tax Act) was enacted. The 2017 Tax Act includes a number of changes to existing U.S. tax laws that impact the Company, most notably a reduction of the U.S. corporate income tax rate from 35 percent to 21 percent for tax years beginning December 31, 2018. The 2017 Tax Act also provides for the acceleration of depreciation for certain assets placed in service after September 27, 2017 as well as prospective changes beginning in 2018, including additional limitations on the deductibility of executive compensation, limitations on the deductibility of interest and capitalization of research and development expenditures.

The following table summarizes the reconciliation of the unrecognized tax benefits activity during the years ended December 31, 2018 and 2017:

	For the Year Ended December 31, 2018	2017
Beginning unrecognized tax benefits	$ 710,000	$ 1,532,000
Decreases related to prior year tax positions	(65,000)	(1,001,000)
Increases related to current year tax positions	87,000	179,000
Ending unrecognized tax benefits	$ 732,000	$ 710,000

The unrecognized tax benefit amounts are reflected in the determination of the Company's deferred tax assets. If recognized, $9,040 of these amounts would impact company's effective tax rate. The Company does not foresee material changes to its uncertain tax benefits within the next twelve months.

The Company's policy is to recognize interest and/or penalties related to income tax matters in income tax expense. The Company has an accrual for interest or penalties of $2,051 and $785 on the Company's balance sheets as of December 31, 2018 and 2017, respectively, and has recognized interest and/or penalties in the Statement of Operations for the year ended December 31, 2018, 2017 and 2016, in the amount of $1,266, $785 and $0, respectively.

Due to the existence of federal and state net operating loss and credit carryovers, the Company's tax years that remain open and subject to examination by tax jurisdiction are years 2000 and forward for federal and years 2006 and forward for the state of California.

(10) Stockholders' Equity

(a) Preferred Convertible Stock

In June 2000, the Company sold 313,500 shares of Series A preferred convertible stock (Series A Preferred Stock) at $3.84 per share for gross proceeds of $1.2 million.

In March 2001, the Company sold 290,993 shares of Series B preferred convertible stock (Series B Preferred Stock) at $4.39 per share for gross proceeds of $1.3 million in cash. At various times during 2003 the company issued a total of 866,613 additional shares of Series B Preferred Stock for cash and as compensation for services received and to satisfy debt obligations totaling approximately $1.2 million.

In September 2003, the Company sold 682,000 shares of Series C preferred convertible stock (Series C Preferred Stock) at $1.00 per share for gross proceeds of $0.7 million.

In November 2003, the Company sold 4,091,068 shares of Series D Preferred Convertible Stock (Series D Preferred Stock) at $0.542 per share for gross proceeds of $2.2 million.

The holders of the Series A, B, C and D Preferred Stock (collectively, Junior Preferred Stock), were entitled to receive cumulative dividends at a rate of $0.0488, $0.00, $0.00 and $0.0488 per share, per annum, respectively, and were payable upon liquidation, redemption or conversion in order of their preference prior to any dividends on common stock.

The holders of the Junior Preferred Stock were entitled to receive liquidation preferences upon certain deemed liquidation events at the rate equal to their purchase price per share plus all accrued and unpaid dividends. Upon completion of this distribution, any remaining assets were distributed to the holders of the common stock and to holders of the Junior Preferred Stock and to the holders of the Series E, F, and G Preferred Stock (collectively, Senior Preferred Stock) (on an as converted basis) until all amounts received by the holders of the Series A Preferred Stock were equal to $19.20 per share, the Series D Preferred Stock were equal to $2.168 per share, Series E Preferred Stock were equal to $4.44 per share, Series F Preferred Stock were equal to $5.20 per share, and Series G Preferred Stock were equal to $5.20 per share, the remaining assets were distributed among holders of shares of the common stock. The holders of the Senior Preferred Stock had priority and were made in preference to any payments to the Junior Preferred Stock up to the Senior Preferred Stock's liquidation preference. The holders of the Junior Preferred Stock had priority and were made in preference to any payments to the holders of the common stock up to the Junior Preferred Stock's liquidation preference. After distribution of both the Senior Preferred Stock and Junior Preferred Stock's liquidation preferences, any remaining assets of the Company were distributed to the holders of the common stock.

Each share of Junior Preferred Stock was convertible, at the option of the holder, at any time, into a number of shares of common stock at a conversion price of $21.70, $24.23, $8.59, $5.42 for the Series A Preferred Stock, Series B Preferred Stock, Series C Preferred Stock and Series D Preferred Stock, respectively, subject to adjustments for stock dividends, combinations, subdivisions, reclassifications and reorganizations. Each share of Junior Preferred Stock was automatically convertible into common stock immediately upon the earlier of (i) the Company's sale of its common stock in a firm commitment, underwritten public offering registered under the Securities Act of 1933, as amended, in which aggregate proceeds to the Company are at least $15.0 million and at a per share offering price of at least $76.80 per share, as adjusted for any stock dividends, combinations, reclassifications, recapitalizations or splits, or (ii) the date specified by written consent or agreement by the holders of the majority of the then outstanding shares voting together as a single class on an as-converted basis (without giving effect to the conversion dividends).

As long as 1,678,450 shares of Junior Preferred Stock remained outstanding, the Company was prohibited from certain transactions without the consent of at least 50% of the then outstanding shares of Junior Preferred Stock or the majority of the Board of Directors.

The holders of the Junior Preferred Stock were entitled to the number of votes equal to the number of shares of common stock into which such shares of preferred stock could be converted and had voting rights and powers equal to the voting rights and powers of the common stock.

In connection with the completion of the Company's initial public offering (IPO), all 6,244,174 outstanding shares of the Company's preferred convertible stock automatically converted into an aggregate of 753,611 shares of common stock. In addition, the Company issued 505,576 shares of its common stock in satisfaction of accumulated dividends on such preferred stock as the completion of the IPO.

(b) Shares Reserved for Future Issuance

The following common stock is reserved for future issuance at December 31, 2018 and 2017 :

	As of December 31,	
	2018	2017
Warrants issued and outstanding	51,003	51,003
Stock option awards issued and outstanding	1,407,049	1,203,627
Authorized for grants under the 2016 Equity Incentive Plan	463,491	633,052
Authorized for grants under the 2016 Employee Stock Purchase Plan	100,000	100,000
	2,021,543	1,987,682

(1) Treasury stock in the amount of 357,314 and 135,000 as of December 31, 2018 and 2017, respectively, are excluded from the table above.

(11) Preferred Redeemable Convertible Stock

In June 2005 and February 2006, the Company sold a total of 7,984,727 shares of Series E Preferred Redeemable Convertible Stock (Series E Preferred Stock) at $1.11 per share for gross proceeds of $8.8 million in cash.

In February 2007, the Company sold 4,734,374 shares of Series F Preferred Redeemable Convertible Stock (Series F Preferred Stock) at $1.30 per share for gross proceeds of $6.2 million in cash.

In March 2008 and June 2009, the Company completed an offering of Series G Preferred Stock at $1.30 per share for gross proceeds of $4.3 million in cash. In June 2012, the then outstanding convertible promissory notes and accrued interest thereon in the amount of $7.1 million converted to 6,216,607 and 463,856 shares of Series G Preferred Stock at the conversion price of $1.04 or $1.30 per share, respectively.

The holders of the Senior Preferred Stock were entitled to receive cumulative dividends at a rate of 8% of the original purchase price, per annum and were payable in cash or common shares, at the option of the Company upon liquidation, redemption or conversion in order of their preference prior to any dividends on common stock or Junior Preferred Stock.

The holders of the Senior Preferred Stock were entitled to receive liquidation preferences upon certain deemed liquidation events at the rate equal to their conversion price per share plus all accrued and unpaid dividends.

Each share of Senior Preferred Stock was convertible, at the option of the holder, at any time, into a number of shares of common stock at a conversion price of $11.11, $13.00, and $13.00 for the Series E Preferred Stock, Series F Preferred Stock, and Series G Preferred Stock, respectively, subject to adjustments for stock dividends, combinations, subdivisions, reclassifications and reorganizations.

Each share of Senior Preferred Stock was automatically convertible into common stock immediately upon the earlier of (i) the Company's sale of its common stock in a firm commitment, underwritten public offering registered under the Securities Act of 1933, as amended, in which aggregate proceeds to the Company are at least $15.0 million, and at a per share offering price of at least $76.80 per share, as adjusted for any stock dividends, combinations, reclassifications, recapitalizations or splits, or (ii) the date specified by written consent or agreement by the holders of the majority of the then outstanding shares voting together as a single class, provided that the Junior Preferred Stock will also concurrently convert.

As long as 4,875,000 shares of Senior Preferred Stock remained outstanding, the Company was prohibited from certain transactions without the consent of at least 50% of the then outstanding shares of Senior Preferred Stock or the majority of the Board of Directors.

The holders of the Senior Preferred Stock were entitled to the number of votes equal to the number of shares of common stock into which such shares of preferred stock could be converted and have voting rights and powers equal to the voting rights and powers of the common stock.

The following table provides a rollforward of the preferred redeemable convertible stock during the year ended December 31, 2016:

	Preferred redeemable convertible stock	
	Shares	Amount
Balance at December 31, 2015	23,271,702	$ 43,106,906
Effect of accretion to redemption value	—	1,356,707
Conversion of preferred redeemable convertible stock into common stock	(23,271,702)	(44,463,613)
Balance at December 31, 2016	—	$ —

In connection with the completion of the IPO, all 23,271,702 outstanding shares of the Company's preferred redeemable convertible stock automatically converted to 2,327,122 shares of common stock. In addition, the Company issued 1,451,631 shares of its common stock in satisfaction of accumulated dividends on such preferred stock as of the completion of the IPO. There was no preferred redeemable convertible stock activity in the year ended December 31, 2017.

(12) Stock Options

In August 2016, the Company's board of directors adopted the 2016 Equity Incentive Plan (the 2016 Plan) for employees, directors, and consultants. As of December 31, 2018, 463,491 shares are available for issuance under the 2016 Plan, of which no shares were rolled from the 2013 Equity Incentive Plan (the 2013 Plan) into the 2016 Plan.

In 2013, the Company's board of directors adopted the 2013 Plan for employees, directors, and consultants. The common stock authorized under the 2013 Plan is 1,200,000 shares. Under the Plan, the administrator shall have authority to determine which service providers will receive awards, to grant awards and to set all terms and conditions of awards (including, but not limited to, vesting, exercise and forfeiture provisions). Vested options are canceled 90 days after termination of employment and become available for reissuance under the Plan. As of December 31, 2018 and December 31, 2017, no shares were available for issuance under the 2013 Plan.

The service period for stock options granted to employees is generally 1 to 4 years.

The grant-date fair value of each option award is estimated on the date of grant using the Black- Scholes-Merton option-pricing model. The weighted average assumptions for grants during the years ended December 31, 2018, 2017 and 2016 are provided in the following table. The Company's lack of historical share option exercise experience does not provide it a reasonable basis upon which to estimate an expected term because of a lack of sufficient data.

Therefore, the Company estimates the expected term by using the simplified method, which calculates the expected term as the average of the time-to-vesting and the contractual life of the options. Since the Company's shares have only been publicly traded since August 12, 2016 and its shares were rarely traded privately, expected volatility is estimated based on the average historical volatility of similar entities with publicly traded shares in addition to the average historical volatility of the Company. The risk-free rate for the expected term of the option is based on the U.S. Treasury yield curve at the date of grant.

	As of December 31, 2018	2017	2016
Valuation assumptions:			
Expected dividend yield	0%	0%	0%
Expected volatility	37.60%	39.37%	41.82%
Expected term (years)	5.86	6.06	6.07
Risk-free interest rate	2.6%	1.9%	1.6%

Stock option activity during the periods indicated is as follows:

	Number of shares	Weighted average exercise price	Weighted average remaining contractual term
Balance at December 31, 2015	756,692	$ 2.10	7.6
Granted	359,319	2.60	9.4
Exercised	(58,155)	2.36	3.5
Expired/Forfeited	(17,469)	2.13	2.6
Balance at December 31, 2016	1,040,387	$ 2.25	7.8
Granted	471,144	14.72	9.1
Exercised	(284,455)	2.07	5.2
Expired/Forfeited	(23,449)	8.22	—
Balance at December 31, 2017	1,203,627	$ 7.06	8.1
Granted	1,009,134	9.94	6.8
Exercised	(341,456)	2.24	1.3
Expired/Forfeited	(464,256)	11.81	—
Balance at December 31, 2018	1,407,049	$ 8.73	8.1
Vested and exercisable at December 31, 2018	504,287	$ 6.28	7.0
Vested and expected to vest at December 31, 2018	1,407,049	$ 8.73	8.1

The weighted average grant-date fair value of options granted during the years ended December 31, 2018, 2017 and 2016 was $3.97, $6.02 and $1.23, respectively. For fully vested stock options the aggregate intrinsic value was $2,485,258, $3,596,624 and $7,770,086 as of December 31, 2018, 2017 and 2016, respectively. For stock options expected to vest the aggregate intrinsic value was $993,372, $1,469,154 and $4,569,243 as of December 31, 2018, 2017 and 2016, respectively. The total grant date fair value of shares vested during the years ended December 31, 2018, 2017 and 2016 was $2,770,008, $322,804 and $176,597, respectively.

During the year ended December 31, 2018, a total of 3,962 restricted stock units with a fair value of $12.62 per share were issued to a member of the Company's Board of Directors of which the shares vest equally on each of the anniversaries over a three-year period. During the year ended December 31, 2016, a total of 57,475 shares of restricted common stock with a fair value of $2.00 per share were issued to the Company's Chief Financial Officer and Chief Operating Officer of which 100% of the shares vested in the year ended December 31, 2017.

At December 31, 2018, 2017 and 2016, there was $2,781,062, $2,453,342 and $522,818, respectively, of total unrecognized compensation cost related to unvested stock options and restricted stock granted under the plans. That cost is expected to be recognized over the next three years.

The Company currently uses authorized and unissued shares to satisfy share award exercises.

(13) Commitments and Contingencies

(a) Operating Leases

The Company has entered into lease agreements for office space and research facilities in San Diego, California; Melbourne, Florida; Scottsdale, Arizona; Taipei, Taiwan; Shenzhen and Jiangsu, China; and Cambridge, United Kingdom. Rent expense was $911,887, $805,271 and $742,829, for the years ended December 31, 2018, 2017 and 2016, respectively. The longest lease expires in February 2022. The Company moved into its facility in San Diego, California during the year ended December 31, 2014. The San Diego facility lease agreement included a tenant improvement allowance which provided for the landlord to pay for tenant improvements on behalf of the Company up to $515,000. Based on the terms of this landlord incentive and involvement of the Company in the construction process, the leasehold improvements purchased under the landlord incentive were determined to be property of the Company.

The future minimum lease payments required under operating leases in effect at December 31, 2018 were as follows:

Year ending:		
2019	$	933,886
2020		560,432
2021		180,423
2022		22,526
	$	1,697,267

(b) Indemnification

In some agreements to which the Company is a party, the Company has agreed to indemnify the other party for certain matters, including, but not limited to, product liability and intellectual property. To date, there have been no known events or circumstances that have resulted in any material costs related to these indemnification provisions and no liabilities have been recorded in the accompanying financial statements.

(c) Employment Agreements

During 2014, the Company entered into employment agreements with its Chief Executive Officer and certain members of its management team. These agreements provided severance in the aggregate amount of $575,000 for termination without cause as defined in the agreements. In April 2018, $150,000 in severance was paid out to the Company’s former Chief Operating Officer, Glenn Selbo. In May 2018, $507,200 in severance was paid out to the Company’s former Chief Executive Officer, Charles Myers.

On January 16, 2019, the Company entered into amended and restated employment agreements with Jacob Suen, the Company’s President, Anil Doradla, the Company’s Chief Financial Officer and Secretary, and Kevin Thill, the Company’s Senior Vice President, Engineering.

The amended and restated employment agreements provide for an indefinite term and for at-will employment. The agreements also set forth each executive’s annual base salary and target bonus opportunity and provide that each executive will be entitled to the benefits provided to employees generally.

Pursuant to the amended and restated employment agreements, severance in the aggregate amount in excess of $455,000 for termination without cause is provided.

On March 13, 2019, the Company entered into an employment agreement with James K. Sims, the Company’s Chairman and Chief Executive Officer. The agreement provides for an indefinite term and for at-will employment. The agreement also sets forth Mr. Sim’s annual base salary and target bonus opportunity and provides that he will be entitled to the benefits provided to employees generally. Pursuant to the agreement, Mr. Sims is eligible for severance in excess of $200,000.

(14) Concentration of Credit Risk

(a) Concentration of Sales and Accounts Receivable

The following represents customers that accounted for 10% or more of total revenue during the years ended December 31, 2018, 2017 and 2016 and customers that accounted for 10% or more of total trade accounts receivable at December 31, 2018 and 2017:

	For the Year Ended December 31,		
	2018	2017	2016
Percentage of net revenue			
Customer A	36%	21%	20%
Customer B	8%	13%	31%
Customer C	7%	10%	8%

	As of December 31,	
	2018	2017
Percentage of gross trade accounts receivable		
Customer A	32%	13%
Customer B	14%	4%
Customer C	14%	9%
Customer D	8%	10%
Customer E (1)	—	19%

(1) For the year ended December 31, 2018, Customer E was moved under a distributer and is included in the balance for Customer A.

(b) Revenue by Geography

Net revenue by geographic area are as follows. Revenue is attributed by geographic location based on the bill-to location of the Company's customers.

	For the Year Ended December 31,		
	2018	2017	2016
Percentage of net revenue			
China	75%	67%	74%
Other Asia	5	10	11
North America	16	18	10
Europe	4	5	5

Although the Company ships the majority of antennas to its customers in China (primarily ODMs and distributors), the end-users of the Company's products are much more geographically diverse.

(c) Concentration of Purchases

During the year ended December 31, 2018, all of the Company's products were manufactured in our Scottsdale, Arizona facilities and by two vendors in China. During the year ended December 31, 2017 all of the Company's products were manufactured in our Shullsburg, Wisconsin and Scottsdale, Arizona facilities and by two vendors in China. Manufacturing completed in our Shullsburg, Wisconsin facility was transferred to the Scottsdale, Arizona facility once the facility was closed in July 2017. During the year ended December 31, 2016, all of the Company's products were manufactured by two vendors in China.

(15) Termination Costs

On June 30, 2018, the Company terminated a marketing-related agreement to better align its sales and marketing efforts with its longer-term growth objectives and near-to-immediate term profitability goals. In consideration of terminating the agreement, the Company paid $1.3 million in termination costs. The termination costs were included in sales and marketing expense on the statement of operations for the year ended December 31, 2018.

On May 2, 2018, Charles Myers, the Company's Chief Executive Officer, President and member of the Board resigned from all positions with the Company, effective immediately, to pursue other opportunities. The Board accepted Mr. Myers resignation on May 2, 2018. Mr. Myer's decision to resign was not related to a disagreement with the Company over any of its operations, policies, or practices.

In connection with his resignation, Mr. Myers, upon a general release of claims as set forth in his employment agreement, received a lump sum cash payment in the amount of $484,000; a lump sum cash payment in the amount $3,200 covering twelve months of monthly premiums for disability insurance under the Company's disability insurance plan; a lump sum cash payment in the amount of $20,000 covering certain other employment benefits; the acceleration of all his unvested options for a total of 282,944 shares and the continuation of his health coverage pursuant to COBRA at the Company's expense for a period of twelve months following his last day of employment. In connection with Mr. Myers' resignation, the Company recognized stock compensation expense of $1.2 million for the year ended December 31, 2018. Mr. Myers' costs were included in general and administrative expense on the statement of operations for the year ended December 31, 2018. As of December 31, 2018, the remaining amount payable to Mr. Myers is $12,875.

On April 2, 2018, Glenn Selbo, the Company's Chief Operating Officer, resigned from his position with the Company. Following his resignation, Mr. Selbo will be providing consulting services to the Company. Mr. Selbo's outstanding stock options continue to vest during the term of his consulting services.

In connection with his resignation, Mr. Selbo, upon a general release of claims as set forth in his employment agreement, received a lump sum cash payment in the amount of $150,000 and the continuation of his health coverage pursuant to COBRA at the Company's expense for a period of six months following his last day of employment. In connection with Mr. Selbo's resignation, the Company recognized stock compensation expense of $44,267. Mr. Selbo's costs were included in sales and marketing expense on the statement of operations for the year ended December 31, 2018. As of December 31, 2018, there are no further amounts owed to Mr. Selbo.

(16) Employee Benefit Plan

The Company established a discretionary 401(k) plan effective January 2005. The 401(k) plan was amended and restated in May 2006. The 401(k) plan covers substantially all employees who have attained age 21. The participants may elect to defer a percentage of their compensation as allowable by law. The Company can make discretionary matching contributions, but so far has not done so.

(17) Quarterly Financial Information (unaudited)

The following is a summary of the quarterly results of operations for the years ended December 31, 2018 and 2017:

	For the Three Months Ended			
	December 31, 2018	September 30, 2018	June 30, 2018	March 31, 2018
Sales	$ 16,561,520	$ 15,786,913	$ 14,971,681	$ 13,305,098
Gross Profit	6,850,134	6,865,342	6,601,521	6,194,171
Total operating expenses	5,730,406	6,558,122	10,250,807	7,357,840
Net income (loss)	1,274,559	437,259	(3,190,347)	(1,105,791)
Basic net income (loss) per share	$ 0.13	$ 0.05	$ (0.34)	$ (0.12)
Diluted net income (loss) per share	$ 0.13	$ 0.04	$ (0.34)	$ (0.12)

	For the Three Months Ended			
	December 31, 2017	September 30, 2017	June 30, 2017	March 31, 2017
Sales	$ 12,807,175	$ 12,448,436	$ 13,013,143	$ 11,252,417
Gross Profit	5,888,332	6,003,892	6,121,524	5,288,458
Total operating expenses	5,418,089	5,803,260	6,248,678	4,862,979
Net income (loss)	591,933	234,353	(70,121)	385,090
Basic net loss per share	$ 0.06	$ 0.02	$ (0.01)	$ 0.04
Diluted net loss per share	$ 0.06	$ 0.02	$ (0.01)	$ 0.04

EXHIBIT INDEX

Exhibit Number	Description of Exhibit
3.1(1)	Amended and Restated Certificate of Incorporation, as amended (currently in effect)
3.2(1)	Amended and Restated Bylaws, as amended (currently in effect)
4.1(2)	Specimen stock certificate evidencing the shares of common stock
4.2(3)	Fourth Amended and Restated Investors' Rights Agreement, dated May 7, 2008
4.3(2)	Form of Warrant issued to Northland Securities, Inc. in connection with the Registrant's initial public offering
10.1(3)	Office Lease, dated June 13, 2013, by and between Kilroy Realty, L.P. and the Registrant
10.2(2)	Form of Indemnity Agreement for Directors and Officers
10.3#(3)	Airgain, Inc. 2003 Equity Incentive Plan
10.4#(3)	Form of Stock Option Agreement under the Airgain, Inc. 2003 Equity Incentive Plan
10.5#(3)	Airgain, Inc. 2013 Equity Incentive Plan
10.6#(3)	Form of Stock Option Grant Notice and Stock Option Agreement under the Airgain, Inc. 2013 Equity Incentive Plan
10.7#(3)	Restricted Stock Grant Notice and Restricted Stock Agreement under the Airgain, Inc. 2013 Equity Incentive Plan dated March 1, 2014, by and between Charles Myers and the Registrant
10.8#(2)	Airgain, Inc. 2016 Incentive Award Plan
10.9#(2)	Form of Stock Option Agreement under the Airgain, Inc. 2016 Incentive Award Plan
10.10#	Form of Restricted Stock Unit Agreement under the Airgain, Inc. 2016 Incentive Award Plan
10.11#(2)	Airgain, Inc. 2016 Employee Stock Purchase Plan
10.12#	Non-Employee Director Compensation and Stock Ownership Program (as amended through October 25, 2018)
10.13#	Release Agreement, dated April 20, 2018, by and between Glenn Selbo and the Registrant
10.14#(4)	Employment Transition Agreement, dated March 15, 2018, by and between Leo Johnson and the Registrant
10.15#	Release Agreement, dated May 2, 2018, by and between Charles A. Myers and the Registrant
10.16#	Letter Agreement, dated May 8, 2018, by and between James K. Sims and the Registrant
10.17#	Employment Agreement, dated October 25, 2018, by and between James K. Sims and the Registrant
10.18#	Amended and Restated Employment Agreement, dated January 16, 2019, by and between Jacob Suen and the Registrant
10.19#	Amended and Restated Employment Agreement, dated January 16, 2019, by and between Anil Doradla and the Registrant
10.20#	Amended and Restated Employment Agreement, dated January 16, 2019, by and between Kevin Thill and the Registrant
10.21#	Amended and Restated Employment Agreement, dated March 13, 2019, by and between James K. Sims and the Registrant
10.22(5)	Asset Purchase Agreement, dated as of April 7, 2017, by and between the Registrant and MCA Financial Group, Inc. acting as the appointed received for Antenna Plus, LLC.
10.23(6)	Second Amended and Restated Loan and Security Agreement, dated January 31, 2018, by and between Silicon Valley Bank and the Registrant
23.1	Consent of KPMG LLP, independent registered public accounting firm
31.1	Certification of Chief Executive Officer pursuant to Rules 13a-14 and 15d-14 promulgated pursuant to the Securities Exchange Act of 1934, as amended
31.2	Certification of Chief Financial Officer pursuant to Rules 13a-14 and 15d-14 promulgated pursuant to the Securities Exchange Act of 1934, as amended
32.1*	Certification of Chief Executive Officer pursuant to Section 906 of the Sarbanes-Oxley Act of 2002
32.2*	Certification of Chief Financial Officer pursuant to Section 906 of the Sarbanes-Oxley Act of 2002
101.INS	XBRL Instance Document
101.SCH	XBRL Taxonomy Extension Schema Document
101.CAL	XBRL Taxonomy Extension Calculation Linkbase Document
101.DEF	XBRL Taxonomy Extension Definition Linkbase Document
101.LAB	XBRL Taxonomy Extension Label Linkbase Document
101.PRE	XBRL Taxonomy Extension Presentation Linkbase Document

(1) Incorporated by reference to the Registrant's Current Report on Form 8-K, filed with the SEC on August 17, 2016.

(2) Incorporated by reference to Amendment No. 1 to the Registrant's Registration Statement on Form S-1 (Registration No. 333- 212542), filed with the SEC on July 29, 2016.

(3) Incorporated by reference to the Registrant's Registration Statement on Form S-1 (Registration No. 333- 212542), filed with the SEC on July 15, 2016.

(4) Incorporated by reference to the Registrant's Quarterly Report on Form 10-Q, filed with the SEC on November 8, 2018.

(5) Incorporated by reference to the Registrant's Quarterly Report on Form 10-Q, filed with the SEC on May 12, 2017.

(6) Incorporated by reference to the Registrant's Annual Report on Form 10-K, filed with the SEC on March 15, 2018.

#	Indicates management contract or compensatory plan.

*	These certifications are being furnished solely to accompany this annual report pursuant to 18 U.S.C. Section 1350, and are not being filed for purposes of Section 18 of the Securities Exchange Act of 1934 and are not to be incorporated by reference into any filing of the Registrant, whether made before or after the date hereof, regardless of any general incorporation language in such filing.

SIGNATURES

Pursuant to the requirements of Section 13 or 15(d) of the Securities Exchange Act of 1934, the registrant has duly caused this annual report to be signed on its behalf by the undersigned, thereunto duly authorized.

AIGAIN, INC.

/s/ James K. Sims
James K. Sims
Chairman of the Board and Chief Executive Officer
(principal executive officer)

Date: March 15, 2019

Pursuant to the requirements of the Securities Exchange Act of 1934, this annual report has been signed below by the following persons on behalf of the registrant and in the capacities and on the dates indicated.

Signature	Title	Date
/s/ James K. Sims **James K. Sims**	Chairman of the Board and Chief Executive Officer (Principal Executive Officer)	March 15, 2019
/s/ Anil Doradla **Anil Doradla**	Chief Financial Officer	March 15, 2019
/s/ Tzau-Jin Chung **Tzau-Jin Chung**	Director	March 15, 2019
/s/ Joan Gillman **Joan Gillman**	Director	March 15, 2019
/s/ Frances Kordyback **Frances Kordyback**	Director	March 15, 2019
/s/ Thomas A. Munro **Thomas A. Munro**	Director	March 15, 2019
/s/ Arthur M. Toscanini **Arthur M. Toscanini**	Director	March 15, 2019

AIRGAIN, INC. 2016 INCENTIVE AWARD PLAN

RESTRICTED STOCK UNIT GRANT NOTICE

Capitalized terms not specifically defined in this Restricted Stock Unit Grant Notice (the "***Grant Notice***") have the meanings given to them in the 2016 Incentive Award Plan (as amended from time to time, the "***Plan***") of Airgain, Inc. (the "***Company***").

The Company hereby grants to the participant listed below ("***Participant***") the Restricted Stock Units described in this Grant Notice (the "***RSUs***"), subject to the terms and conditions of the Plan and the Restricted Stock Unit Agreement attached hereto as **Exhibit A** (the "***Agreement***"), both of which are incorporated into this Grant Notice by reference.

Participant:	
Grant Date:	
Number of RSUs:	
Vesting Commencement Date:	
Vesting Schedule:	[To be specified in individual award agreements]

By electronically accepting this document, Participant agrees to be bound by the terms of this Grant Notice, the Plan and the Agreement. Participant has reviewed the Plan, this Grant Notice and the Agreement in their entirety, has had an opportunity to obtain the advice of counsel prior to executing this Grant Notice and fully understands all provisions of the Plan, this Grant Notice and the Agreement. Participant has been provided with a copy or electronic access to a copy of the prospectus for the Plan. Participant hereby agrees to accept as binding, conclusive and final all decisions or interpretations of the Administrator upon any questions arising under the Plan, this Grant Notice or the Agreement.

RESTRICTED STOCK UNIT AGREEMENT

Capitalized terms not specifically defined in this Agreement have the meanings specified in the Grant Notice or, if not defined in the Grant Notice, in the Plan.

ARTICLE I.
GENERAL

Award of RSUs

. The Company has granted the RSUs to Participant effective as of the grant date set forth in the Grant Notice (the "***Grant Date***"). Each RSU represents the right to receive one Share, as set forth in this Agreement. Participant will have no right to the distribution of any Shares until the time (if ever) the RSUs have vested.

Incorporation of Terms of Plan

. The RSUs are subject to the terms and conditions set forth in this Agreement and the Plan, which is incorporated herein by reference. In the event of any inconsistency between the Plan and this Agreement, the terms of the Plan will control.

Unsecured Promise

. The RSUs will at all times prior to settlement represent an unsecured Company obligation payable only from the Company's general assets.

ARTICLE II.
VESTING; FORFEITURE AND SETTLEMENT

Vesting; Forfeiture

. The RSUs will vest according to the vesting schedule in the Grant Notice (the "***Vesting Schedule***"), except that any fraction of an RSU that would otherwise be vested will be accumulated and will vest only when a whole RSU has accumulated. In the event of Participant's Termination of Service for any reason, all unvested RSUs will immediately and automatically be cancelled and forfeited, except as otherwise determined by the Administrator or provided in a binding written agreement between Participant and the Company. Unless and until the RSUs have vested in accordance with the Vesting Schedule set forth in the Grant Notice, Participant will have no right to any distribution with respect to such RSUs.

Settlement

.

(a) RSUs will be paid in Shares as soon as administratively practicable after the vesting of the applicable RSU, but in no event more than sixty (60) days after the applicable vesting date. Notwithstanding the foregoing, the Company may delay any payment under this Agreement that the Company reasonably determines would violate Applicable Law until the earliest date the Company reasonably determines the making of the payment will not cause such a violation (in accordance with Treasury Regulation Section 1.409A-2(b)(7)(ii)), provided the Company reasonably believes the delay will not result in the imposition of excise taxes under Section 409A.

(b) All distributions shall be made by the Company in the form of whole shares of Common Stock.

(c) Neither the time nor form of distribution of Shares with respect to the RSUs may be changed, except as may be permitted by the Administrator in accordance with the Plan and Section 409A of the Code and the Treasury Regulations thereunder.

ARTICLE III.
TAXATION AND TAX WITHHOLDING

Representation

. Participant represents to the Company that Participant has reviewed with Participant's own tax advisors the tax consequences of this Award and the transactions contemplated by the Grant Notice and this Agreement. Participant is relying solely on such advisors and not on any statements or representations of the Company or any of its agents.

Tax Withholding

.

(a) The Company has the right and option, but not the obligation, to treat Participant's failure to provide timely payment in accordance with the Plan of any withholding tax arising in connection with the RSUs as Participant's election to satisfy all or any portion of the withholding tax by requesting the Company retain Shares otherwise issuable under the Award (provided, however, that if Participant is subject to Section 16 of the Exchange Act at the time the tax withholding obligation arises, the prior approval of the Administrator shall be required for any election by the Company pursuant to this Section 3.2(a)).

(b) Participant acknowledges that Participant is ultimately liable and responsible for all taxes owed in connection with the RSUs, regardless of any action the Company or any Subsidiary takes with respect to any tax withholding obligations that arise in connection with the RSUs. Neither the Company nor any Subsidiary makes any representation or undertaking regarding the treatment of any tax withholding in connection with the awarding, vesting or payment of the RSUs or the subsequent sale of Shares. The Company and the Subsidiaries do not commit and are under no obligation to structure the RSUs to reduce or eliminate Participant's tax liability.

ARTICLE IV.
OTHER PROVISIONS

4.1 Award Not Transferable. Without limiting the generality of any other provision hereof, the Award shall be subject to the restrictions on transferability set forth in Section 9.1 of the Plan.

Adjustments

. Participant acknowledges that the RSUs and the Shares subject to the RSUs are subject to adjustment, modification and termination in certain events as provided in this Agreement and the Plan.

Notices

. Any notice to be given under the terms of this Agreement to the Company must be in writing and addressed to the Company in care of the Company's Secretary at the Company's principal office or the Secretary's then-current email address or facsimile number. Any notice to be given under the terms of this Agreement to Participant must be in writing and addressed to Participant at Participant's last known mailing address, email address or facsimile number in the Company's personnel files. By a notice given pursuant to this Section, either party may designate a different address for notices to be given to that party. Any notice will be deemed duly given when actually received, when sent by email, when sent by certified mail (return receipt requested) and deposited with postage prepaid in a post office or branch post office regularly maintained by the United States Postal Service, when delivered by a nationally recognized express shipping company or upon receipt of a facsimile transmission confirmation.

Titles

. Titles are provided herein for convenience only and are not to serve as a basis for interpretation or construction of this Agreement.

Conformity to Securities Laws

. Participant acknowledges that the Plan, the Grant Notice and this Agreement are intended to conform to the extent necessary with all Applicable Laws and, to the extent Applicable Laws permit, will be deemed amended as necessary to conform to Applicable Laws.

Successors and Assigns

. The Company may assign any of its rights under this Agreement to single or multiple assignees, and this Agreement will inure to the benefit of the successors and assigns of the Company. Subject to the restrictions on transfer set forth in the Plan, this Agreement will be binding upon and inure to the benefit of the heirs, legatees, legal representatives, successors and assigns of the parties hereto.

Limitations Applicable to Section 16 Persons

. Notwithstanding any other provision of the Plan or this Agreement, if Participant is subject to Section 16 of the Exchange Act, the Plan, the Grant Notice, this Agreement, the RSUs will be subject to any additional limitations set forth in any applicable exemptive rule under Section 16 of the Exchange Act (including any amendment to Rule 16b-3) that are requirements for the application of such exemptive rule. To the extent Applicable Laws permit, this Agreement will be deemed amended as necessary to conform to such applicable exemptive rule.

Entire Agreement

. The Plan, the Grant Notice and this Agreement (including any exhibit hereto) constitute the entire agreement of the parties and supersede in their entirety all prior undertakings and agreements of the Company and Participant with respect to the subject matter hereof.

Agreement Severable

. In the event that any provision of the Grant Notice or this Agreement is held illegal or invalid, the provision will be severable from, and the illegality or invalidity of the provision will not be construed to have any effect on, the remaining provisions of the Grant Notice or this Agreement.

Limitation on Participant's Rights

. Participation in the Plan confers no rights or interests other than as herein provided. This Agreement creates only a contractual obligation on the part of the Company as to amounts payable and may not be construed as creating a trust. Neither the Plan nor any underlying program, in and of itself, has any assets. Participant will have only the rights of a general unsecured creditor of the Company with respect to amounts credited and benefits payable, if any, with respect to the RSUs, and rights no greater than the right to receive the Shares as a general unsecured creditor with respect to the RSUs, as and when settled pursuant to the terms of this Agreement.

Not a Contract of Employment

. Nothing in the Plan, the Grant Notice or this Agreement confers upon Participant any right to continue in the employ or service of the Company or any Subsidiary or interferes with or restricts in any way the rights of the Company and its Subsidiaries, which rights are hereby expressly reserved, to discharge or terminate the services of Participant at any time for any reason whatsoever, with or without Cause, except to the extent expressly provided otherwise in a written agreement between the Company or a Subsidiary and Participant.

Counterparts

. The Grant Notice may be executed in one or more counterparts, including by way of any electronic signature, subject to Applicable Law, each of which will be deemed an original and all of which together will constitute one instrument.

4.12 Section 409A.

(a)Notwithstanding any other provision of the Plan, this Agreement or the Grant Notice, the Plan, this Agreement and the Grant Notice shall be interpreted in accordance with, and incorporate the terms and conditions required by, Section 409A of the Code (together with any Department of Treasury regulations and other interpretive guidance issued thereunder, including without limitation any such regulations or other guidance that may be issued after the Grant Date, "Section 409A"). The Administrator may, in its discretion, adopt such amendments to the Plan, this Agreement or the Grant Notice or adopt other policies and procedures (including amendments, policies and procedures with retroactive effect), or take any other actions, as the Administrator determines are necessary or appropriate to comply with the requirements of Section 409A.

(b)This Agreement is not intended to provide for any deferral of compensation subject to Section 409A of the Code, and, accordingly, the Shares issuable pursuant to the RSUs hereunder shall be distributed to Participant no later than the later of: (A) the fifteenth (15th) day of the third month following Participant's first taxable year in which such RSUs are no longer subject to a substantial risk of forfeiture, and (B) the fifteenth (15th) day of the third month following first taxable year of the Company in which such RSUs are no longer subject to substantial risk of forfeiture, as determined in accordance with Section 409A and any Treasury Regulations and other guidance issued thereunder.

4.13 Governing Law. The provisions of the Plan and all Awards made thereunder, including the RSUs, shall be governed by and interpreted in accordance with the laws of the State of Delaware, disregarding choice-of-law principles of the law of any state that would require the application of the laws of a jurisdiction other than such state.

* * * * *

EXHIBIT 10.12

AIRGAIN, INC.

NON-EMPLOYEE DIRECTOR COMPENSATION PROGRAM AND STOCK OWNERSHIP GUIDELINES

(As Amended and Restated Effective October 25, 2018)

The board of directors (the "***Board***") of Airgain, Inc. (the "***Company***") has adopted this Non-Employee Director Compensation Program and Stock Ownership Guidelines (this "***Program***"). The cash and equity compensation described in this Program shall be paid or be made, as applicable, automatically and without further action of the Board, to each member of the Board who is not an employee of the Company or any parent or subsidiary of the Company (each, a "***Non-Employee Director***") who is entitled to receive such cash or equity compensation, unless such Non-Employee Director declines the receipt of such cash or equity compensation by written notice to the Company. This Program shall remain in effect until it is revised or rescinded by further action of the Board. This Program may be amended, modified or terminated by the Board at any time in its sole discretion. The terms and conditions of this Program shall supersede any prior cash and/or equity compensation arrangements for service as a member of the Board between the Company and any of its Non-Employee Directors. No Non-Employee Director shall have any rights hereunder, except with respect to Initial Awards or Subsequent Awards (each as defined below) granted pursuant to the Program.

I. NON-EMPLOYEE DIRECTOR COMPENSATION

1. Cash Compensation.

(a) Annual Retainers. Each Non-Employee Director shall receive an annual retainer of $32,000 for service on the Board.

(b) Additional Annual Retainers. In addition, each Non-Employee Director shall receive the following additional annual retainers, as applicable:

(i) Chairperson of the Board. A Non-Employee Director serving as Chairperson of the Board shall receive an additional annual retainer of $26,500 for such service.

(ii) Audit Committee. A Non-Employee Director serving as Chairperson of the Audit Committee shall receive an additional annual retainer of $16,000 for such service. A Non-Employee Director serving as a member of the Audit Committee (other than the Chairperson) shall receive an additional annual retainer of $8,000 for such service.

(iii) Compensation Committee. A Non-Employee Director serving as Chairperson of the Compensation Committee shall receive an additional annual retainer of $10,600 for such service. A Non-Employee Director serving as a member of the Compensation Committee (other than the Chairperson) shall receive an additional annual retainer of $5,300 for such service.

(iv) Nominating and Corporate Governance Committee. A Non-Employee Director serving as Chairperson of the Nominating and Corporate Governance Committee shall receive an additional annual retainer of $8,000 for such service. A Non-Employee Director serving as a member of the Nominating and Corporate Governance Committee (other than the Chairperson) shall receive an additional annual retainer of $4,000 for such service.

(c) Payment of Retainers. The annual retainers described in Sections 1(a) and 1(b) shall be earned on a quarterly basis based on a calendar quarter and shall be paid by the Company in arrears not later than the fifteenth day following the end of each calendar quarter. In the event a Non-Employee Director does not serve as a Non-Employee Director, or in the applicable positions described in Section 1(b), for an entire calendar quarter, the retainer paid to such Non-Employee Director shall be prorated for the portion of such calendar quarter actually served as a Non-Employee Director, or in such position, as applicable.

2. Equity Compensation. Non-Employee Directors shall be granted the equity awards described below. The awards described below shall be granted under and shall be subject to the terms and provisions of the Company's 2016 Incentive Award Plan or any other applicable Company equity incentive plan then-maintained by the Company (the "***Equity Plan***") and shall be granted subject to the execution and delivery of award agreements, including attached exhibits, in substantially the forms previously approved by the Board. All applicable terms of the Equity Plan apply to this Program as if fully set forth herein, and all grants of stock awards hereby are subject in all respects to the terms of the Equity Plan and the applicable award agreement. For the avoidance of doubt, the share numbers in this Section 2 shall be subject to adjustment as provided in the Equity Plan.

(a) Initial Awards. Each Non-Employee Director who is initially elected or appointed to the Board shall be automatically granted, on the date of such initial election or appointment, (i) an option to purchase such number of shares of the Company's common stock having a value of $50,000, calculated as of the date of grant in accordance with the Black-Scholes option pricing model (utilizing the same assumptions that the Company utilizes in preparation of its financial statements and the thirty-day trailing average trading price of the Company's common stock preceding the date of grant (the "***Thirty-Day Trailing Average***"), plus (ii) such number of restricted stock units as is determined by dividing (A) $50,000 by (B) the Thirty-Day Trailing Average. The awards described in this Section 2(a) shall be referred to as "***Initial Awards***." No Non-Employee Director shall be granted more than one Initial Award.

(b) Subsequent Awards. On the first trading day in February of each calendar year, commencing in 2019, (i) each Non-Employee Director (other than the Chairperson of the Board) shall be automatically granted (A) an option to purchase such number of shares of the Company's common stock having a value of $30,000, calculated as of the date of grant in accordance with the Black-Scholes option pricing model (utilizing the same assumptions that the Company utilizes in preparation of its financial statements and the Thirty-Day Trailing Average), plus (B) such number of restricted stock units as is determined by dividing (1) $30,000 by (2) the Thirty-Day Trailing Average, and (ii) a Non-Employee Director serving as Chairperson of the Board on such date shall be automatically granted (A) an option to purchase such number of shares of the Company's common stock having a value of $45,000, calculated as of the date of grant in accordance with the Black-Scholes option pricing model (utilizing the same assumptions that the Company utilizes in preparation of its financial statements and the Thirty-Day Trailing Average), plus (B) such number of restricted stock units as is determined by dividing (1) $45,000 by (2) the Thirty-Day Trailing Average. The awards described in this Section 2(b) shall be referred to as "***Subsequent Awards***." In the event a Non-Employee Director has not been serving as a member of the Board for twelve months as of the date of any Subsequent Award, the Board may determine to prorate the Subsequent Award to such Non-Employee Director to reflect the number of months served since such initial election through the date of the Subsequent Award.

(c) Termination of Employment of Employee Directors. Members of the Board who are employees of the Company or any parent or subsidiary of the Company who subsequently terminate their employment with the Company and any parent or subsidiary of the Company and remain on the Board will not receive Initial Awards pursuant to Section 2(a) above, but to the extent that they are otherwise entitled, will receive, after termination from employment with the Company and any parent or subsidiary of the Company, Subsequent Awards as described in Section 2(b) above.

(d) Terms of Awards Granted to Non-Employee Directors

(i) Purchase Price. The per share exercise price of each option granted to a Non-Employee Director shall equal the Fair Market Value (as defined in the Equity Plan) of a share of common stock on the date the option is granted.

(ii)Vesting. Each Initial Award shall vest and become exercisable in substantially equal installments on each of the first three anniversaries of the date of grant, subject to the Non-Employee Director continuing in service on the Board through each such vesting date. Each Subsequent Award shall vest and/or become exercisable on the first anniversary of the date of grant, subject to the Non-Employee Director continuing in service on the Board through such vesting date. Unless the Board otherwise determines, no portion of an Initial Award or Subsequent Award which is unvested and/or exercisable at the time of a Non-Employee Director's termination of service on the Board shall become vested and/or exercisable thereafter. All of a Non-Employee Director's Initial Awards and Subsequent Awards shall vest in full immediately prior to the occurrence of a Change in Control (as defined in the Equity Plan), to the extent outstanding at such time.

(iii) Term. The term of each stock option granted to a Non-Employee Director shall be ten years from the date the option is granted.

3. Compensation Limits. Notwithstanding anything to the contrary in this Program, all compensation payable under this Program will be subject to any limits on the maximum amount of Non-Employee Director compensation set forth in the Equity Plan, as in effect from time to time.

II. NON-EMPLOYEE DIRECTOR STOCK OWNERSHIP GUIDELINES

1. Purpose. In an effort to align the interests of the Non-Employee Directors with the stockholders of the Company, the Board has adopted the following Stock Ownership Guidelines (the "Guidelines").

2. Ownership Threshold. Non-Employee Directors are expected to own and hold shares of the Company's common stock with a value equal to three times the annual cash retainer for service as a Non-Employee Director (without regard to any retainers paid for committee service or service as chairman of the Board).

3. Grace Period. The stock ownership level should be achieved by each Non-Employee Director on or before September 30, 2021, or, if later, within three years after the Non-Employee Director's first appointment to the Board.

4. Ownership Defined. Stock that counts toward satisfaction of these Guidelines include: shares of common stock owned outright by the Non-Employee Director and his or her immediate family members who share the same household, whether held individually or jointly; restricted stock where the restrictions have lapsed; shares acquired upon stock option exercise; shares purchased in the open market; and shares held in trust for the benefit of the Non-Employee Director or his or her family. Restricted stock units, which represent the right to receive shares, do not count towards satisfaction of these guidelines. Due to the complexities of trust accounts, requests to include shares held in trust should be submitted to the Chief Financial Officer of the Company and the Chairman of the Board will make the final decision as to whether to include those shares.

5. Application of Guidelines.

(a) Market Value. A Non-Employee Director will be deemed to be in compliance with these guidelines if the Fair Market Value (as defined in the Equity Plan) of the shares of the Company's common stock held by such Non-Employee Director on any date prior to the deadline for his or her compliance equals or exceeds the required multiple of his or her annual cash retainer.

(b) Subsequent Changes in Fair Market Value or Annual Cash Retainer. After meeting the requirements set forth in these Guidelines, any subsequent decreases in the fair market value of the common stock shall not be considered, so long as the Non-Employee Director does not have an increase in annual cash retainer and continues to hold at least the same number of shares of common stock as he or she did when these Guidelines were first met or exceeded by such Non-Employee Director. A Non-Employee Director will be expected to reach any increased requirements set forth in these Guidelines as a result of an increase in annual cash retainer within five years from the effective date of such increase.

6. Undue Hardship. Nothing in these Guidelines shall serve to prevent the sale of share holdings by an Non-Employee Director to cover his or her tax liability with respect to equity awards granted by the Company. There may be instances in which these Guidelines would place a severe hardship on a Non-Employee Director (including, but not limited to, preventing the Non-Employee Director from complying with a court order, such as a divorce settlement, or other legal requirement). In these instances, the Non-Employee Director may submit a request in writing to the Board that summarizes the circumstances and describes the extent to which an exemption is being requested. The Board will make the final decision as to whether an exemption will be granted. If such a request is granted in whole or part, the Board will work with the Non-Employee Director to develop an alternative stock ownership plan that reflects both the intention of these Guidelines and the individual's circumstances

* * * * *

RELEASE AGREEMENT

This Release Agreement (the "**Agreement**") is entered into by and between Glenn Selbo ("**Employee**") and Airgain, Inc. (the "**Company**"), effective as of the Effective Date (as defined below).

Recitals

WHEREAS, Employee is currently employed by the Company;

WHEREAS, Employee's employment with the Company will terminate effective as of April 2, 2018 (the "**Termination Date**"); and

WHEREAS, Employee acknowledges that, but for Employee's agreement to execute this Agreement, Employee would not be eligible for the termination benefits set forth below.

NOW THEREFORE, in consideration of the mutual agreements contained herein, the parties hereby agree as follows:

Agreement

1. Effective Date. This Agreement shall become effective upon the occurrence of both of the following events: (a) execution of the Agreement by the parties, and (b) expiration of the revocation period applicable under Section 6 below without Employee having given notice of revocation. The date of the last to occur of the foregoing events shall be referred to in this Agreement as the "**Effective Date**." Unless both of the foregoing events occur within thirty (30) days following the Termination Date, this Agreement shall be null and void.

2. Termination of Employment.

a. On and after the Termination Date, Employee shall no longer be employed by the Company in any capacity. On the Termination Date, the Company shall issue to Employee his final paycheck, reflecting (i) Employee's earned but unpaid base salary through the Termination Date, and (ii) all accrued, unused paid time off due to Employee through the Termination Date.

b. The Company, within thirty (30) days after the Termination Date, will reimburse Employee for any and all reasonable and necessary business expenses incurred by Employee in connection with the performance of Employee's job duties prior to the Termination Date, which expenses shall be submitted to the Company with supporting receipts and/or documentation no later than twenty-one (21) days after the Termination Date.

c. Except as set forth in Section 3 below, Employee's entitlement to health benefits from the Company, and eligibility to participate in the Company's health benefit plans, shall cease on the last day of the calendar month during which the Termination Date occurs, except to the extent Employee elects to and is eligible to receive continued healthcare coverage pursuant to the provisions of the Consolidated Omnibus Budget Reconciliation Act of 1985, as amended ("**COBRA**"). Employee's entitlement to other benefits from the Company, and eligibility to participate in the Company's other benefit plans, shall cease on the Termination Date.

3. Termination Benefit. In consideration for the promises set forth in this Agreement, the Company agrees to provide Employee the following (the "**Termination Benefits**"), which shall be the exclusive severance benefits to which Employee is entitled, unless Employee has materially breached the provisions of this Agreement, in which case the last sentence of Section 9 shall apply:

a. a cash payment in the amount of $150,000, payable in a lump sum within ten (10) days following the Effective Date; and

b. for the period beginning on the Termination Date and ending on the date which is six (6) full months following the Termination Date (or, if earlier, the date on which the applicable continuation period under COBRA expires) (the "**COBRA Coverage Period**"), the Company shall arrange to provide Employee and his eligible dependents who were covered under the Company's health insurance plans as of the date of Employee's termination of employment with health (including medical and dental) insurance benefits substantially similar to those provided to Employee and his dependents immediately prior to the date of such termination. If the Company is not reasonably able to continue health insurance benefits coverage under the Company's insurance plans, the Company shall provide substantially equivalent coverage under other third-party insurance sources. If any of the Company's health benefits are self-funded as of the date of Employee's termination of employment, or if the Company cannot provide the foregoing benefits in a manner that is exempt from or otherwise compliant with applicable law (including, without limitation, Section 409A of the Code and Section 2716 of the Public Health Service Act), instead of providing continued health insurance benefits as set forth above, the Company shall instead pay to Employee an amount equal to the monthly premium payment for Employee and his eligible dependents who were covered under the Company's health plans as of the date of Employee's termination of employment (calculated by reference to the premium as of the date of termination) as currently taxable compensation in substantially equal monthly installments over the COBRA Coverage Period (or the remaining portion thereof).

Employee understands that Employee will not be entitled to the Termination Benefits under this Agreement if the Effective Date does not occur on or before the date that is thirty (30) days following the Termination Date or in the event Employee breaches the terms of this Agreement.

4. Stock Options. Employee was previously granted stock options to purchase shares of the Company's common stock. The exercise of Employee's stock options shall be governed by the terms and conditions of the stock option agreements and the equity plans under which such stock options were granted.

5. Warranty. Employee acknowledges that, other than the compensation set forth in Section 2 above to be paid on or before the Termination Date and the Termination Benefits set forth in Section 3 above, Employee has received all wages, accrued but unused vacation pay, and other benefits due to Employee as a result of Employee's employment with and termination from the Company.

6. Release of Known and Unknown Claims By Employee.

a. In exchange for the Termination Benefits set forth in Section 3 above, and in consideration of the further agreements and promises set forth herein, Employee, on behalf of himself and his executors, heirs, administrators, representatives and assigns, hereby agrees to release and forever discharge the Company and all predecessors, successors and their respective parent corporations, affiliates, related, and/or subsidiary entities, and all of their past and present investors, directors, shareholders, officers, general or limited partners, employees, attorneys, agents and representatives, and the employee benefit plans in which Employee is or has been a participant by virtue of his employment with or service to the Company (collectively, the "**Company Releasees**"), from any and all claims, debts, demands, accounts, judgments, rights, causes of action, equitable relief, damages, costs, charges, complaints, obligations, promises, agreements, controversies, suits, expenses, compensation, responsibility and liability of every kind and character whatsoever (including attorneys' fees and costs), whether in law or equity, known or unknown, asserted or unasserted, suspected or unsuspected (collectively, "**Claims**"), which Employee has or may have had against such entities based on any events or circumstances arising or occurring on or prior to the date hereof or on or prior to the date hereof, arising directly or indirectly out of, relating to, or in any other way involving in any manner whatsoever Employee's employment by or service to the Company or the termination thereof, including any and all claims arising under federal, state, or local laws relating to employment, including without limitation claims of wrongful discharge, breach of express or implied contract, fraud, misrepresentation, defamation, or liability in tort, and claims of any kind that may be brought in any court or administrative agency including, without limitation, claims under Title VII of the Civil Rights Act of 1964, as amended, 42 U.S.C. Section 2000, et seq.; the Americans with Disabilities Act, as amended, 42 U.S.C. § 12101 et seq.; the Rehabilitation Act of 1973, as amended, 29 U.S.C. § 701 et seq.; the Civil Rights Act of 1866, and the Civil Rights Act of 1991; 42 U.S.C. Section 1981, et seq.; the Age Discrimination in Employment Act, as amended, 29 U.S.C. Section 621, et seq. (the "**ADEA**"); the Equal Pay Act, as amended, 29 U.S.C. Section 206(d); regulations of the Office of Federal Contract Compliance, 41 C.F.R. Section 60, et seq.; the Family and Medical Leave Act, as amended, 29 U.S.C. § 2601 et seq.; the Fair Labor Standards Act of 1938, as amended, 29 U.S.C. § 201 et seq.; the Employee Retirement Income Security Act, as amended, 29 U.S.C. § 1001 et seq.; and the California Fair Employment and Housing Act, California Government Code Section 12940, et seq.

Notwithstanding the generality of the foregoing, Employee does not release the following claims:

i.Claims for unemployment compensation or any state disability insurance benefits pursuant to the terms of applicable state law;

ii.Claims for workers' compensation insurance benefits under the terms of any worker's compensation insurance policy or fund of the Company;

iii.Claims pursuant to the terms and conditions of the federal law known as COBRA;

iv.Claims for indemnity under the bylaws of the Company, as provided for by California law or under any applicable insurance policy with respect to Employee's liability as an employee, director or officer of the Company;

v.Claims based on any right Employee may have to enforce the Company's executory obligations under the Agreement;

vi.Claims Employee may have to vested or earned compensation and benefits;

vii.Employee's right to bring to the attention of the Equal Employment Opportunity Commission or the California Department of Fair Employment and Housing or any other federal, state or local government agency claims of discrimination, harassment, interference with leave rights or retaliation; provided, however, that Employee does release Employee's right to secure any damages for such alleged treatment; or viii.Employee’s right to communicate or cooperate with any government agency.

b. EMPLOYEE ACKNOWLEDGES THAT HE HAS BEEN ADVISED OF AND IS FAMILIAR WITH THE PROVISIONS OF CALIFORNIA CIVIL CODE SECTION 1542, WHICH PROVIDES AS FOLLOWS:

“A GENERAL RELEASE DOES NOT EXTEND TO CLAIMS WHICH THE CREDITOR DOES NOT KNOW OR SUSPECT TO EXIST IN HIS OR HER FAVOR AT THE TIME OF EXECUTING THE RELEASE, WHICH, IF KNOWN BY HIM OR HER, MUST HAVE MATERIALLY AFFECTED HIS OR HER SETTLEMENT WITH THE DEBTOR.”

BEING AWARE OF SAID CODE SECTION, EMPLOYEE HEREBY EXPRESSLY WAIVES ANY RIGHTS HE MAY HAVE THEREUNDER, AS WELL AS UNDER ANY OTHER STATUTES OR COMMON LAW PRINCIPLES OF SIMILAR EFFECT.

c. Employee acknowledges that this Agreement was presented to him on the date indicated above and that Employee is entitled to have twenty-one (21) days’ time in which to consider it. Employee further acknowledges that the Company has advised him that he is waiving his rights under the ADEA, and that Employee should consult with an attorney of his choice before signing this Agreement, and Employee has had sufficient time to consider the terms of this Agreement. Employee represents and acknowledges that if Employee executes this Agreement before twenty-one (21) days have elapsed, Employee does so knowingly, voluntarily, and upon the advice and with the approval of Employee’s legal counsel (if any), and that Employee voluntarily waives any remaining consideration period.

d. Employee understands that after executing this Agreement, Employee has the right to revoke it within seven (7) days after his execution of it. Employee understands that this Agreement will not become effective and enforceable unless the seven (7) day revocation period passes and Employee does not revoke the Agreement in writing. Employee understands that this Agreement may not be revoked after the seven (7) day revocation period has passed. Employee also understands that any revocation of this Agreement must be made in writing and delivered to the Chief Executive Officer of the Company at its principal place of business within the seven (7) day period.

e. Employee understands that this Agreement shall become effective, irrevocable, and binding upon Employee on the eighth (8th) day after his execution of it, so long as Employee has not revoked it within the time period and in the manner specified in clause (d) above.

f. Employee further understands that Employee will not be given any severance benefits under the Agreement unless this Agreement is effective on or before the date that is thirty (30) days following the date of Employee’s termination of employment.

7. Additional Representations and Warranties By Employee. Employee represents that Employee has no pending complaints or charges against the Releasees, or any of them, with any state or federal court, or any local, state or federal agency, division, or department based on any event(s) occurring prior to the date Employee signs this Agreement. Subject to Section 9(e) below, Employee further represents that Employee will not in the future, file, participate in, encourage, instigate or assist in the prosecution of any claim, complaints, charges or in any lawsuit by any party in any state or federal court against the

Releasees, or any of them. unless such aid or assistance is ordered by a court or government agency or sought by compulsory legal process, claiming that the Releasees, or any of them, have violated any local, state or federal laws, statutes, ordinances or regulations based upon events occurring prior to the execution of this Agreement. Nothing in this Section 7 is intended to affect your right to communicate directly with, cooperate with, or provide information to, any federal, state or local government regulator.

8. Knowing and Voluntary. Employee represents and agrees that, prior to signing this Agreement, Employee has had the opportunity to discuss the terms of this Agreement with legal counsel of Employee's choosing. Employee further represents and agrees that Employee is entering into this Agreement knowingly and voluntarily. Employee affirms that no promise was made to cause Employee to enter into this Agreement, other than what is promised in this Agreement. Employee further confirms that Employee has not relied upon any other statement or representation by anyone other than what is in this Agreement as a basis for Employee's agreement.

9. Confirmation of Continuing Obligations.

a. Confidential Information Obligations. Employee acknowledges that Employee continues to be bound by the Confidentiality and Inventions Assignment Agreement, which is attached hereto as Exhibit A, or any other agreement governing the use of the Company's confidential information that Employee signed in connection with Employee's employment in accordance with the terms thereof.

b. Nondisparagement. Employee agrees that Employee shall not disparage or otherwise communicate negative statements or opinions about the Company, the members of its Board of Directors, officers, employees, shareholders or agents. The Company agrees that neither the members of its Board of Directors nor its officers shall disparage or otherwise communicate negative statements or opinions about Employee.

c. Return of Property. By signing below, Employee represents and warrants that Employee has returned to the Company all of the Company's property, documents (hard copy or electronic files), and information prior to signing this Agreement, Employee has not and will not copy or transfer any Company information, nor will Employee maintain any Company information after the Termination Date.

d. Remedy in the Event of Breach. In addition to all other rights and remedies available to the Company under law or in equity, the Company shall be entitled to cease all Termination Benefits to Employee in the event of Employee's material breach of this Section 9.

e. Whistleblower Provision. Notwithstanding anything to the contrary contained in this Agreement or the Confidentiality and Inventions Assignment Agreement, (i) Employee will not be prevented from reporting possible violations of federal law or regulation to any United States governmental agency or entity in accordance with the provisions of and rules promulgated under Section 21F of the Securities Exchange Act of 1934 or Section 806 of the Sarbanes-Oxley Act of 2002, or any other whistleblower protection provisions of state or federal law or regulation (including the right to receive an award for information provided to any such government agencies), and (ii) Employee acknowledges that he will not be held criminally or civilly liable for (A) the disclosure of confidential or proprietary information that is made in confidence to a government official or to an attorney solely for the purpose of reporting or investigating a suspected violation of law, or (B) disclosure of confidential or proprietary information that is made in a complaint or other document filed in a lawsuit or other proceeding under seal or pursuant to court order.

10. Governing Law. This Agreement will be governed by and construed in accordance with the laws of the State of California without regard to the conflicts of law provisions thereof. Employee and the Company agree that any litigation regarding this Agreement shall be conducted in San Diego, California. Employee and the Company hereby consent to the jurisdiction of the courts of the State of California and the United States District Court for the Southern District of California,

11. Entire Agreement. This Agreement, together with the other agreements referenced herein, constitutes the entire understanding between the parties with respect to its subject matter, superseding all prior agreements and understandings, written or oral, with respect to its subject matter. This Agreement may not be amended or modified, nor any provision hereof waived, other than by a writing signed by Employee and an authorized representative of the Company.

12. Ambiguities. The general rule that ambiguities are to be construed against the drafter shall not apply to this Agreement. In the event that any language of this Agreement is found to be ambiguous, all parties shall have the opportunity to present evidence as to the actual intent of the parties with respect to any such ambiguous language.

13. Severability. If any sentence, phrase, paragraph, subparagraph or portion of this Agreement is found to be illegal or unenforceable, such action shall not affect the validity or enforceability of the remaining sentences, phrases, paragraphs, subparagraphs or portions of this Agreement.

14. Counterparts. This Agreement may be executed in one or more counterparts, each of which shall be deemed an original, all of which together shall constitute one and the same instrument.

15. Taxes; Right to Seek Independent Advice. Employee understands and agrees that all payments under this Agreement will be subject to appropriate tax withholding and other deductions, as and to the extent required by law. Employee acknowledges and agrees that neither the Company nor the Company's counsel has provided any legal or tax advice to Employee and that Employee is free to, and is hereby advised to, consult with a legal or tax advisor of Employee's choosing.

[Signature Page Follows]

PLEASE READ CAREFULLY. THIS AGREEMENT CONTAINS A RELEASE OF ALL KNOWN AND UNKNOWN CLAIMS.

THE UNDERSIGNED AGREE TO THE TERMS OF THIS AGREEMENT AND VOLUNTARILY ENTER INTO IT WITH THE INTENT TO BE BOUND THEREBY.

Dated: April 20, 2018 /s/Glenn Selbo
Glenn Selbo

Dated: , 2018 AIRGAIN, INC.

By: /s/Anil Doradla
Name:
Title:

<u>Exhibit A</u>

Confidentiality and Inventions Assignment Agreement

RELEASE AGREEMENT

This Release Agreement (the "**Agreement**") is entered into by and between Charles A. Myers ("**Employee**") and Airgain, Inc. (the "**Company**"), effective as of the Effective Date (as defined below).

Recitals

WHEREAS, Employee is currently employed by the Company; and

WHEREAS, Employee's employment with the Company will terminate by mutual agreement and without cause effective as of May 2, 2018 (the "**Termination Date**").

NOW THEREFORE, in consideration of the mutual agreements contained herein, the parties hereby agree as follows:

Agreement

1. <u>Effective Date</u>. This Agreement shall become effective upon the occurrence of both of the following events: (a) execution of the Agreement by the parties, and (b) expiration of the revocation period applicable under Section 6 below without Employee having given notice of revocation. The date of the last to occur of the foregoing events shall be referred to in this Agreement as the "**Effective Date**." Unless both of the foregoing events occur within thirty (30) days following the Termination Date, this Agreement shall be null and void.

2. <u>Termination of Employment</u>.

a. On and after the Termination Date, Employee shall no longer be employed by the Company in any capacity. Within one (1) day after the Termination Date, the Company shall issue to Employee his final paycheck, reflecting (i) Employee's earned but unpaid base salary through the Termination Date, and (ii) all accrued, unused paid time off due to Employee through the Termination Date. Within one (1) day after the Termination Date, the Company will reimburse Employee for any and all reasonable and necessary business expenses incurred by Employee in connection with the performance of Employee's job duties prior to the Termination Date, which expenses were submitted to the Company with supporting receipts and/or documentation at least five (5) days prior to the Termination Date; provided such reimbursement shall not apply to any expenses incurred by Employee which are otherwise payable by the Company pursuant to the last sentence of Section 4(g) of Employee's Employment Agreement, which are being paid pursuant to Section 3(e) below.

b. The Company, within thirty (30) days after the Termination Date, will reimburse Employee for any and all reasonable and necessary business expenses incurred by Employee in connection with the performance of Employee's job duties prior to the Termination Date, which expenses shall be submitted to the Company with supporting receipts and/or documentation no later than twenty-one (21) days after the Termination Date; provided such reimbursement shall not apply to any expenses incurred by Employee which are otherwise payable by the Company pursuant to the last sentence of Section 4(g) of Employee's Employment Agreement, which are being paid pursuant to Section 3(e) below.

c. Except as set forth in Section 3 below, Employee's entitlement to health benefits from the Company, and eligibility to participate in the Company's health benefit plans, shall cease on the last day of the calendar month during which the Termination Date occurs, except to the extent Employee elects to and is eligible to receive continued healthcare coverage pursuant to the provisions of the Consolidated Omnibus Budget Reconciliation Act of 1985, as amended ("**COBRA**"). Employee's entitlement to other benefits from the Company, and eligibility to participate in the Company's other benefit plans, shall cease on the Termination Date.

3. Termination Benefit. In consideration for the promises set forth in this Agreement, the Company agrees to provide Employee the following (the "**Termination Benefits**"), which shall be the exclusive severance benefits to which Employee is entitled, unless Employee has materially breached the provisions of this Agreement, :

a. a cash payment in the amount of $400,000, equal to twelve (12) months of Employee's base salary, less applicable tax withholding, payable in a lump sum on the date that is thirty (30) days following the Termination Date (the "**Termination Benefit Payment Date**");

b. a cash payment in the amount of $84,000, in satisfaction of agreed bonus compensation for the period of Employee's employment in calendar year 2018, less applicable tax withholding, payable in a lump sum on the Termination Benefit Payment Date;

c. for the period beginning on the Termination Date and ending on the date which is twelve (12) full months following the Termination Date (or, if earlier, the date on which the applicable continuation period under COBRA expires) (the "**COBRA Coverage Period**"), the Company shall arrange to provide Employee and his eligible dependents who were covered under the Company's health insurance plans as of the date of Employee's termination of employment with health (including medical and dental) insurance benefits substantially similar to those provided to Employee and his dependents immediately prior to the date of such termination. If the Company is not reasonably able to continue health insurance benefits coverage under the Company's insurance plans, the Company shall provide substantially equivalent coverage under other third-party insurance sources. If any of the Company's health benefits are self-funded as of the date of Employee's termination of employment, or if the Company cannot provide the foregoing benefits in a manner that is exempt from or otherwise compliant with applicable law (including, without limitation, Section 409A of the Code and Section 2716 of the Public Health Service Act), instead of providing continued health insurance benefits as set forth above, the Company shall instead pay to Employee an amount equal to the monthly premium payment for Employee and his eligible dependents who were covered under the Company's health plans as of the date of Employee's termination of employment (calculated by reference to the premium as of the date of termination) as currently taxable compensation in substantially equal monthly installments over the COBRA Coverage Period (or the remaining portion thereof);

d. a cash payment in the amount of $3,199.68, in the amount of twelve (12) months' disability insurance premiums, less applicable tax withholding, payable in a lump sum on the Termination Benefit Payment Date; and

e. a cash payment in the amount of $20,000, in lieu of provision of certain other employment benefits, less applicable tax withholding, payable in a lump sum on the Termination Benefit Payment Date.

Employee understands that Employee will not be entitled to the Termination Benefits under this Agreement if the Effective Date does not occur on or before the date that is thirty (30) days following the Termination Date or in the event Employee breaches the terms of this Agreement.

4. Stock Options. Employee was previously granted stock options to purchase shares of the Company's common stock. Notwithstanding any terms of the stock option agreements under which such stock options were granted to the contrary, all unvested stock options held by Employee shall become fully vested, and the forfeiture restriction shall lapse, effective as of the Termination Date contingent on this Agreement becoming effective and irrevocable. The exercise of Employee's stock options shall otherwise be governed by the terms and conditions of the stock option agreements and the equity plans under which such stock options were granted.

5. Warranty. Employee acknowledges that, other than the compensation set forth in Section 2 above and the Termination Benefits set forth in Section 3 above, Employee has received all wages, accrued but unused vacation pay, and other benefits due to Employee as a result of Employee's employment with and termination from the Company.

6. Release of Known and Unknown Claims By Employee.

a. In exchange for the Termination Benefits set forth in Section 3 above, and in consideration of the further agreements and promises set forth herein, Employee, on behalf of himself and his executors, heirs, administrators, representatives and assigns, hereby agrees to release and forever discharge the Company and all predecessors, successors and their respective parent corporations, affiliates, related, and/or subsidiary entities, and all of their past and present investors, directors, shareholders, officers, general or limited partners, employees, attorneys, agents and representatives, and the employee benefit plans in which Employee is or has been a participant by virtue of his employment with or service to the Company (collectively, the "**Company Releasees**"), from any and all claims, debts, demands, accounts, judgments, rights, causes of action, equitable relief, damages, costs, charges, complaints, obligations, promises, agreements, controversies, suits, expenses, compensation, responsibility and liability of every kind and character whatsoever (including attorneys' fees and costs), whether in law or equity, known or unknown, asserted or unasserted, suspected or unsuspected (collectively, "**Claims**"), which Employee has or may have had against such entities based on any events or circumstances arising or occurring on or prior to the date hereof or on or prior to the date hereof, arising directly or indirectly out of, relating to, or in any other way involving in any manner whatsoever Employee's employment by or service to the Company or the termination thereof, including any and all claims arising under federal, state, or local laws relating to employment, including without limitation claims of wrongful discharge, breach of express or implied contract, fraud, misrepresentation, defamation, or liability in tort, and claims of any kind that may be brought in any court or administrative agency including, without limitation, claims under Title VII of the Civil Rights Act of 1964, as amended, 42 U.S.C. Section 2000, et seq.; the Americans with Disabilities Act, as amended, 42 U.S.C. § 12101 et seq.; the Rehabilitation Act of 1973, as amended, 29 U.S.C. § 701 et seq.; the Civil Rights Act of 1866, and the Civil Rights Act of 1991; 42 U.S.C. Section 1981, et seq.; the Age Discrimination in Employment Act, as amended, 29 U.S.C. Section 621, et seq. (the "**ADEA**"); the Equal Pay Act, as amended, 29 U.S.C. Section 206(d); regulations of the Office of Federal Contract Compliance, 41 C.F.R. Section 60, et seq.; the Family and Medical Leave Act, as amended, 29 U.S.C. § 2601 et seq.; the Fair Labor Standards Act of 1938, as amended, 29 U.S.C. § 201 et seq.; the Employee Retirement Income Security Act, as amended, 29 U.S.C. § 1001 et seq.; and the California Fair Employment and Housing Act, California Government Code Section 12940, et seq.

Notwithstanding the generality of the foregoing, Employee does not release the following claims:

i.Claims for unemployment compensation or any state disability insurance benefits pursuant to the terms of applicable state law;

ii.Claims for workers' compensation insurance benefits under the terms of any worker's compensation insurance policy or fund of the Company;

iii.Claims pursuant to the terms and conditions of the federal law known as COBRA;

iv.Claims for indemnity under the bylaws of the Company, as provided for by California law or under any applicable insurance policy with respect to Employee's liability as an employee, director or officer of the Company;

v.Claims based on any right Employee may have to enforce the Company's executory obligations under the Agreement;

vi.Claims Employee may have to vested or earned compensation and benefits;

vii.Employee's right to bring to the attention of the Equal Employment Opportunity Commission or the California Department of Fair Employment and Housing or any other federal, state or local government agency claims of discrimination, harassment, interference with leave rights or retaliation; provided, however, that Employee does release Employee's right to secure any damages for such alleged treatment; or

viii.Employee's right to communicate or cooperate with any government agency.

b. EMPLOYEE ACKNOWLEDGES THAT HE HAS BEEN ADVISED OF AND IS FAMILIAR WITH THE PROVISIONS OF CALIFORNIA CIVIL CODE SECTION 1542, WHICH PROVIDES AS FOLLOWS:

"A GENERAL RELEASE DOES NOT EXTEND TO CLAIMS WHICH THE CREDITOR DOES NOT KNOW OR SUSPECT TO EXIST IN HIS OR HER FAVOR AT THE TIME OF EXECUTING THE RELEASE, WHICH, IF KNOWN BY HIM OR HER, MUST HAVE MATERIALLY AFFECTED HIS OR HER SETTLEMENT WITH THE DEBTOR."

BEING AWARE OF SAID CODE SECTION, EMPLOYEE HEREBY EXPRESSLY WAIVES ANY RIGHTS HE MAY HAVE THEREUNDER, AS WELL AS UNDER ANY OTHER STATUTES OR COMMON LAW PRINCIPLES OF SIMILAR EFFECT.

c. Employee acknowledges that this Agreement was presented to him on the date indicated above and that Employee is entitled to have twenty-one (21) days' time in which to consider it. Employee further acknowledges that the Company has advised him that he is waiving his rights under the ADEA, and that Employee should consult with an attorney of his choice before signing this Agreement, and Employee has had sufficient time to consider the terms of this Agreement. Employee represents and acknowledges that if Employee executes this Agreement before twenty-one (21) days have elapsed, Employee does so knowingly, voluntarily, and upon the advice and with the approval of Employee's legal counsel (if any), and that Employee voluntarily waives any remaining consideration period.

d. Employee understands that after executing this Agreement, Employee has the right to revoke it within seven (7) days after his execution of it. Employee understands that this Agreement will not become effective and enforceable unless the seven (7) day revocation period passes and Employee does not revoke the Agreement in writing. Employee understands that this Agreement may not be revoked after the seven (7) day revocation period has passed. Employee also understands that any revocation of this Agreement must be made in writing and delivered to the Chief Executive Officer of the Company at its principal place of business within the seven (7) day period.

e. Employee understands that this Agreement shall become effective, irrevocable, and binding upon Employee on the eighth (8th) day after his execution of it, so long as Employee has not revoked it within the time period and in the manner specified in clause (d) above.

f. Employee further understands that Employee will not be given any severance benefits under the Agreement unless this Agreement is effective on or before the date that is thirty (30) days following the date of Employee's termination of employment.

7. Additional Representations and Warranties By Employee. Employee represents that Employee has no pending complaints or charges against the Releasees, or any of them, with any state or federal court, or any local, state or federal agency, division, or department based on any event(s) occurring prior to the date Employee signs this Agreement. Subject to Section 9(e) below, Employee further represents that Employee will not in the future, file, participate in, encourage, instigate or assist in the prosecution of any claim, complaints, charges or in any lawsuit by any party in any state or federal court against the Releasees, or any of them. unless such aid or assistance is ordered by a court or government agency or sought by compulsory legal process, claiming that the Releasees, or any of them, have violated any local, state or federal laws, statutes, ordinances or regulations based upon events occurring prior to the execution of this Agreement. Nothing in this Section 7 is intended to affect your right to communicate directly with, cooperate with, or provide information to, any federal, state or local government regulator.

8. Knowing and Voluntary. Employee represents and agrees that, prior to signing this Agreement, Employee has had the opportunity to discuss the terms of this Agreement with legal counsel of Employee's choosing. Employee further represents and agrees that Employee is entering into this Agreement knowingly and voluntarily. Employee affirms that no promise was made to cause Employee to enter into this Agreement, other than what is promised in this Agreement. Employee further confirms that Employee has not relied upon any other statement or representation by anyone other than what is in this Agreement as a basis for Employee's agreement.

9. Confirmation of Continuing Obligations.

a. Confidential Information Obligations. Employee acknowledges that Employee continues to be bound by the Confidentiality and Inventions Assignment Agreement, which is attached hereto as Exhibit A, or any other agreement governing the use of the Company's confidential information that Employee signed in connection with Employee's employment in accordance with the terms thereof.

b. Nondisparagement. Employee agrees that Employee shall not disparage or otherwise communicate negative statements or opinions about the Company, the members of its Board of Directors, officers, employees, shareholders or agents. The Company agrees that it shall not, and it shall instruct its officers and the members of its Board of Directors to not, disparage or otherwise communicate negative statements or opinions about Employee. Nothing in this Section 9(b) shall have application to any evidence or testimony required by any court, arbitrator or government agency.

c. Return of Property. By signing below, Employee represents and warrants that Employee has returned to the Company all of the Company's property, documents (hard copy or electronic files), and information prior to signing this Agreement, Employee has not and will not copy or transfer any Company information, nor will Employee maintain any Company information after the Termination Date.

d. Remedy in the Event of Breach. In addition to all other rights and remedies available to the Company under law or in equity, the Company shall be entitled to cease all Termination Benefits to Employee in the event of Employee's material breach of this Section 9.

e. Whistleblower Provision. Notwithstanding anything to the contrary contained in this Agreement or the Confidentiality and Inventions Assignment Agreement, (i) Employee will not be prevented from reporting possible violations of federal law or regulation to any United States governmental agency or entity in accordance with the provisions of and rules promulgated under Section 21F of the Securities Exchange Act of 1934 or Section 806 of the Sarbanes-Oxley Act of 2002, or any other whistleblower protection provisions of state or federal law or regulation (including the right to receive an award for information provided to any such government agencies), and (ii) Employee acknowledges that he will not be held criminally or civilly liable for (A) the disclosure of confidential or proprietary information that is made in confidence to a government official or to an attorney solely for the purpose of reporting or investigating a suspected violation of law, or (B) disclosure of confidential or proprietary information that is made in a complaint or other document filed in a lawsuit or other proceeding under seal or pursuant to court order.

10. Governing Law. This Agreement will be governed by and construed in accordance with the laws of the State of California without regard to the conflicts of law provisions thereof. Employee and the Company agree that any litigation regarding this Agreement shall be conducted in San Diego, California. Employee and the Company hereby consent to the jurisdiction of the courts of the State of California and the United States District Court for the Southern District of California,

11. Entire Agreement. This Agreement, together with the other agreements referenced herein, constitutes the entire understanding between the parties with respect to its subject matter, superseding all prior agreements and understandings, written or oral, with respect to its subject matter. This Agreement may not be amended or modified, nor any provision hereof waived, other than by a writing signed by Employee and an authorized representative of the Company.

12. Ambiguities. The general rule that ambiguities are to be construed against the drafter shall not apply to this Agreement. In the event that any language of this Agreement is found to be ambiguous, all parties shall have the opportunity to present evidence as to the actual intent of the parties with respect to any such ambiguous language.

13. Severability. If any sentence, phrase, paragraph, subparagraph or portion of this Agreement is found to be illegal or unenforceable, such action shall not affect the validity or enforceability of the remaining sentences, phrases, paragraphs, subparagraphs or portions of this Agreement.

14. Counterparts. This Agreement may be executed in one or more counterparts, each of which shall be deemed an original, all of which together shall constitute one and the same instrument.

15. Taxes; Right to Seek Independent Advice. Employee understands and agrees that all payments under this Agreement will be subject to appropriate tax withholding and other deductions, as and to the extent required by law. Employee acknowledges and agrees that neither the Company nor the Company's counsel has provided any legal or tax advice to Employee and that Employee is free to, and is hereby advised to, consult with a legal or tax advisor of Employee's choosing.

[Signature Page Follows]

PLEASE READ CAREFULLY. THIS AGREEMENT CONTAINS A RELEASE OF ALL KNOWN AND UNKNOWN CLAIMS.

THE UNDERSIGNED AGREE TO THE TERMS OF THIS AGREEMENT AND VOLUNTARILY ENTER INTO IT WITH THE INTENT TO BE BOUND THEREBY.

Dated: May 2, 2018 /s/Charles A. Myers
Charles A. Myers

Dated: May 3, 2018 AIRGAIN, INC.

By: /s/James K. Sims
Name:
Title:

Exhibit A

Confidentiality and Inventions Assignment Agreement

[Airgain Letterhead]

May 8, 2018

Jim K. Sims

Re: Interim Chief Executive Officer Agreement

Dear Jim:

On behalf of Airgain, Inc. (the "**Company**"), I am pleased to offer you the position of Interim Chief Executive Officer of the Company ("**Interim Chief Executive Officer**") on the terms and conditions set forth in this letter agreement (this "**Agreement**"). While acting as Interim Chief Executive Officer, you will also continue to serve as the Chairman of the Board of Directors of the Company (the "**Board**"). You may accept this Agreement by signing and returning a copy of this Agreement to the Company as provided below.

1. Term of Agreement. Your services as Interim Chief Executive Officer under this Agreement shall commence effective as of May 2, 2018 (the "**Start Date**"), and, subject to Section 6 hereof, your service as Interim Chief Executive Officer shall continue until the earliest to occur of: (i) the appointment of a permanent Chief Executive Officer, or (ii) your resignation from this position or the termination of your service by us (the date of the earliest to occur, the "**Transition Date**"). Your termination of service as Interim Chief Executive Officer will not affect your service as Chairman of the Board, which will remain subject to the Company's bylaws.

2. Position and Duties. During the term of this Agreement, you shall serve as Interim Chief Executive Officer of the Company. Your duties and authority as Interim Chief Executive Officer shall be prescribed by the Board and shall be commensurate with those of a chief executive officer of a company of comparable size and with a similar business as the Company. You agree that while serving as Interim Chief Executive Officer under this Agreement you shall use best efforts and devote such business time to the Company as reasonably necessary to manage the business of the Company.

3. Status. Notwithstanding any provision of this Agreement to the contrary, you are and shall at all times be an independent contractor and not an employee, agent, partner, or joint venturer of the Company. You shall have no right under this Agreement, or as a result of your consulting services to the Company, to participate in any other employee, retirement, insurance or other benefit program of the Company, nor will the Company make any deductions from your compensation for taxes, the payment of which shall be solely your responsibility. You shall pay, when and as due, any and all taxes incurred as a result of your compensation hereunder, including estimated taxes, and if requested by the Company in connection with any audit or other inquiry from a governmental authority or agency, provide the Company with proof of said payments. You further agree to indemnify the Company and hold it harmless to the extent of any obligation imposed on the Company: (i) to pay withholding taxes or similar items; or (ii) resulting from you being determined not to be an independent contractor.

4. Compensation. In consideration for your services to the Company as Interim Chief Executive Officer, you shall receive the following compensation from the Company.

(a) Cash Compensation. During the period of time commencing on the Start Date and ending on the Transition Date (the "**Interim Period**"), the Company shall pay you a retainer of $33,333.33 per month, which is equivalent to $400,000 per annum (as may be adjusted from time to time, the "**Retainer**"), payable in accordance with the Company's standard payroll procedures. You acknowledge and agree that during the Interim Period, your only compensation will consist of the Retainer and the Stock Option (as described below), and you will not be entitled to any additional fees or other compensation for serving as Chairman of the Board or as a member of the Board, including any fees or equity grants in accordance with the Company's policy for non-employee members of the Board, provided, that the equity awards previously granted to you in connection with your service as a member of the Board will continue to vest based on your service hereunder. Following the Interim Period, you will again be eligible to receive fees and equity grants in accordance with the Company's policy for non-employee members of the Board. You may also be awarded a discretionary bonus by the Board in connection with your service as interim Chief Executive Officer.

(b) Stock Option Award. On the date hereof, the Company shall grant to you stock options to purchase an aggregate of 175,000 shares of the Company's common stock (the "**Stock Option**"). The Stock Option will be granted pursuant to the Company's 2016 Incentive Award Plan (the "**Plan**"). The Stock Option shall vest as to 12.5% of the original number of shares subject to the Stock Option following each three-month period following the Start Date, subject to your continued service to the Company as Interim Chief Executive Officer or a member of the Board through each such vesting date, so that all of the shares subject to the Stock Option shall be vested on the second (2nd) anniversary of the Start Date. Notwithstanding the foregoing, the Stock Option shall become fully vested and exercisable in the event of a Change in Control (as defined in the Plan). The Stock Option will have an exercise price per share equal to the current fair market value per share of the common stock of the Company (as determined pursuant to the Plan) on the date of grant. The Stock Option shall be a non-qualified stock option, shall have a ten-year term and shall be subject to the terms and conditions of the Plan and the stock option agreement pursuant to which the Stock Option is granted.

(c) Expenses. The Company shall reimburse you for business expenses that are reasonable and necessary for you to perform, and were incurred by you in the course of the performance of your duties pursuant to this Agreement and in accordance with the Company's general policies, including, reasonable travel between your home and the Company's principal offices in San Diego, California. Such expenses shall be reimbursed upon your submission of vouchers and an expense report in such form as may be required by the Company consistent with the Company's policies in place from time-to-time.

(d) **Nature of Compensation**. You and the Company acknowledge and agree that the compensation payable to you under this Agreement is solely for your services as Interim Chief Executive Officer and not for your service as a non-employee member of the Board. During the Interim Period, you will not receive any compensation for your service as a member of the Board under the Company's policy for non-employee members of the Board.

5. **Confidentiality.** In connection with your services hereunder, you agree to enter into the Company's standard Proprietary Information and Inventions Agreement (the "**Proprietary Information Agreement**").

6. **Termination.** This Agreement may be terminated by you or the Company at any time for any or no reason upon thirty (30) days' written notice to the Company in order to facilitate an orderly transition of your duties.

7. **Miscellaneous.**

(a) This Agreement, together with the Proprietary Information Agreement, constitutes the complete, final and exclusive embodiment of the entire agreement between you and the Company with regard to the subject matter hereof. This Agreement is entered into without reliance on any promise or representation, written or oral, other than those expressly contained herein, and this Agreement supersedes any other such promises, warranties or representations and any other written or oral statements concerning your rights to any compensation, equity or benefits from the Company, its predecessors or successors in interest.

(b) This Agreement may not be modified or amended except in a writing signed by both you and a duly authorized officer of the Company.

(c) This Agreement may be signed in counterparts and the counterparts taken together shall constitute one agreement.

(d) This Agreement shall be deemed to have been entered into and shall be construed and enforced in accordance with the laws of the State of California as applied to contracts made and to be performed entirely within California.

(Signature Page Follows)

If this Agreement is acceptable to you, please sign below and return the original, fully executed Agreement to the Company.

Sincerely,

AIRGAIN, INC.

By: _/s/Anil Doradla________________________________
Anil Doradla
Chief Financial Officer

AGREED AND ACCEPTED:

___/s/Jim K. Sims_________________________________ __________________________
Jim K. Sims Date

Exhibit 10.17

EMPLOYMENT AGREEMENT

This EMPLOYMENT AGREEMENT ("Agreement"), effective as of the Effective Date (as defined below), is made by and between AIRGAIN, INC. (the "Company"), and JIM K. SIMS ("Employee").

WHEREAS, Employee is currently serving as Chairman of the Board of Directors of the Company (the "Board") and interim Chief Executive Officer of the Company pursuant to that certain letter agreement between the Company and Employee dated May 8, 2018 (the "Interim CEO Letter Agreement"), and is serving in such capacities as an independent contractor;

WHEREAS, the Board has determined that it is in the best interests of the Company and its shareholders to convert Employee to an employee of the Company serving in the role of Executive Chairman and, to the extent the Effective Date occurs prior to the CEO Appointment Date (as defined below), as interim Chief Executive Officer, with such employment commencing on the Effective Date, under the following terms and conditions; and

WHEREAS, Employee desires to commence employment with the Company and to accept such terms and conditions of employment as are contained in this Agreement, in each case as of the Effective Date.

NOW, THEREFORE, in consideration of the promises and mutual covenants contained herein and for other good and valuable consideration, the receipt of which is mutually acknowledged, the Company and Employee (individually a "Party" and together the "Parties") agree as follows:

AGREEMENT

1. Effective Date.

This Agreement shall be effective upon, and Employee's employment under the terms of this Agreement shall commence on, the earlier of (a) the date (the "CEO Appointment Date") on which the Board appoints a new Chief Executive Officer (the "CEO"), or (b) such other date as the Company and Employee may mutually agree (the "Effective Date").

2. At-will Employment.

Employee's employment relationship with the Company under this Agreement ("Employment") is at-will, terminable at any time and for any reason by either the Company or Employee. While certain sections of this Agreement describe events that could occur at a particular time in the future, nothing in this Agreement shall be construed as a guarantee of employment of any length.

3. Employment Duties.

a. Title/Responsibilities. On the Effective Date, Employee shall be the Executive Chairman of the Board and, to the extent the Effective Date occurs prior to the CEO Appointment Date, the interim Chief Executive Officer, reporting to the Board. Employee shall perform all of the duties and responsibilities of such offices set forth in the Bylaws of the Company and those commonly associated with such offices and such further duties and responsibilities as may from time to time be assigned to him by the Board. From and after the date (the "CEO Appointment Date") on which the Board appoints a new Chief Executive Officer (the "CEO"), Employee shall continue to be employed under this Agreement as the Executive Chairman. During the term of this Agreement, Employee will also continue to serve as a member of the Board and Chairman of the Board until the earlier of his resignation, removal from the Board or death, or his successor is duly appointed by the Board. Employee's termination of employment as Executive Chairman and/or interim Chief Executive Officer will not affect his service as a member of the Board, which will remain subject to Delaware law and the Company's bylaws and charter. However, Employee may resign or be removed as Chairman of the Board or a member of the Board in accordance with Delaware law and the Company's bylaws and charter.

b. Responsibilities/Work Location. Employee's duties and authority shall be prescribed by the Board and shall be commensurate with those of an executive chairman and/or interim chief executive officer, as applicable, of a company of comparable size and with a similar business as the Company. Employee agrees that while serving as Executive Chairman and/or interim Chief Executive Officer under this Agreement Employee shall use best efforts and devote such business time to the Company as reasonably necessary to perform such duties. Employee's primary place of work shall be the Company's offices in [_____], Florida, but shall travel to other Company locations as his duties may reasonably require.

c. Policy Compliance. Employee shall comply with all of the Company's policies, practices and procedures, as well as, all applicable laws. Employee has previously executed and delivered to the Company the Confidentiality and Inventions Assignment Agreement (the "Confidentiality and Inventions Assignment Agreement") attached hereto as Exhibit 1.

4. Compensation.

a. Base Salary. In the event the Effective Date occurs prior to the CEO Appointment Date, then through the CEO Appointment Date, the Company shall pay Employee a base salary of $400,000 per year, or such higher amount as the Board may determine from time to time, less applicable federal and state withholding taxes, in accordance with the Company's regular payroll practices (the "Base Salary"). From and after the CEO Appointment Date, Employee's Base Salary shall be equal to sixty percent (60%) of the base salary of the CEO from time to time, or such higher amount as the Board may determine from time to time, less applicable federal and state withholding taxes, in accordance with the Company's regular payroll practices.

b. Annual Bonus Compensation. In addition to the Base Salary, in the event the Effective Date occurs prior to the CEO Appointment Date, then through the CEO Appointment Date, Employee may be awarded a discretionary bonus by the Board in connection with his employment as Executive Chairman of the Board and interim Chief Executive Officer. From and after the CEO Appointment Date, Employee will be eligible to receive an incentive bonus (the "Bonus") with his target incentive equal to sixty percent (60%) of the target incentive of the CEO from time to time (the "Target Bonus"), or such higher amount as the Board may determine from time to time.

c. Director Compensation. Employee acknowledges and agrees that during the term of this Agreement, he will not be entitled to any additional fees or other compensation for serving as a member of the Board, including any fees or equity grants in accordance with the Company's policy for non-employee members of the Board, provided, that the Equity Awards (as defined below) previously granted to Employee in connection with his service as a member of the Board will continue to vest based on his employment hereunder. Following the cessation of Employee's employment under this Agreement, subject to his remaining as a member of the Board thereafter, Employee will again be eligible to receive fees and equity grants in accordance with the Company's policy for non-employee members of the Board. Employee and the Company acknowledge and agree that the compensation payable to Employee under this Agreement is solely for Employee's services as an employee and not for his service as a non-employee member of the Board.

d. Equity Awards. Employee shall be entitled to participate in any equity or other employee benefit plan that is generally available to senior executive officers, as distinguished from general management, of the Company. Except as otherwise provided in this Agreement, Employee's participation in and benefits under any such plan shall be on the terms and subject to the conditions specified in the governing document of the particular plan. All of Employee's Equity Awards shall vest in full upon the occurrence of a Change in Control (as defined in the Company's 2016 Incentive Award Plan). For purposes of this Agreement, "Equity Awards" means all stock options, restricted stock and such other awards granted pursuant to the Company's stock option and equity incentive award plans or agreements and any shares of stock issued upon exercise thereof.

e. Employee Benefits. Employee shall be entitled to participate in all employee benefit plans, programs and arrangements maintained by the Company and made available to employees generally, including, without limitation, bonus, retirement, profit sharing and savings plans and medical, disability, dental, life and accidental death and dismemberment insurance plans.

f. Reimbursement of Expenses. During his Employment with the Company, Employee shall be entitled to reimbursement for all reasonable and necessary business expenses incurred on behalf of the Company, including without limitation, travel and entertainment expenses, business supplies and communication expenses, in accordance with the Company's policies and procedures.

5. Voluntary Resignation, Termination for "Cause" or any Termination After the Second Anniversary of the Effective Date.

a. Payment upon Voluntary Resignation other than for Good Reason or Termination for Cause or any Termination After the Second Anniversary of the Effective Date. If Employee voluntarily resigns his Employment other than for Good Reason or if Employee is terminated for Cause, or in the event of any termination of Employee's employment after the second anniversary of the Effective Date, the Company shall pay Employee the following: (i) all accrued and unpaid Base Salary, if any is due, through the date of termination and any vacation which is accrued but unused as of such date; (ii) Employee's business expenses that are reimbursable pursuant to this Agreement and Company policies, but which have not been reimbursed by the Company as of the date of termination; and (iii) the Employee's bonus compensation for the calendar year immediately preceding the year in which the date of termination occurs if such bonus has been determined but not paid as of the date of termination (payable at the time such bonus would otherwise have been paid to Employee, but in no event later than March 15 of the year in which the date of termination occurs) (collectively, the "Accrued Obligations"). Employee shall not be eligible for severance payments under Sections 6 or 7 below, or any continuation of benefits (other than as required by law), or any other compensation pursuant to this Agreement or otherwise.

b. Definition of "Cause". As set forth above, the employment relationship between the Parties is at-will, terminable at any time by either Party for any reason or no reason.

The termination may nonetheless be for "Cause". For purposes of this Agreement, "Cause" is defined as the Company's good faith determination of: (i) Employee's material breach of this Agreement or the Confidentiality and Inventions Assignment Agreement; (ii) Employee's continued substantial and material failure or refusal to perform the duties reasonably assigned to him by the Board consistent with his position; (iii) the appropriation (or attempted appropriation) of a material business opportunity of the Company, including attempting to secure or securing any personal profit in connection with any transaction entered into on behalf of the Company; (iv) the misappropriation (or attempted appropriation) of any of the Company's funds or property of any kind; (v) willful gross misconduct; (vi) Employee's conviction of a felony involving moral turpitude that is likely to inflict or has inflicted material injury on the business of the Company; or (vii) any violation by Employee of any fiduciary duties owed by Employee to the Company; provided, however, that except for Cause being the result of item (vi) above, the Board shall provide written notice to Employee, which notice specifically identifies the nature of the alleged Cause claimed by the Company with enough specificity for Employee to be able to cure, and Employee shall thereafter have fifteen (15) days to cure the purported ground(s) for Cause.

c. Definition of "Good Reason". For purposes of this Agreement, "Good Reason" and "Resignation for Good Reason" are defined as the occurrence of any of the following events after the Effective Date: (i) a material reduction in Employee's authority, duties or responsibilities relative to Employee's authority, duties or responsibilities in effect immediately prior to such reduction, provided that the Company and Employee agree that Employee ceasing to serve as interim Chief Executive Officer as a result of the appointment of a permanent CEO shall not constitute "Good Reason" hereunder; (ii) a material reduction by the Company in Employee's Base Salary relative to Employee's Base Salary in effect immediately prior to such reduction (and the Parties agree that a reduction of ten percent (10%) or more will be considered material for purposes of this clause (ii)), other than a reduction in connection with the occurrence of the CEO Appointment Date pursuant to Section 4(b) above or a general reduction in the base salaries of similarly-situated employees of the Company; or (iii) the Company's material breach of this Agreement; provided, however, that Employee must provide written notice to the Board of the condition that could constitute a "Good Reason" event within ninety (90) days of the initial existence of such condition and such condition must not have been remedied by the Company within thirty (30) days (the "Cure Period") of such written notice. Employee's Resignation for Good Reason must occur within six (6) months following the initial existence of such condition. For the avoidance of doubt, in no event will any events occurring prior to the Effective Date or as a result of the occurrence of the Effective Date and the conversion of Employee's employment and changes in compensation pursuant to this Agreement as of the Effective Date be considered "Good Reason" hereunder. For the avoidance of doubt, in no event will any events occurring prior to the Effective Date or as a result of the occurrence of the Effective Date or the CEO Appointment Date and the conversion of Employee's employment and changes in compensation pursuant to this Agreement as of the Effective Date be considered "Good Reason" hereunder.

6. Termination Without "Cause" or "Resignation for Good Reason" On or Prior to Second Anniversary of Effective Date. In the event Employee is terminated without Cause or resigns for Good Reason following the Effective Date but on or prior to the second anniversary of the Effective Date, Employee shall be entitled to:

a. the Accrued Obligations; plus

b. subject to Employee's execution and non-revocation of a full and final Release (as defined in Section 8 below) and Employee's continued compliance with the Confidentiality and Inventions Assignment Agreement, severance pay in an amount equal to the sum of (i) Employee's Base Salary as in effect immediately prior to the date of termination for the applicable Severance Period (as defined below), plus (ii) provided such termination occurs following the CEO Appointment Date, Employee's Target Bonus for the calendar year in which the Termination Date occurs, payable in a lump sum on the date that is thirty (30) days following the date of termination; plus

c. subject to Employee's execution and non-revocation of a full and final Release and Employee's continued compliance with the Confidentiality and Inventions Assignment Agreement, for the period beginning on the date of Employee's termination of employment and ending on the last day of the Severance Period (or, if earlier, the date on which the applicable continuation period under the Consolidated Omnibus Budget Reconciliation Act of 1985, as amended ("COBRA") expires) (the "COBRA Coverage Period"), the Company shall arrange to provide Employee and his eligible dependents who were covered under the Company's health insurance plans as of the date of Employee's termination of employment with health (including medical and dental) insurance benefits substantially similar to those provided to Employee and his dependents immediately prior to the date of such termination. If the Company is not reasonably able to continue health insurance benefits coverage under the Company's insurance plans, the Company shall provide substantially equivalent coverage under other third-party insurance sources. If any of the Company's health benefits are self-funded as of the date of Employee's termination of employment, or if the Company cannot provide the foregoing benefits in a manner that is exempt from or otherwise compliant with applicable law (including, without limitation, Section 409A of the Code and Section 2716 of the Public Health Service Act), instead of providing continued health insurance benefits as set forth above, the Company shall instead pay to Employee an amount equal to the monthly premium payment for Employee and his eligible dependents who were covered under the Company's health plans as of the date of Employee's termination of employment (calculated by reference to the premium as of the date of termination) as currently taxable compensation in substantially equal monthly installments over the COBRA Coverage Period (or the remaining portion thereof).

d. subject to Employee's execution and non-revocation of a full and final Release and Employee's continued compliance with the Confidentiality and Inventions Assignment Agreement, effective as of the Termination Date, all of Employee's Equity Awards shall become fully vested and/or exercisable.

For purposes of this Agreement, "Severance Period" shall mean (i) with respect to a termination without Cause or resignation for Good Reason after the Effective Date and following December 31, 2020, six (6) months, or (ii) with respect to a termination without Cause or resignation for Good Reason after the Effective Date but on or prior to December 31, 2020, such number of months (including any partial month resulting from the following calculation) as is equal to (A) six (6), plus (B) the number of months (or partial months, rounded up to the nearest day) resulting from the following formula:

$$X = 12 \times \left[1 - \frac{A}{B}\right]$$

Where:

X = the number of months (or partial months, rounded up to the nearest day) in the Severance Period.

A = the number of days elapsed during the period starting on the Effective Date through and including the Termination Date.

B = the denominator of which is the number of days during the period starting on the Effective Date through and including December 31, 2020.

For the avoidance of doubt, no amounts shall be payable to Employee under this Section 6 in the event of (a) his termination of employment with the Company or his conversion from Executive Chairman to non-executive Chairman of the Board by mutual agreement of Employee and the Company, (b) in the event of his termination by the Company for Cause or his resignation of employment other for Good Reason, (c) in the event of a termination of his employment with the Company for any reason prior to the Effective Date or after the second anniversary of the Effective Date, or (d) in the event of Employee's death or termination of employment by reason of his Disability (as defined below).

7.Employee's Disability or Death. Employee's employment shall terminate automatically in the event of Employee's death or termination of employment by reason of his "Disability." In the event of Employee's death or termination of employment as a result of Employee's Disability, Employee or his heirs shall be entitled to (a) the Accrued Obligations, plus (b) payment of an amount equal to Employee's "earned" Bonus for the calendar year during which Employee's date of termination occurs calculated as of the date of termination (wherein "earned" means that Employee has met the applicable bonus metrics as of date of such termination, as determined by the Board), prorated for such portion of the calendar year during which such termination occurs that has elapsed through the date of termination, payable in a lump sum on the date that is thirty (30) days following the date of termination. For purposes of this Agreement, "Disability" shall mean the Employee's failure to perform his duties hereunder, for a period of not less than one hundred twenty (120) consecutive days because of Employee's incapacitation due to physical or mental injury, disability, or illness.

8.Release. Notwithstanding any provision to the contrary in this Agreement, no amount shall be paid or benefit provided pursuant to Section 6 (other than the Accrued Obligations) unless, on or prior to the thirtieth (30th) day following the date of Employee's termination of employment, an effective general release of claims agreement (the "Release") in substantially the form attached hereto as Exhibit 2 has been executed by Employee and remains effective on such date and any applicable revocation period thereunder has expired.

9.Notices. Any reports, notices or other communications required or permitted to be given by either Party hereto, shall be given in writing by personal delivery, overnight courier service, or by registered or certified mail, postage prepaid, return receipt requested, addressed to the Company at its principal executive offices and to Employee at his most recent address on the Company's payroll records.

10.Notice of Termination. Any purported termination of Employment by the Company or the Employee shall be communicated by written Notice of Termination to the other Party. For purposes of this Agreement, a "Notice of Termination" shall mean a notice which indicates, if applicable, the specific termination provision in this Agreement relied upon and shall set forth in reasonable detail the facts and circumstances claimed to provide a basis for termination of the Employee's employment under the provision so indicated. For purposes of this Agreement, no such purported termination of employment shall be effective without delivery of such a Notice of Termination.

11.General Provisions.

a. Governing Law; Venue. This Agreement shall be governed by and construed in accordance with the laws of the State of California without regard to the conflicts of laws principles thereof. Employee and the Company agree that any litigation regarding this Agreement shall be conducted in San Diego, California. Employee and the Company hereby consent to the jurisdiction of the courts of the State of California and the United States District Court for the Southern District of California.

b. Assignment; Assumption by Successor. The rights of the Company under this Agreement may, without the consent of Employee, be assigned by the Company, in its sole and unfettered discretion, to any person, firm, corporation or other business entity which at any time, whether by purchase, merger or otherwise, directly or indirectly, acquires all or substantially all of the assets or business of the Company. The Company will require any successor (whether direct or indirect, by purchase, merger or otherwise) to all or substantially all of the business or assets of the Company expressly to assume and to agree to perform this Agreement in the same manner and to the same extent that the Company would be required to perform it if no such succession had taken place; provided, however, that no such assumption shall relieve the Company of its obligations hereunder. As used in this Agreement, the "Company" shall mean the Company as hereinbefore defined and any successor to its business and/or assets as aforesaid which assumes and agrees to perform this Agreement by operation of law or otherwise.

c. No Waiver of Breach. The failure to enforce any provision of this Agreement shall not be construed as a waiver of any such provision, nor prevent a Party thereafter from enforcing the provision or any other provision of this Agreement. The rights granted the Parties are cumulative, and the election of one shall not constitute a waiver of such Party's right to assert all other legal and equitable remedies available under the circumstances.

d. Severability. The provisions of this Agreement are severable, and if any provision shall be held to be invalid or otherwise unenforceable, in whole or in part, the remainder of the provisions, or enforceable parts of this Agreement, shall not be affected.

e. Entire Agreement. As of the Effective Date, this Agreement and the Confidentiality and Inventions Assignment Agreement constitute the entire agreement of the Parties with respect to the subject matter of this Agreement and supersede all prior and contemporaneous negotiations, agreements and understandings between the Parties, whether oral or written, including, following the Effective Date, the Interim CEO Letter Agreement.

f. Modifications and Waivers. No modification or waiver of this Agreement shall be valid unless in writing, signed by the Party against whom such modification or waiver is sought to be enforced.

g. Amendment. This Agreement may be amended or supplemented only by a writing signed by both of the Parties hereto.

h. Duplicate Counterparts; Facsimile. This Agreement may be executed in duplicate counterparts, each of which shall be deemed an original; provided, however, such counterparts shall together constitute only one agreement. Facsimile signatures or signatures sent via electronic mail shall be as effective as original signatures.

i. Interpretation. The headings contained in this Agreement are for reference purposes only and shall not affect in any way the meaning or interpretation of this Agreement.

j. Non-transferability of Interest. None of the rights of Employee to receive any form of compensation payable pursuant to this Agreement shall be assignable or transferable except through a testamentary disposition or by the laws of descent and distribution upon the death of Employee. Any attempted assignment, transfer, conveyance, or other disposition (other than as aforesaid) of any interest in the rights of Employee to receive any form of compensation to be made by the Company pursuant to this Agreement shall be void.

k. Construction. The language in all parts of this Agreement shall in all cases be construed simply, according to its fair meaning, and not strictly for or against any of the parties hereto. Without limitation, there shall be no presumption against any party on the ground that such party was responsible for drafting this Agreement or any part thereof.

l. Section 409A.

i. Notwithstanding anything to the contrary in this Agreement, no payment or benefit to be paid or provided to Employee upon his termination of employment, if any, pursuant to this Agreement that, when considered together with any other payments or benefits, are considered deferred compensation under Section 409A (together, the "Deferred Payments") will be paid or otherwise provided until Employee has a "separation from service" within the meaning of Section 409A. Similarly, no amounts payable to Employee, if any, pursuant to this Agreement that otherwise would be exempt from Section 409A pursuant to Treasury Regulation Section 1.409A-1(b)(9) will be payable until Employee has a "separation from service" within the meaning of Section 409A.

ii. Notwithstanding anything to the contrary in this Agreement, if Employee is a "specified employee" within the meaning of Section 409A at the time of Employee's termination of employment (other than due to death), then the Deferred Payments that are payable within the first six (6) months following Employee's separation from service, will become payable on the first payroll date that occurs on or after the date six (6) months and one (1) day following the date of Employee's separation from service. All subsequent Deferred Payments, if any, will be payable in accordance with the payment schedule applicable to each payment or benefit. Notwithstanding anything herein to the contrary, if Employee dies following Employee's separation from service, but prior to the six (6) month anniversary of the separation from service, then any payments delayed in accordance with this paragraph will be payable in a lump sum as soon as administratively practicable after the date of Employee's death and all other Deferred Payments will be payable in accordance with the payment schedule applicable to each payment or benefit. Each payment and benefit payable under this Agreement is intended to constitute a separate payment for purposes of Section 1.409A-2(b)(2) of the Treasury Regulations.

iii. Any amount paid under this Agreement that satisfies the requirements of the "short-term deferral" rule set forth in Section 1.409A-1(b)(4) of the Treasury Regulations will not constitute a Deferred Payment for purposes of clauses (i) and (ii) above.

iv. Any amount paid under this Agreement that qualifies as a payment made as a result of an involuntary separation from service pursuant to Section 1.409A-1(b)(9)(iii) of the Treasury Regulations that does not exceed the limits set forth therein will not constitute a Deferred Payment for purposes of clauses (i) and (ii) above.

v. This Agreement is intended to be written, administered, interpreted and construed in a manner such that no payment or benefits provided under the Agreement become subject to (A) the gross income inclusion set forth within Code Section

409A(a)(1)(A) or (B) the interest and additional tax set forth within Code Section 409A(a)(1)(B) (together, referred to herein as the "Section 409A Penalties"), including, where appropriate, the construction of defined terms to have meanings that would not cause the imposition of Section 409A Penalties. In no event shall the Company be required to provide a tax gross-up payment to Employee or otherwise reimburse Employee with respect to Section 409A Penalties. The Company and Employee agree to work together in good faith to consider amendments to this Agreement and to take such reasonable actions which are necessary, appropriate or desirable to avoid imposition of any Section 409A Penalties on Employee.

vi. Any reimbursement of expenses or in-kind benefits payable under this Agreement shall be made in accordance with Treasury Regulation Section 1.409A-3(i)(1)(iv) and shall be paid on or before the last day of Employee's taxable year following the taxable year in which Employee incurred the expenses. The amount of expenses reimbursed or in-kind benefits payable in one year shall not affect the amount eligible for reimbursement or in-kind benefits payable in any other taxable year of Employee's, and Employee's right to reimbursement for such amounts shall not be subject to liquidation or exchange for any other benefit.

m. Whistleblower Provision. Nothing herein shall be construed to prohibit Employee from communicating directly with, cooperating with, or providing information to, any government regulator, including, but not limited to, the U.S. Securities and Exchange Commission, the U.S. Commodity Futures Trading Commission, or the U.S. Department of Justice. Employee acknowledges that the Company has provided Employee with the following notice of immunity rights in compliance with the requirements of the Defend Trade Secrets Act: (i) Employee shall not be held criminally or civilly liable under any Federal or State trade secret law for the disclosure of proprietary information of the Company that is made in confidence to a Federal, State, or local government official or to an attorney solely for the purpose of reporting or investigating a suspected violation of law, (ii) Employee shall not be held criminally or civilly liable under any Federal or State trade secret law for the disclosure of proprietary information of the Company that is made in a complaint or other document filed in a lawsuit or other proceeding, if such filing is made under seal and (iii) if Employee files a lawsuit for retaliation by the Company for reporting a suspected violation of law, Employee may disclose the proprietary information to my attorney and use the proprietary information in the court proceeding, if Employee files any document containing the proprietary information under seal, and does not disclose the proprietary information, except pursuant to court order.

(Signature Page Follows)

m.

IN WITNESS WHEREOF, the Parties have executed this Agreement as of the date(s) set forth below.

AIRGAIN, INC.

Dated: By:_/s/Anil Doradla______________________

Name: ______________________________

Title: ______________________________

EMPLOYEE

Dated: _/S/Jim Sims________________________________

JIM K. SIMS

EXHIBIT 1

CONFIDENTIALITY AND INVENTIONS ASSIGNMENT AGREEMENT

[Attached]

EXHIBIT 2

GENERAL RELEASE OF CLAIMS

[*The language in this Release may change based on legal developments and evolving best practices; this form is provided as an example of what will be included in the final Release document.*]

This General Release of Claims ("Release") is entered into as of this _____ day of ________, ____, between JIM K. SIMS ("Employee"), and AIRGAIN, INC., a California corporation (the "Company") (collectively referred to herein as the "Parties").

WHEREAS, Employee and the Company are parties to that certain Employment Agreement effective as of the Effective Date (as defined therein) (the "Agreement");

WHEREAS, the Parties agree that Employee is entitled to certain severance benefits under the Agreement, subject to Employee's execution of this Release; and

WHEREAS, the Company and Employee now wish to fully and finally to resolve all matters between them.

NOW, THEREFORE, in consideration of, and subject to, the severance benefits payable to Employee pursuant to the Agreement, the adequacy of which is hereby acknowledged by Employee, and which Employee acknowledges that he would not otherwise be entitled to receive, Employee and the Company hereby agree as follows:

1. General Release of Claims by Employee.

(a)Employee, on behalf of himself and his executors, heirs, administrators, representatives and assigns, hereby agrees to release and forever discharge the Company and all predecessors, successors and their respective parent corporations, affiliates, related, and/or subsidiary entities, and all of their past and present investors, directors, shareholders, officers, general or limited partners, employees, attorneys, agents and representatives, and the employee benefit plans in which Employee is or has been a participant by virtue of his employment with or service to the Company (collectively, the "Company Releasees"), from any and all claims, debts, demands, accounts, judgments, rights, causes of action, equitable relief, damages, costs, charges, complaints, obligations, promises, agreements, controversies, suits, expenses, compensation, responsibility and liability of every kind and character whatsoever (including attorneys' fees and costs), whether in law or equity, known or unknown, asserted or unasserted, suspected or unsuspected (collectively, "Claims"), which Employee has or may have had against such entities based on any events or circumstances arising or occurring on or prior to the date hereof or on or prior to the date hereof, arising directly or indirectly out of, relating to, or in any other way involving in any manner whatsoever Employee's employment by or service to the Company or the termination thereof, including any and all claims arising under federal, state, or local laws relating to employment, including without limitation claims of wrongful discharge, breach of express or implied contract, fraud, misrepresentation, defamation, or liability in tort, and claims of any kind that may be brought in any court or administrative agency including, without

limitation, claims under Title VII of the Civil Rights Act of 1964, as amended, 42 U.S.C. Section 2000, et seq.; the Americans with Disabilities Act, as amended, 42 U.S.C. § 12101 et seq.; the Rehabilitation Act of 1973, as amended, 29 U.S.C. § 701 et seq.; the Civil Rights Act of 1866, and the Civil Rights Act of 1991; 42 U.S.C. Section 1981, et seq.; the Age Discrimination in Employment Act, as amended, 29 U.S.C. Section 621, et seq. (the "ADEA"); the Equal Pay Act, as amended, 29 U.S.C. Section 206(d); regulations of the Office of Federal Contract Compliance, 41 C.F.R. Section 60, et seq.; the Family and Medical Leave Act, as amended, 29 U.S.C. § 2601 et seq.; the Fair Labor Standards Act of 1938, as amended, 29 U.S.C. § 201 et seq.; the Employee Retirement Income Security Act, as amended, 29 U.S.C. § 1001 et seq.; and the California Fair Employment and Housing Act, California Government Code Section 12940, et seq.

Notwithstanding the generality of the foregoing, Employee does not release the following claims:

(i) Claims for unemployment compensation or any state disability insurance benefits pursuant to the terms of applicable state law;

(ii) Claims for workers' compensation insurance benefits under the terms of any worker's compensation insurance policy or fund of the Company;

(iii) Claims pursuant to the terms and conditions of the federal law known as COBRA;

(iv)Claims for indemnity under the bylaws of the Company, as provided for by California law or under any applicable insurance policy with respect to Employee's liability as an employee, director or officer of the Company;

(v) Employee's right to bring to the attention of the Equal Employment Opportunity Commission or the California Department of Fair Employment and Housing or any other federal, state or local government agency claims of discrimination, or from participating in an investigation or proceeding conducted by the Equal Employment Opportunity Commission or any other federal, state or local government agency; provided, however, that Employee does release his right to secure any damages for alleged discriminatory treatment;

(vi) Claims based on any right Employee may have to enforce the Company's executory obligations under the Agreement;

(vii) Claims Employee may have to vested or earned compensation and benefits; and

(viii) Employee's right to communicate or cooperate with any government agency.

(b) EMPLOYEE ACKNOWLEDGES THAT HE HAS BEEN ADVISED OF

AND IS FAMILIAR WITH THE PROVISIONS OF CALIFORNIA CIVIL CODE SECTION 1542, WHICH PROVIDES AS FOLLOWS:

"A GENERAL RELEASE DOES NOT EXTEND TO CLAIMS WHICH THE CREDITOR DOES NOT KNOW OR SUSPECT TO EXIST IN HIS OR HER FAVOR AT THE TIME OF EXECUTING THE RELEASE, WHICH, IF KNOWN BY HIM OR HER, MUST HAVE MATERIALLY AFFECTED HIS OR HER SETTLEMENT WITH THE DEBTOR."

BEING AWARE OF SAID CODE SECTION, EMPLOYEE HEREBY EXPRESSLY WAIVES ANY RIGHTS HE MAY HAVE THEREUNDER, AS WELL AS UNDER ANY OTHER STATUTES OR COMMON LAW PRINCIPLES OF SIMILAR EFFECT.

[Note: Clauses (c), (d) and (e) apply only if Employee is age 40 or older at time of termination]

(c)Employee acknowledges that this Release was presented to him on the date indicated above and that Employee is entitled to have twenty-one (21) days' time in which to consider it. Employee further acknowledges that the Company has advised him that he is waiving his rights under the ADEA, and that Employee should consult with an attorney of his choice before signing this Release, and Employee has had sufficient time to consider the terms of this Release. Employee represents and acknowledges that if Employee executes this Release before twenty-one (21) days have elapsed, Employee does so knowingly, voluntarily, and upon the advice and with the approval of Employee's legal counsel (if any), and that Employee voluntarily waives any remaining consideration period.

(d) Employee understands that after executing this Release, Employee has the right to revoke it within seven (7) days after his execution of it. Employee understands that this Release will not become effective and enforceable unless the seven (7) day revocation period passes and Employee does not revoke the Release in writing. Employee understands that this Release may not be revoked after the seven (7) day revocation period has passed. Employee also understands that any revocation of this Release must be made in writing and delivered to the Company at its principal place of business within the seven (7) day period.

(e) Employee understands that this Release shall become effective, irrevocable, and binding upon Employee on the eighth (8th) day after his execution of it, so long as Employee has not revoked it within the time period and in the manner specified in clause (d) above.

(f) Employee further understands that Employee will not be given any severance benefits under the Agreement unless this Release is effective on or before the date that is thirty (30) days following the date of Employee's termination of employment.

2. No Assignment. Employee represents and warrants to the Company Releasees that there has been no assignment or other transfer of any interest in any Claim that Employee may have against the Company Releasees. Employee agrees to indemnify and hold harmless the

Company Releasees from any liability, claims, demands, damages, costs, expenses and attorneys' fees incurred as a result of any such assignment or transfer from Employee.

3. Whistleblower Provision. Nothing herein shall be construed to prohibit Employee from communicating directly with, cooperating with, or providing information to, any government regulator, including, but not limited to, the U.S. Securities and Exchange Commission, the U.S. Commodity Futures Trading Commission, or the U.S. Department of Justice. Employee acknowledges that the Company has provided Employee with the following notice of immunity rights in compliance with the requirements of the Defend Trade Secrets Act: (i) Employee shall not be held criminally or civilly liable under any Federal or State trade secret law for the disclosure of proprietary information of the Company that is made in confidence to a Federal, State, or local government official or to an attorney solely for the purpose of reporting or investigating a suspected violation of law, (ii) Employee shall not be held criminally or civilly liable under any Federal or State trade secret law for the disclosure of proprietary information of the Company that is made in a complaint or other document filed in a lawsuit or other proceeding, if such filing is made under seal and (iii) if Employee files a lawsuit for retaliation by the Company for reporting a suspected violation of law, Employee may disclose the proprietary information to my attorney and use the proprietary information in the court proceeding, if Employee files any document containing the proprietary information under seal, and does not disclose the proprietary information, except pursuant to court order.

4. Severability. In the event any provision of this Release is found to be unenforceable by an arbitrator or court of competent jurisdiction, such provision shall be deemed modified to the extent necessary to allow enforceability of the provision as so limited, it being intended that the parties shall receive the benefit contemplated herein to the fullest extent permitted by law. If a deemed modification is not satisfactory in the judgment of such arbitrator or court, the unenforceable provision shall be deemed deleted, and the validity and enforceability of the remaining provisions shall not be affected thereby.

5. Interpretation; Construction. The headings set forth in this Release are for convenience only and shall not be used in interpreting this Agreement. This Release has been drafted by legal counsel representing the Company, but Employee has participated in the negotiation of its terms. Furthermore, Employee acknowledges that Employee has had an opportunity to review and revise the Release and have it reviewed by legal counsel, if desired, and, therefore, the normal rule of construction to the effect that any ambiguities are to be resolved against the drafting party shall not be employed in the interpretation of this Release. Either party's failure to enforce any provision of this Release shall not in any way be construed as a waiver of any such provision, or prevent that party thereafter from enforcing each and every other provision of this Release.

6. Governing Law; Venue. This Release shall be governed by and construed in accordance with the laws of the State of California without regard to the conflicts of laws principles thereof. Employee and the Company agree that any litigation regarding this Release shall be conducted in San Diego, California. Employee and the Company hereby consent to the jurisdiction of the courts of the State of California and the United States District Court for the Southern District of California.

7. Entire Agreement. This Release and the Agreement constitute the entire agreement of the Parties in respect of the subject matter contained herein and therein and supersede all prior or simultaneous representations, discussions, negotiations and agreements, whether written or oral. This Release may be amended or modified only with the written consent of Employee and an authorized representative of the Company. No oral waiver, amendment or modification will be effective under any circumstances whatsoever.

8. Counterparts. This Release may be executed in multiple counterparts, each of which shall be deemed to be an original but all of which together shall constitute one and the same instrument.

(Signature Page Follows)

IN WITNESS WHEREOF, the Parties have executed this Release as of the date(s) set forth below.

AIRGAIN, INC.

Dated: By:______________________________

Name: ______________________________

Title: ______________________________

EMPLOYEE

Dated: ____________________________________

JAMES SIMS

Exhibit 10.18

AMENDED AND RESTATED EMPLOYMENT AGREEMENT

This AMENDED AND RESTATED EMPLOYMENT AGREEMENT ("Agreement"), effective as of January 16, 2019 (the "Effective Date"), is made by and between AIRGAIN, INC. (the "Company"), and JACOB SUEN ("Employee").

WHEREAS, Employee is employed by the Company as its Senior Vice-President, Worldwide Sales;

WHEREAS, Employee and the Company are parties to that certain Employment Agreement effective as of January 1, 2014 (the "Prior Agreement");

WHEREAS, the Board of Directors of the Company (the "Board") has determined that it is in the best interests of the Company and its shareholders to continue to employ Employee as the Company's President under the following revised terms and conditions; and

WHEREAS, Employee desires to continue to be employed by the Company as the Company's President and to accept such revised terms and conditions of employment as are contained in this Agreement.

NOW, THEREFORE, in consideration of the promises and mutual covenants contained herein and for other good and valuable consideration, the receipt of which is mutually acknowledged, the Company and Employee (individually a "Party" and together the "Parties") agree as follows:

AGREEMENT

1. Effective Date.

Employee's employment under the terms of this Agreement shall commence on the Effective Date.

2. At-will Employment.

Employee's employment relationship with the Company under this Agreement ("Employment") is at-will, terminable at any time and for any reason by either the Company or Employee. While certain sections of this Agreement describe events that could occur at a particular time in the future, nothing in this Agreement shall be construed as a guarantee of employment of any length.

3. Employment Duties.

a. Title/Responsibilities. On the Effective Date, Employee shall be the President of the Company, reporting to the Chief Executive Officer (or interim Chief Executive Officer) (the "Supervising Officer") of the Company. Employee shall perform all of the duties and responsibilities of such offices set forth in the Bylaws of the Company and those commonly associated with such offices and such further duties and responsibilities as may from time to time be assigned to him by the Board or the Supervising Officer.

b. Full-Time Attention. Employee shall devote his full time, attention, energy and skills to the Company during the period he is employed under this Agreement.

c. Policy Compliance. Employee shall comply with all of the Company's policies, practices and procedures, as well as, all applicable laws. Employee has previously executed and delivered to the Company the Confidentiality and Inventions Assignment Agreement (the "Confidentiality and Inventions Assignment Agreement") attached hereto as Exhibit 1.

4. Compensation.

a. Base Salary. The Company shall pay Employee a base salary of $310,000 per year, or such higher amount as the Board may determine from time to time, less applicable federal and state withholding taxes, in accordance with the Company's regular payroll practices (the "Base Salary").

b. Annual Bonus Compensation. In addition to the Base Salary, Employee will be eligible to receive an incentive bonus (the "Bonus") at an initial target of 90% of his Base Salary (the "Target Bonus").

c. Effective Date Equity Awards. On the Effective Date, the Company shall grant to Employee(i) stock options to purchase an aggregate of 87,500 shares of the Company's common stock (the "Stock Option"), and (ii) 35,570 restricted stock units (the "RSUs"). The Stock Option shall vest as follows: 25% of the original number of shares subject to the Stock Option shall vest on January 1, 2020, and 1/48th of the original number of shares subject to the Stock Option shall vest following each one-month period thereafter, subject to Employee's continued service to the Company through each such vesting date, so that all of the shares subject to the Stock Option shall be vested on January 1, 2023. The RSUs shall vest as follows: 25% of the original number of shares subject to the RSUs shall vest on each of March 1, 2020, 2021, 2022 and 2023, subject to Employee's continued service to the Company through each such vesting date. Notwithstanding the foregoing, the Stock Option and the RSUs (and all Equity Awards held by Employee (as defined below)) shall become fully vested and exercisable, in the event of Employee's termination of employment by the Company without Cause (as defined below), or Employee's Resignation for Good Reason (as defined below), in each case following a Change in Control (as defined below). The Stock Option and the RSUs will be granted pursuant to the Company's 2016 Incentive Award Plan (the "Plan"). The Stock Option will have an exercise price per share equal to the then-current fair market value per share of the common stock of the Company (as determined pursuant to the Plan) on the date of grant. The Stock Option shall be an incentive stock option to the extent permitted under Section 422 of the Internal Revenue Code of 1986, as amended (the "Code"). The Stock Option shall have a ten-year term. The Stock Option and the RSUs shall be subject to the terms and conditions of the Plan and the award agreements pursuant to which such awards are granted. For purposes of this Agreement, "Equity Awards" means all stock options, restricted stock, restricted stock units and such other awards granted pursuant to the Company's stock option and equity incentive award plans or agreements and any shares of stock issued upon exercise thereof, including the Stock Option and the RSUs.

d. Additional Equity Awards. Employee shall be entitled to participate in any equity or other employee benefit plan that is generally available to senior executive officers, as distinguished from general management, of the Company. Except as otherwise provided in this Agreement, Employee's participation in and benefits under any such plan shall be on the terms and subject to the conditions specified in the governing document of the particular plan.

e. Employee Benefits. Employee shall be entitled to participate in all employee benefit plans, programs and arrangements maintained by the Company and made available to employees generally, including, without limitation, bonus, retirement, profit sharing and savings plans and medical, disability, dental, life and accidental death and dismemberment insurance plans.

f. Reimbursement of Expenses. During his Employment with the Company, Employee shall be entitled to reimbursement for all reasonable and necessary business expenses incurred on behalf of the Company, including without limitation, travel and entertainment expenses, business supplies and communication expenses, in accordance with the Company's policies and procedures.

5. Voluntary Resignation or Termination for "Cause."

a. Payment upon Voluntary Resignation other than for Good Reason or Termination for Cause. If Employee voluntarily resigns his Employment other than for Good Reason or if Employee is terminated for Cause, the Company shall pay Employee the following: (i) all accrued and unpaid Base Salary, if any is due, through the date of termination and any vacation which is accrued but unused as of such date; (ii) Employee's business expenses that are reimbursable pursuant to this Agreement and Company policies, but which have not been reimbursed by the Company as of the date of termination; and (iii) the Employee's Bonus compensation for the calendar year immediately preceding the year in which the date of termination occurs if such Bonus has been determined but not paid as of the date of termination (payable at the time such Bonus would otherwise have been paid to Employee, but in no event later than March 15 of the year in which the date of termination occurs) (collectively, the "Accrued Obligations"). Employee shall not be eligible for severance payments under Sections 6, 7 or 8 below, or any continuation of benefits (other than as required by law), or any other compensation pursuant to this Agreement or otherwise.

b. Definition of "Cause". As set forth above, the employment relationship between the Parties is at-will, terminable at any time by either Party for any reason or no reason. The termination may nonetheless be for "Cause". For purposes of this Agreement, "Cause" is defined as the Company's good faith determination of: (i) Employee's material breach of this Agreement or the Confidentiality and Inventions Assignment Agreement or the definitive agreements relating to the Equity Awards referenced in Section 4(c) above; (ii) Employee's continued substantial and material failure or refusal to perform according to, or to comply with, the policies, procedures or practices established by the Company; (iii) the appropriation (or attempted appropriation) of a material business opportunity of the Company, including attempting to secure or securing any personal profit in connection with any transaction entered into on behalf of the Company; (iv) the misappropriation (or attempted appropriation) of any of the Company's funds or property of any kind; (v) willful gross misconduct; or (vi) Employee's conviction of a felony involving moral turpitude that is likely to inflict or has inflicted material injury on the business of the Company; provided, however, that except for Cause being the result of item (vi) above, the Company shall provide written notice to Employee, which notice specifically identifies the nature of the alleged Cause claimed by the Company with enough specificity for Employee to be able to cure, and Employee shall thereafter have fifteen (15) days to cure the purported ground(s) for Cause.

c. Definition of "Good Reason". For purposes of this Agreement, "Good Reason" and "Resignation for Good Reason" are defined as:

i. a material reduction in Employee's authority, duties or responsibilities relative to Employee's authority, duties or

responsibilities in effect immediately prior to such reduction;

ii. a material reduction by the Company in Employee's Base Salary relative to Employee's Base Salary in effect immediately prior to such reduction (and the Parties agree that a reduction of ten percent (10%) or more will be considered material for purposes of this clause (ii)), other than a general reduction in the base salaries of similarly-situated employees of the Company;

iii. a relocation of Employee's or the Company's principal executive offices to a location outside of San Diego County, if Employee's principal office is at such offices; or

iv. the Company's material breach of this Agreement;

provided, however, that Employee must provide written notice to the Board of the condition that could constitute a "Good Reason" event within ninety (90) days of the initial existence of such condition and such condition must not have been remedied by the Company within thirty (30) days (the "Cure Period") of such written notice. Employee's Resignation for Good Reason must occur within six (6) months following the initial existence of such condition.

6. Termination Without "Cause" or "Resignation for Good Reason". In the event Employee is terminated without Cause or resigns for Good Reason, Employee shall be entitled to:

a. the Accrued Obligations; plus

b. subject to Employee's execution and non-revocation of a full and final Release (as defined in Section 9 below) and Employee's continued compliance with the Confidentiality and Inventions Assignment Agreement, severance pay in an amount equal to the sum of (i) six (6) months' Base Salary as in effect immediately prior to the date of termination, plus (ii) an amount equal to Employee's Target Bonus for the calendar year during which the date of termination occurs, prorated for such portion of the calendar year during which such termination occurs that has elapsed through the date of termination, payable in a lump sum on the date that is thirty (30) days following the date of termination; plus

c. subject to Employee's execution and non-revocation of a full and final Release and Employee's continued compliance with the Confidentiality and Inventions Assignment Agreement, for the period beginning on the date of Employee's termination of employment and ending on the date which is six (6) full months following the date of Employee's termination of employment (or, if earlier, the date on which the applicable continuation period under the Consolidated Omnibus Budget Reconciliation Act of 1985, as amended ("COBRA") expires) (the "COBRA Coverage Period"), the Company shall arrange to provide Employee and his eligible dependents who were covered under the Company's health insurance plans as of the date of Employee's termination of employment with health (including medical and dental) insurance benefits substantially similar to those provided to Employee and his dependents immediately prior to the date of such termination. If the Company is not reasonably able to continue health insurance benefits coverage under the Company's insurance plans, the Company shall provide substantially equivalent coverage under other third-party insurance sources. If any of the Company's health benefits are self-funded as of the date of Employee's termination of employment, or if the Company cannot provide the foregoing

benefits in a manner that is exempt from or otherwise compliant with applicable law (including, without limitation, Section 409A of the Code and Section 2716 of the Public Health Service Act), instead of providing continued health insurance benefits as set forth above, the Company shall instead pay to Employee an amount equal to the monthly premium payment for Employee and his eligible dependents who were covered under the Company's health plans as of the date of Employee's termination of employment (calculated by reference to the premium as of the date of termination) as currently taxable compensation in substantially equal monthly installments over the COBRA Coverage Period (or the remaining portion thereof).

7. Employee's Disability or Death. Employee's employment shall terminate automatically in the event of Employee's death or termination of employment by reason of his "Disability." In the event of Employee's death or termination of employment as a result of Employee's Disability, Employee or his heirs shall be entitled to (a) the Accrued Obligations, plus (b) payment of an amount equal to Employee's "earned" Bonus for the calendar year during which Employee's date of termination occurs calculated as of the date of termination (wherein "earned" means that Employee has met the applicable bonus metrics as of date of such termination, as determined by the Board), prorated for such portion of the calendar year during which such termination occurs that has elapsed through the date of termination, payable in a lump sum on the date that is thirty (30) days following the date of termination. For purposes of this Agreement, "Disability" shall mean the Employee's failure to perform his duties hereunder, for a period of not less than one hundred twenty (120) consecutive days because of Employee's incapacitation due to physical or mental injury, disability, or illness.

8. Change in Control Termination.

a. Payment Upon Change in Control Termination. In the event of a "Change in Control Termination", as defined below, Employee shall be entitled to:

i. the Accrued Obligations; plus

ii. subject to Employee's execution and non-revocation of a full and final Release and Employee's continued compliance with the Confidentiality and Inventions Assignment Agreement, severance pay in an amount equal to the sum of (A) twelve (12) months' Base Salary as in effect immediately prior to the date of termination, plus (B) Employee's Target Bonus for the calendar year during which such date of termination occurs, payable in a lump sum on the date that is thirty (30) days following the date of termination; plus

iii. subject to Employee's execution and non-revocation of a full and final Release and Employee's continued compliance with the Confidentiality and Inventions Assignment Agreement, for the period beginning on the date of Employee's termination of employment and ending on the date which is eighteen (18) full months following the date of Employee's termination of employment (or, if earlier, the date on which the applicable continuation period under COBRA expires) (the "CIC COBRA Coverage Period"), the Company shall arrange to provide Employee and his eligible dependents who were covered under the Company's health insurance plans as of the date of

Employee's termination of employment with health (including medical and dental) insurance benefits substantially similar to those provided to Employee and his dependents immediately prior to the date of such termination. If the Company is not reasonably able to continue health insurance benefits coverage under the Company's insurance plans, the Company shall provide substantially equivalent coverage under other third-party insurance sources. If any of the Company's health benefits are self-funded as of the date of Employee's termination of employment, or if the Company cannot provide the foregoing benefits in a manner that is exempt from or otherwise compliant with applicable law (including, without limitation, Section 409A of the Code and Section 2716 of the Public Health Service Act), instead of providing continued health insurance benefits as set forth above, the Company shall instead pay to Employee an amount equal to the monthly premium payment for Employee and his eligible dependents who were covered under the Company's health plans as of the date of Employee's termination of employment (calculated by reference to the premium as of the date of termination) as currently taxable compensation in substantially equal monthly installments over the CIC COBRA Coverage Period (or the remaining portion thereof).

b. Definition of "Change in Control Termination". A "Change in Control Termination" occurs if Employee (i) is terminated without Cause, or (ii) terminates his employment pursuant to a Resignation for Good Reason, in each case within twelve (12) months following a "Change in Control" (as defined below). For purposes of this Agreement, a "Change in Control" means the occurrence of any of the following events:

i. Any "person" (as such term is used in Sections 13(d) and 14(d) of the Exchange Act) (other than the Company, any of its subsidiaries, or any existing shareholder of the Company) becomes the "beneficial owner" (as defined in Rule 13d-3 of the Securities and Exchange Act of 1934, as amended), directly or indirectly, of securities of the Company representing fifty percent (50%) or more of the total voting power represented by the Company's then outstanding voting securities;

ii. The consummation of the sale, liquidation or disposition by the Company of all or substantially all of the Company's assets; or

iii. The consummation of a merger, consolidation, reorganization or other similar transaction involving the Company ("Transaction") in each case, in which the voting securities of the Company outstanding immediately prior thereto do not continue to represent (either by remaining outstanding or by being converted into voting securities of the surviving entity or its parent) at least fifty percent (50%) of the power represented by the voting securities of the Company or such surviving entity or its parent outstanding immediately after such Transaction.

In addition, if a Change in Control constitutes a payment event with respect to any payment under this Agreement which provides for the deferral of compensation and is subject to Section 409A of the Code, the transaction or event described in clause (i), (ii) or (iii) with respect to such payment must also constitute a "change in control event," as defined in Treasury Regulation Section 1.409A-3(i)(5) to the extent required by Section 409A of the Code.

9. Release. Notwithstanding any provision to the contrary in this Agreement, no amount shall be paid or benefit provided pursuant to Section 6 or Section 8 (other than the Accrued Obligations) and no accelerated vesting of the Equity Awards shall occur as a result of Employee's termination of employment pursuant to Section 4(c) unless, on or prior to the thirtieth (30th) day following the date of Employee's termination of employment, an effective general release of claims agreement (the "Release") in substantially the form attached hereto as Exhibit 2 has been executed by Employee and remains effective on such date and any applicable revocation period thereunder has expired.

10. Notices. Any reports, notices or other communications required or permitted to be given by either Party hereto, shall be given in writing by personal delivery, overnight courier service, or by registered or certified mail, postage prepaid, return receipt requested, addressed to the Company at its principal executive offices and to Employee at his most recent address on the Company's payroll records.

11. Notice of Termination. Any purported termination of Employment by the Company or the Employee shall be communicated by written Notice of Termination to the other Party. For purposes of this Agreement, a "Notice of Termination" shall mean a notice which indicates, if applicable, the specific termination provision in this Agreement relied upon and shall set forth in reasonable detail the facts and circumstances claimed to provide a basis for termination of the Employee's employment under the provision so indicated. For purposes of this Agreement, no such purported termination of employment shall be effective without delivery of such a Notice of Termination.

12. General Provisions.

a. Governing Law; Venue. This Agreement shall be governed by and construed in accordance with the laws of the State of California without regard to the conflicts of laws principles thereof. Employee and the Company agree that any litigation regarding this Agreement shall be conducted in San Diego, California. Employee and the Company hereby consent to the jurisdiction of the courts of the State of California and the United States District Court for the Southern District of California.

b. Assignment; Assumption by Successor. The rights of the Company under this Agreement may, without the consent of Employee, be assigned by the Company, in its sole and unfettered discretion, to any person, firm, corporation or other business entity which at any time, whether by purchase, merger or otherwise, directly or indirectly, acquires all or substantially all of the assets or business of the Company. The Company will require any successor (whether direct or indirect, by purchase, merger or otherwise) to all or substantially all of the business or assets of the Company expressly to assume and to agree to perform this Agreement in the same manner and to the same extent that the Company would be required to perform it if no such succession had taken place; provided, however, that no such assumption shall relieve the Company of its obligations hereunder. As used in this Agreement, the "Company" shall mean the Company as hereinbefore defined and any successor to its business and/or assets as aforesaid which assumes and agrees to perform this Agreement by operation of law or otherwise.

c. No Waiver of Breach. The failure to enforce any provision of this Agreement shall not be construed as a waiver of any such provision, nor prevent a Party thereafter from enforcing the provision or any other provision of this Agreement. The rights

granted the Parties are cumulative, and the election of one shall not constitute a waiver of such Party's right to assert all other legal and equitable remedies available under the circumstances.

d. Severability. The provisions of this Agreement are severable, and if any provision shall be held to be invalid or otherwise unenforceable, in whole or in part, the remainder of the provisions, or enforceable parts of this Agreement, shall not be affected.

e. Entire Agreement. This Agreement and the Confidentiality and Inventions Assignment Agreement constitute the entire agreement of the Parties with respect to the subject matter of this Agreement and supersede all prior and contemporaneous negotiations, agreements and understandings between the Parties, whether oral or written, including, without limitation, any offer letter between the parties and the Prior Agreement.

f. Modifications and Waivers. No modification or waiver of this Agreement shall be valid unless in writing, signed by the Party against whom such modification or waiver is sought to be enforced.

g. Amendment. This Agreement may be amended or supplemented only by a writing signed by both of the Parties hereto.

h. Duplicate Counterparts; Facsimile. This Agreement may be executed in duplicate counterparts, each of which shall be deemed an original; provided, however, such counterparts shall together constitute only one agreement. Facsimile signatures or signatures sent via electronic mail shall be as effective as original signatures.

i. Interpretation. The headings contained in this Agreement are for reference purposes only and shall not affect in any way the meaning or interpretation of this Agreement.

j. Non-transferability of Interest. None of the rights of Employee to receive any form of compensation payable pursuant to this Agreement shall be assignable or transferable except through a testamentary disposition or by the laws of descent and distribution upon the death of Employee. Any attempted assignment, transfer, conveyance, or other disposition (other than as aforesaid) of any interest in the rights of Employee to receive any form of compensation to be made by the Company pursuant to this Agreement shall be void.

k. Construction. The language in all parts of this Agreement shall in all cases be construed simply, according to its fair meaning, and not strictly for or against any of the parties hereto. Without limitation, there shall be no presumption against any party on the ground that such party was responsible for drafting this Agreement or any part thereof.

l. Section 409A.

i. Notwithstanding anything to the contrary in this Agreement, no payment or benefit to be paid or provided to Employee upon his termination of employment, if any, pursuant to this Agreement that, when considered together with any other payments or benefits, are considered deferred compensation under Section 409A (together, the "Deferred Payments") will be paid or otherwise provided until Employee has a "separation from service" within the meaning of Section 409A. Similarly, no amounts payable to Employee, if any, pursuant to this Agreement that otherwise would be exempt from Section 409A pursuant to Treasury Regulation Section 1.409A-1(b)(9) will be payable until Employee has a "separation from service" within the meaning of Section 409A.

ii. Notwithstanding anything to the contrary in this Agreement, if Employee is a "specified employee" within the meaning of Section 409A at the time of Employee's termination of employment (other than due to death), then the Deferred Payments that are payable within the first six (6) months following Employee's separation from service, will become payable on the first payroll date that occurs on or after the date six (6) months and one (1) day following the date of Employee's separation from service. All subsequent Deferred Payments, if any, will be payable in accordance with the payment schedule applicable to each payment or benefit. Notwithstanding anything herein to the contrary, if Employee dies following Employee's separation from service, but prior to the six (6) month anniversary of the separation from service, then any payments delayed in accordance with this paragraph will be payable in a lump sum as soon as administratively practicable after the date of Employee's death and all other Deferred Payments will be payable in accordance with the payment schedule applicable to each payment or benefit. Each payment and benefit payable under this Agreement is intended to constitute a separate payment for purposes of Section 1.409A-2(b)(2) of the Treasury Regulations.

iii. Any amount paid under this Agreement that satisfies the requirements of the "short-term deferral" rule set forth in Section 1.409A-1(b)(4) of the Treasury Regulations will not constitute a Deferred Payment for purposes of clauses (i) and (ii) above.

iv. Any amount paid under this Agreement that qualifies as a payment made as a result of an involuntary separation from service pursuant to Section 1.409A-1(b)(9)(iii) of the Treasury Regulations that does not exceed the limits set forth therein will not constitute a Deferred Payment for purposes of clauses (i) and (ii) above.

v. This Agreement is intended to be written, administered, interpreted and construed in a manner such that no payment or benefits provided under the Agreement become subject to (A) the gross income inclusion set forth within Code Section 409A(a)(1)(A) or (B) the interest and additional tax set forth within Code Section 409A(a)(1)(B) (together, referred to herein as the "Section 409A Penalties"), including, where appropriate, the construction of defined terms to have meanings that would not cause the imposition of Section 409A Penalties. In no event shall the Company be required to provide a tax gross-up payment to Employee or otherwise reimburse Employee with respect to Section 409A Penalties. The Company and Employee agree to work together in good faith to consider amendments to this Agreement and to take such reasonable actions which are necessary, appropriate or desirable to avoid imposition of any Section 409A Penalties on Employee.

vi. Any reimbursement of expenses or in-kind benefits payable under this Agreement shall be made in accordance with Treasury Regulation Section 1.409A-3(i)(1)(iv) and shall be paid on or before the last day of Employee's taxable year following the taxable year in which Employee incurred the expenses. The amount of expenses reimbursed or in-kind benefits payable in one year shall not affect the amount eligible for reimbursement or in-kind benefits payable in any other taxable year of Employee's, and Employee's right to reimbursement for such amounts shall not be subject to liquidation or exchange for any other benefit.

m. Whistleblower Provision. Nothing herein shall be construed to prohibit Employee from communicating directly with, cooperating with, or providing information to, any government regulator, including, but not limited to, the U.S. Securities and Exchange Commission, the U.S. Commodity Futures Trading Commission, or the U.S. Department of Justice. Employee acknowledges that the Company has provided Employee with the following notice of immunity rights in compliance with the requirements of the Defend Trade Secrets Act: (i) Employee shall not be held criminally or civilly liable under any Federal or State trade

secret law for the disclosure of proprietary information of the Company that is made in confidence to a Federal, State, or local government official or to an attorney solely for the purpose of reporting or investigating a suspected violation of law, (ii) Employee shall not be held criminally or civilly liable under any Federal or State trade secret law for the disclosure of proprietary information of the Company that is made in a complaint or other document filed in a lawsuit or other proceeding, if such filing is made under seal and (iii) if Employee files a lawsuit for retaliation by the Company for reporting a suspected violation of law, Employee may disclose the proprietary information to my attorney and use the proprietary information in the court proceeding, if Employee files any document containing the proprietary information under seal, and does not disclose the proprietary information, except pursuant to court order.

(Signature Page Follows)

m.

IN WITNESS WHEREOF, the Parties have executed this Agreement as of the date(s) set forth below.

AIRGAIN, INC.

Dated: By:_/s/James Sims________________________

Name: ______________________________

Title: ______________________________

EMPLOYEE

Dated: __/s/Jacob Suen______________________________
JACOB SUEN

EXHIBIT 1

CONFIDENTIALITY AND INVENTIONS ASSIGNMENT AGREEMENT

[Attached]

EXHIBIT 2

GENERAL RELEASE OF CLAIMS

[*The language in this Release may change based on legal developments and evolving best practices; this form is provided as an example of what will be included in the final Release document.*]

This General Release of Claims ("Release") is entered into as of this _____ day of ________, ____, between JACOB SUEN ("Employee"), and AIRGAIN, INC., a Delaware corporation (the "Company") (collectively referred to herein as the "Parties").

WHEREAS, Employee and the Company are parties to that certain Amended and Restated Employment Agreement effective as of January 16, 2019 (the "Agreement");

WHEREAS, the Parties agree that Employee is entitled to certain severance benefits under the Agreement, subject to Employee's execution of this Release; and

WHEREAS, the Company and Employee now wish to fully and finally to resolve all matters between them.

NOW, THEREFORE, in consideration of, and subject to, the severance benefits payable to Employee pursuant to the Agreement, the adequacy of which is hereby acknowledged by Employee, and which Employee acknowledges that he would not otherwise be entitled to receive, Employee and the Company hereby agree as follows:

1. General Release of Claims by Employee.

(a)Employee, on behalf of himself and his executors, heirs, administrators, representatives and assigns, hereby agrees to release and forever discharge the Company and all predecessors, successors and their respective parent corporations, affiliates, related, and/or subsidiary entities, and all of their past and present investors, directors, shareholders, officers, general or limited partners, employees, attorneys, agents and representatives, and the employee benefit plans in which Employee is or has been a participant by virtue of his employment with or service to the Company (collectively, the "Company Releasees"), from any and all claims, debts, demands, accounts, judgments, rights, causes of action, equitable relief, damages, costs, charges, complaints, obligations, promises, agreements, controversies, suits, expenses, compensation, responsibility and liability of every kind and character whatsoever (including attorneys' fees and costs), whether in law or equity, known or unknown, asserted or unasserted, suspected or unsuspected (collectively, "Claims"), which Employee has or may have had against such entities based on any events or circumstances arising or occurring on or prior to the date hereof or on or prior to the date hereof, arising directly or indirectly out of, relating to, or in any other way involving in any manner whatsoever Employee's employment by or service to the Company or the termination thereof, including any and all claims arising under federal, state, or local laws relating to employment, including without limitation claims of wrongful discharge, breach of express or implied contract, fraud, misrepresentation, defamation, or liability in tort, and claims of any kind that may be brought in any court or administrative agency including, without

limitation, claims under Title VII of the Civil Rights Act of 1964, as amended, 42 U.S.C. Section 2000, et seq.; the Americans with Disabilities Act, as amended, 42 U.S.C. § 12101 et seq.; the Rehabilitation Act of 1973, as amended, 29 U.S.C. § 701 et seq.; the Civil Rights Act of 1866, and the Civil Rights Act of 1991; 42 U.S.C. Section 1981, et seq.; the Age Discrimination in Employment Act, as amended, 29 U.S.C. Section 621, et seq. (the "ADEA"); the Equal Pay Act, as amended, 29 U.S.C. Section 206(d); regulations of the Office of Federal Contract Compliance, 41 C.F.R. Section 60, et seq.; the Family and Medical Leave Act, as amended, 29 U.S.C. § 2601 et seq.; the Fair Labor Standards Act of 1938, as amended, 29 U.S.C. § 201 et seq.; the Employee Retirement Income Security Act, as amended, 29 U.S.C. § 1001 et seq.; and the California Fair Employment and Housing Act, California Government Code Section 12940, et seq.

Notwithstanding the generality of the foregoing, Employee does not release the following claims:

(i) Claims for unemployment compensation or any state disability insurance benefits pursuant to the terms of applicable state law;

(ii) Claims for workers' compensation insurance benefits under the terms of any worker's compensation insurance policy or fund of the Company;

(iii) Claims pursuant to the terms and conditions of the federal law known as COBRA;

(iv)Claims for indemnity under the bylaws of the Company, as provided for by California or Delaware law or under any applicable insurance policy with respect to Employee's liability as an employee, director or officer of the Company;

(v) Employee's right to bring to the attention of the Equal Employment Opportunity Commission or the California Department of Fair Employment and Housing or any other federal, state or local government agency claims of discrimination, or from participating in an investigation or proceeding conducted by the Equal Employment Opportunity Commission or any other federal, state or local government agency; provided, however, that Employee does release his right to secure any damages for alleged discriminatory treatment;

(vi) Claims based on any right Employee may have to enforce the Company's executory obligations under the Agreement;

(vii) Claims Employee may have to vested or earned compensation and benefits; and

(viii) Employee's right to communicate or cooperate with any government agency.

(b) EMPLOYEE ACKNOWLEDGES THAT HE HAS BEEN ADVISED OF

AND IS FAMILIAR WITH THE PROVISIONS OF CALIFORNIA CIVIL CODE SECTION 1542, WHICH PROVIDES AS FOLLOWS:

"A GENERAL RELEASE DOES NOT EXTEND TO CLAIMS WHICH THE CREDITOR DOES NOT KNOW OR SUSPECT TO EXIST IN HIS OR HER FAVOR AT THE TIME OF EXECUTING THE RELEASE, WHICH, IF KNOWN BY HIM OR HER, MUST HAVE MATERIALLY AFFECTED HIS OR HER SETTLEMENT WITH THE DEBTOR."

BEING AWARE OF SAID CODE SECTION, EMPLOYEE HEREBY EXPRESSLY WAIVES ANY RIGHTS HE MAY HAVE THEREUNDER, AS WELL AS UNDER ANY OTHER STATUTES OR COMMON LAW PRINCIPLES OF SIMILAR EFFECT.

[Note: Clauses (c), (d) and (e) apply only if Employee is age 40 or older at time of termination]

(c)Employee acknowledges that this Release was presented to him on the date indicated above and that Employee is entitled to have twenty-one (21) days' time in which to consider it. Employee further acknowledges that the Company has advised him that he is waiving his rights under the ADEA, and that Employee should consult with an attorney of his choice before signing this Release, and Employee has had sufficient time to consider the terms of this Release. Employee represents and acknowledges that if Employee executes this Release before twenty-one (21) days have elapsed, Employee does so knowingly, voluntarily, and upon the advice and with the approval of Employee's legal counsel (if any), and that Employee voluntarily waives any remaining consideration period.

(d) Employee understands that after executing this Release, Employee has the right to revoke it within seven (7) days after his execution of it. Employee understands that this Release will not become effective and enforceable unless the seven (7) day revocation period passes and Employee does not revoke the Release in writing. Employee understands that this Release may not be revoked after the seven (7) day revocation period has passed. Employee also understands that any revocation of this Release must be made in writing and delivered to the Company at its principal place of business within the seven (7) day period.

(e) Employee understands that this Release shall become effective, irrevocable, and binding upon Employee on the eighth (8^{th}) day after his execution of it, so long as Employee has not revoked it within the time period and in the manner specified in clause (d) above.

(f) Employee further understands that Employee will not be given any severance benefits under the Agreement unless this Release is effective on or before the date that is thirty (30) days following the date of Employee's termination of employment.

2. <u>No Assignment</u>. Employee represents and warrants to the Company Releasees that there has been no assignment or other transfer of any interest in any Claim that Employee may have against the Company Releasees. Employee agrees to indemnify and hold harmless the

Company Releasees from any liability, claims, demands, damages, costs, expenses and attorneys' fees incurred as a result of any such assignment or transfer from Employee.

3. Whistleblower Provision. Nothing herein shall be construed to prohibit Employee from communicating directly with, cooperating with, or providing information to, any government regulator, including, but not limited to, the U.S. Securities and Exchange Commission, the U.S. Commodity Futures Trading Commission, or the U.S. Department of Justice. Employee acknowledges that the Company has provided Employee with the following notice of immunity rights in compliance with the requirements of the Defend Trade Secrets Act: (i) Employee shall not be held criminally or civilly liable under any Federal or State trade secret law for the disclosure of proprietary information of the Company that is made in confidence to a Federal, State, or local government official or to an attorney solely for the purpose of reporting or investigating a suspected violation of law, (ii) Employee shall not be held criminally or civilly liable under any Federal or State trade secret law for the disclosure of proprietary information of the Company that is made in a complaint or other document filed in a lawsuit or other proceeding, if such filing is made under seal and (iii) if Employee files a lawsuit for retaliation by the Company for reporting a suspected violation of law, Employee may disclose the proprietary information to my attorney and use the proprietary information in the court proceeding, if Employee files any document containing the proprietary information under seal, and does not disclose the proprietary information, except pursuant to court order.

4. Severability. In the event any provision of this Release is found to be unenforceable by an arbitrator or court of competent jurisdiction, such provision shall be deemed modified to the extent necessary to allow enforceability of the provision as so limited, it being intended that the parties shall receive the benefit contemplated herein to the fullest extent permitted by law. If a deemed modification is not satisfactory in the judgment of such arbitrator or court, the unenforceable provision shall be deemed deleted, and the validity and enforceability of the remaining provisions shall not be affected thereby.

5. Interpretation; Construction. The headings set forth in this Release are for convenience only and shall not be used in interpreting this Agreement. This Release has been drafted by legal counsel representing the Company, but Employee has participated in the negotiation of its terms. Furthermore, Employee acknowledges that Employee has had an opportunity to review and revise the Release and have it reviewed by legal counsel, if desired, and, therefore, the normal rule of construction to the effect that any ambiguities are to be resolved against the drafting party shall not be employed in the interpretation of this Release. Either party's failure to enforce any provision of this Release shall not in any way be construed as a waiver of any such provision, or prevent that party thereafter from enforcing each and every other provision of this Release.

6. Governing Law; Venue. This Release shall be governed by and construed in accordance with the laws of the State of California without regard to the conflicts of laws principles thereof. Employee and the Company agree that any litigation regarding this Release shall be conducted in San Diego, California. Employee and the Company hereby consent to the jurisdiction of the courts of the State of California and the United States District Court for the Southern District of California.

7. Entire Agreement. This Release and the Agreement constitute the entire agreement of the Parties in respect of the subject matter contained herein and therein and supersede all prior or simultaneous representations, discussions, negotiations and agreements, whether written or oral. This Release may be amended or modified only with the written consent of Employee and an authorized representative of the Company. No oral waiver, amendment or modification will be effective under any circumstances whatsoever.

8. Counterparts. This Release may be executed in multiple counterparts, each of which shall be deemed to be an original but all of which together shall constitute one and the same instrument.

(Signature Page Follows)

IN WITNESS WHEREOF, the Parties have executed this Release as of the date(s) set forth below.

AIRGAIN, INC.

Dated: By:______________________________

Name: ______________________________

Title: ______________________________

EMPLOYEE

Dated: ____________________________________

JACOB SUEN

Exhibit 10.19

AMENDED AND RESTATED EMPLOYMENT AGREEMENT

This AMENDED AND RESTATED EMPLOYMENT AGREEMENT ("Agreement"), effective as of January 16, 2019 (the "Effective Date"), is made by and between AIRGAIN, INC. (the "Company"), and ANIL DORADLA ("Employee").

WHEREAS, Employee is employed by the Company as its Chief Financial Officer and Secretary;

WHEREAS, Employee and the Company are parties to that certain Employment Agreement effective as of February 5, 2018 (the "Prior Agreement");

WHEREAS, the Board of Directors of the Company (the "Board") has determined that it is in the best interests of the Company and its shareholders to continue to employ Employee as the Company's Chief Financial Officer and Secretary under the following terms and conditions; and

WHEREAS, Employee desires to continue to be employed by the Company and to accept such revised terms and conditions of employment as are contained in this Agreement.

NOW, THEREFORE, in consideration of the promises and mutual covenants contained herein and for other good and valuable consideration, the receipt of which is mutually acknowledged, the Company and Employee (individually a "Party" and together the "Parties") agree as follows:

AGREEMENT

1. Effective Date.

Employee's employment under the terms of this Agreement shall commence on the Effective Date.

2. At-will Employment.

Employee's employment relationship with the Company under this Agreement ("Employment") is at-will, terminable at any time and for any reason by either the Company or Employee. While certain sections of this Agreement describe events that could occur at a particular time in the future, nothing in this Agreement shall be construed as a guarantee of employment of any length.

3. Employment Duties.

a. Title/Responsibilities. On the Effective Date, Employee shall be the Chief Financial Officer and Secretary of the Company, reporting to the Chief Executive Officer (or interim Chief Executive Officer) (the "Supervising Officer") of the Company. Employee shall perform all of the duties and responsibilities of such offices set forth in the Bylaws of the Company and those commonly associated with such offices and such further duties and responsibilities as may from time to time be assigned to him by the Board or the Supervising Officer.

b. Full-Time Attention. Employee shall devote his full time, attention, energy and skills to the Company during the period he is employed under this Agreement.

c. Policy Compliance. Employee shall comply with all of the Company's policies, practices and procedures, as well as, all applicable laws. Employee has previously executed and delivered to the Company the Confidentiality and Inventions Assignment Agreement (the "Confidentiality and Inventions Assignment Agreement") attached hereto as Exhibit 1.

4. Compensation.

a. Base Salary. The Company shall pay Employee a base salary of $325,000 per year, or such higher amount as the Board may determine from time to time, less applicable federal and state withholding taxes, in accordance with the Company's regular payroll practices (the "Base Salary").

b. Annual Bonus Compensation. In addition to the Base Salary, Employee will be eligible to receive an incentive bonus (the "Bonus") at an initial target of 60% of his Base Salary (the "Target Bonus").

c. Effective Date Equity Awards. On the Effective Date, the Company shall grant to Employee (i) stock options to purchase an aggregate of 37,500 shares of the Company's common stock (the "Stock Option"), and (ii) 15,244 restricted stock units (the "RSUs"). The Stock Option shall vest as follows: 25% of the original number of shares subject to the Stock Option shall vest on January 1, 2020, and 1/48th of the original number of shares subject to the Stock Option shall vest following each one-month period thereafter, subject to Employee's continued service to the Company through each such vesting date, so that all of the shares subject to the Stock Option shall be vested on January 1, 2023. The RSUs shall vest as follows: 25% of the original number of shares subject to the RSUs shall vest on each of March 1, 2020, 2021, 2022 and 2023, subject to Employee's continued service to the Company through each such vesting date. Notwithstanding the foregoing, the Stock Option and the RSUs (and all Equity Awards held by Employee (as defined below)) shall become fully vested and exercisable, in the event of Employee's termination of employment by the Company without Cause (as defined below), or Employee's Resignation for Good Reason (as defined below), in each case following a Change in Control (as defined below). The Stock Option and the RSUswill be granted pursuant to the Company's 2016 Incentive Award Plan (the "Plan"). The Stock Option will have an exercise price per share equal to the then-current fair market value per share of the common stock of the Company (as determined pursuant to the Plan) on the date of grant. The Stock Option shall be an incentive stock option to the extent permitted under Section 422 of the Internal Revenue Code of 1986, as amended (the "Code"). The Stock Option shall have a ten-year term. The Stock Option and the RSU and shall be subject to the terms and conditions of the Plan and the award agreements pursuant to which such awards are granted. For purposes of this Agreement, "Equity Awards" means all stock options, restricted stock, restricted stock units and such other awards granted pursuant to the Company's stock option and equity incentive award plans or agreements and any shares of stock issued upon exercise thereof, including the Stock Option and the RSUs.

d. Additional Equity Awards. Employee shall be entitled to participate in any equity or other employee benefit plan that is generally available to senior executive officers, as distinguished from general management, of the Company. Except as otherwise provided in this Agreement, Employee's participation in and benefits under any such plan shall be on the terms and subject to the conditions specified in the governing document of the particular plan.

e. Employee Benefits. Employee shall be entitled to participate in all employee benefit plans, programs and arrangements maintained by the Company and made available to employees generally, including, without limitation, bonus, retirement, profit sharing and savings plans and medical, disability, dental, life and accidental death and dismemberment insurance plans.

f. Reimbursement of Expenses. During his Employment with the Company, Employee shall be entitled to reimbursement for all reasonable and necessary business expenses incurred on behalf of the Company, including without limitation, travel and entertainment expenses, business supplies and communication expenses, in accordance with the Company's policies and procedures.

5. Voluntary Resignation or Termination for "Cause."

a. Payment upon Voluntary Resignation other than for Good Reason or Termination for Cause. If Employee voluntarily resigns his Employment other than for Good Reason or if Employee is terminated for Cause, the Company shall pay Employee the following: (i) all accrued and unpaid Base Salary, if any is due, through the date of termination and any vacation which is accrued but unused as of such date; (ii) Employee's business expenses that are reimbursable pursuant to this Agreement and Company policies, but which have not been reimbursed by the Company as of the date of termination; and (iii) the Employee's Bonus compensation for the calendar year immediately preceding the year in which the date of termination occurs if such Bonus has been determined but not paid as of the date of termination (payable at the time such Bonus would otherwise have been paid to Employee, but in no event later than March 15 of the year in which the date of termination occurs) (collectively, the "Accrued Obligations"). Employee shall not be eligible for severance payments under Sections 6, 7 or 8 below, or any continuation of benefits (other than as required by law), or any other compensation pursuant to this Agreement or otherwise.

b. Definition of "Cause". As set forth above, the employment relationship between the Parties is at-will, terminable at any time by either Party for any reason or no reason. The termination may nonetheless be for "Cause". For purposes of this Agreement, "Cause" is defined as the Company's good faith determination of: (i) Employee's material breach of this Agreement or the Confidentiality and Inventions Assignment Agreement or the definitive agreements relating to the Equity Awards referenced in Section 4(c) above; (ii) Employee's continued substantial and material failure or refusal to perform according to, or to comply with, the policies, procedures or practices established by the Company; (iii) the appropriation (or attempted appropriation) of a material business opportunity of the Company, including attempting to secure or securing any personal profit in connection with any transaction entered into on behalf of the Company; (iv) the misappropriation (or attempted appropriation) of any of the Company's funds or property of any kind; (v) willful gross misconduct; or (vi) Employee's conviction of a felony involving moral turpitude that is likely to inflict or has inflicted material injury on the business of the Company; provided, however, that except for Cause being the result of item (vi) above, the Company shall provide written notice to Employee, which notice specifically identifies the nature of the alleged Cause claimed by the Company with enough specificity for Employee to be able to cure, and Employee shall thereafter have fifteen (15) days to cure the purported ground(s) for Cause.

c. Definition of "Good Reason". For purposes of this Agreement, "Good Reason" and "Resignation for Good Reason" are defined as:

i. a material reduction in Employee's authority, duties or responsibilities relative to Employee's authority, duties or

responsibilities in effect immediately prior to such reduction;

ii. a material reduction by the Company in Employee's Base Salary relative to Employee's Base Salary in effect immediately prior to such reduction (and the Parties agree that a reduction of ten percent (10%) or more will be considered material for purposes of this clause (ii)), other than a general reduction in the base salaries of similarly-situated employees of the Company;

iii. a relocation of Employee's or the Company's principal executive offices to a location outside of San Diego County, if Employee's principal office is at such offices; or

iv. the Company's material breach of this Agreement;

provided, however, that Employee must provide written notice to the Board of the condition that could constitute a "Good Reason" event within ninety (90) days of the initial existence of such condition and such condition must not have been remedied by the Company within thirty (30) days (the "Cure Period") of such written notice. Employee's Resignation for Good Reason must occur within six (6) months following the initial existence of such condition.

6. Termination Without "Cause" or "Resignation for Good Reason". In the event Employee is terminated without Cause or resigns for Good Reason, Employee shall be entitled to:

a. the Accrued Obligations; plus

b. subject to Employee's execution and non-revocation of a full and final Release (as defined in Section 9 below) and Employee's continued compliance with the Confidentiality and Inventions Assignment Agreement, severance pay in an amount equal to the sum of (i) six (6) months' Base Salary as in effect immediately prior to the date of termination, plus (ii) an amount equal to Employee's Target Bonus for the calendar year during which the date of termination occurs, prorated for such portion of the calendar year during which such termination occurs that has elapsed through the date of termination, payable in a lump sum on the date that is thirty (30) days following the date of termination; plus

c. subject to Employee's execution and non-revocation of a full and final Release and Employee's continued compliance with the Confidentiality and Inventions Assignment Agreement, for the period beginning on the date of Employee's termination of employment and ending on the date which is six (6) full months following the date of Employee's termination of employment (or, if earlier, the date on which the applicable continuation period under the Consolidated Omnibus Budget Reconciliation Act of 1985, as amended ("COBRA") expires) (the "COBRA Coverage Period"), the Company shall arrange to provide Employee and his eligible dependents who were covered under the Company's health insurance plans as of the date of Employee's termination of employment with health (including medical and dental) insurance benefits substantially similar to those provided to Employee and his dependents immediately prior to the date of such termination. If the Company is not reasonably able to continue health insurance benefits coverage under the Company's insurance plans, the Company shall provide substantially equivalent coverage under other third-party insurance sources. If any of the Company's health benefits are self-funded as of the date of Employee's termination of employment, or if the Company cannot provide the foregoing

benefits in a manner that is exempt from or otherwise compliant with applicable law (including, without limitation, Section 409A of the Code and Section 2716 of the Public Health Service Act), instead of providing continued health insurance benefits as set forth above, the Company shall instead pay to Employee an amount equal to the monthly premium payment for Employee and his eligible dependents who were covered under the Company's health plans as of the date of Employee's termination of employment (calculated by reference to the premium as of the date of termination) as currently taxable compensation in substantially equal monthly installments over the COBRA Coverage Period (or the remaining portion thereof).

7. Employee's Disability or Death. Employee's employment shall terminate automatically in the event of Employee's death or termination of employment by reason of his "Disability." In the event of Employee's death or termination of employment as a result of Employee's Disability, Employee or his heirs shall be entitled to (a) the Accrued Obligations, plus (b) payment of an amount equal to Employee's "earned" Bonus for the calendar year during which Employee's date of termination occurs calculated as of the date of termination (wherein "earned" means that Employee has met the applicable bonus metrics as of date of such termination, as determined by the Board), prorated for such portion of the calendar year during which such termination occurs that has elapsed through the date of termination, payable in a lump sum on the date that is thirty (30) days following the date of termination. For purposes of this Agreement, "Disability" shall mean the Employee's failure to perform his duties hereunder, for a period of not less than one hundred twenty (120) consecutive days because of Employee's incapacitation due to physical or mental injury, disability, or illness.

8. Change in Control Termination.

a. Payment Upon Change in Control Termination. In the event of a "Change in Control Termination", as defined below, Employee shall be entitled to:

i. the Accrued Obligations; plus

ii. subject to Employee's execution and non-revocation of a full and final Release and Employee's continued compliance with the Confidentiality and Inventions Assignment Agreement, severance pay in an amount equal to the sum of (A) twelve (12) months' Base Salary as in effect immediately prior to the date of termination, plus (B) Employee's Target Bonus for the calendar year during which such date of termination occurs, payable in a lump sum on the date that is thirty (30) days following the date of termination; plus

iii. subject to Employee's execution and non-revocation of a full and final Release and Employee's continued compliance with the Confidentiality and Inventions Assignment Agreement, for the period beginning on the date of Employee's termination of employment and ending on the date which is eighteen (18) full months following the date of Employee's termination of employment (or, if earlier, the date on which the applicable continuation period under COBRA expires) (the "CIC COBRA Coverage Period"), the Company shall arrange to provide Employee and his eligible dependents who were covered under the Company's health insurance plans as of the date of

Employee's termination of employment with health (including medical and dental) insurance benefits substantially similar to those provided to Employee and his dependents immediately prior to the date of such termination. If the Company is not reasonably able to continue health insurance benefits coverage under the Company's insurance plans, the Company shall provide substantially equivalent coverage under other third-party insurance sources. If any of the Company's health benefits are self-funded as of the date of Employee's termination of employment, or if the Company cannot provide the foregoing benefits in a manner that is exempt from or otherwise compliant with applicable law (including, without limitation, Section 409A of the Code and Section 2716 of the Public Health Service Act), instead of providing continued health insurance benefits as set forth above, the Company shall instead pay to Employee an amount equal to the monthly premium payment for Employee and his eligible dependents who were covered under the Company's health plans as of the date of Employee's termination of employment (calculated by reference to the premium as of the date of termination) as currently taxable compensation in substantially equal monthly installments over the CIC COBRA Coverage Period (or the remaining portion thereof).

b. Definition of "Change in Control Termination". A "Change in Control Termination" occurs if Employee (i) is terminated without Cause, or (ii) terminates his employment pursuant to a Resignation for Good Reason, in each case within twelve (12) months following a "Change in Control" (as defined below). For purposes of this Agreement, a "Change in Control" means the occurrence of any of the following events:

i. Any "person" (as such term is used in Sections 13(d) and 14(d) of the Exchange Act) (other than the Company, any of its subsidiaries, or any existing shareholder of the Company) becomes the "beneficial owner" (as defined in Rule 13d-3 of the Securities and Exchange Act of 1934, as amended), directly or indirectly, of securities of the Company representing fifty percent (50%) or more of the total voting power represented by the Company's then outstanding voting securities;

ii. The consummation of the sale, liquidation or disposition by the Company of all or substantially all of the Company's assets; or

iii. The consummation of a merger, consolidation, reorganization or other similar transaction involving the Company ("Transaction") in each case, in which the voting securities of the Company outstanding immediately prior thereto do not continue to represent (either by remaining outstanding or by being converted into voting securities of the surviving entity or its parent) at least fifty percent (50%) of the power represented by the voting securities of the Company or such surviving entity or its parent outstanding immediately after such Transaction.

In addition, if a Change in Control constitutes a payment event with respect to any payment under this Agreement which provides for the deferral of compensation and is subject to Section 409A of the Code, the transaction or event described in clause (i), (ii) or (iii) with respect to such payment must also constitute a "change in control event," as defined in Treasury Regulation Section 1.409A-3(i)(5) to the extent required by Section 409A of the Code.

9.Release. Notwithstanding any provision to the contrary in this Agreement, no amount shall be paid or benefit provided pursuant to Section 6 or Section 8 (other than the Accrued Obligations) and no accelerated vesting of the Equity Awards shall occur as a result of Employee's termination of employment pursuant to Section 4(c) unless, on or prior to the thirtieth (30th) day following the date of Employee's termination of employment, an effective general release of claims agreement (the "Release") in substantially the form attached hereto as Exhibit 2 has been executed by Employee and remains effective on such date and any applicable revocation period thereunder has expired.

10.Notices. Any reports, notices or other communications required or permitted to be given by either Party hereto, shall be given in writing by personal delivery, overnight courier service, or by registered or certified mail, postage prepaid, return receipt requested, addressed to the Company at its principal executive offices and to Employee at his most recent address on the Company's payroll records.

11.Notice of Termination. Any purported termination of Employment by the Company or the Employee shall be communicated by written Notice of Termination to the other Party. For purposes of this Agreement, a "Notice of Termination" shall mean a notice which indicates, if applicable, the specific termination provision in this Agreement relied upon and shall set forth in reasonable detail the facts and circumstances claimed to provide a basis for termination of the Employee's employment under the provision so indicated. For purposes of this Agreement, no such purported termination of employment shall be effective without delivery of such a Notice of Termination.

12.General Provisions.

a. Governing Law; Venue. This Agreement shall be governed by and construed in accordance with the laws of the State of California without regard to the conflicts of laws principles thereof. Employee and the Company agree that any litigation regarding this Agreement shall be conducted in San Diego, California. Employee and the Company hereby consent to the jurisdiction of the courts of the State of California and the United States District Court for the Southern District of California.

b. Assignment; Assumption by Successor. The rights of the Company under this Agreement may, without the consent of Employee, be assigned by the Company, in its sole and unfettered discretion, to any person, firm, corporation or other business entity which at any time, whether by purchase, merger or otherwise, directly or indirectly, acquires all or substantially all of the assets or business of the Company. The Company will require any successor (whether direct or indirect, by purchase, merger or otherwise) to all or substantially all of the business or assets of the Company expressly to assume and to agree to perform this Agreement in the same manner and to the same extent that the Company would be required to perform it if no such succession had taken place; provided, however, that no such assumption shall relieve the Company of its obligations hereunder. As used in this Agreement, the "Company" shall mean the Company as hereinbefore defined and any successor to its business and/or assets as aforesaid which assumes and agrees to perform this Agreement by operation of law or otherwise.

c. No Waiver of Breach. The failure to enforce any provision of this Agreement shall not be construed as a waiver of any such provision, nor prevent a Party thereafter from enforcing the provision or any other provision of this Agreement. The rights

granted the Parties are cumulative, and the election of one shall not constitute a waiver of such Party's right to assert all other legal and equitable remedies available under the circumstances.

d. Severability. The provisions of this Agreement are severable, and if any provision shall be held to be invalid or otherwise unenforceable, in whole or in part, the remainder of the provisions, or enforceable parts of this Agreement, shall not be affected.

e. Entire Agreement. This Agreement and the Confidentiality and Inventions Assignment Agreement constitute the entire agreement of the Parties with respect to the subject matter of this Agreement and supersede all prior and contemporaneous negotiations, agreements and understandings between the Parties, whether oral or written, including, without limitation, any offer letter between the parties and the Prior Agreement.

f. Modifications and Waivers. No modification or waiver of this Agreement shall be valid unless in writing, signed by the Party against whom such modification or waiver is sought to be enforced.

g. Amendment. This Agreement may be amended or supplemented only by a writing signed by both of the Parties hereto.

h. Duplicate Counterparts; Facsimile. This Agreement may be executed in duplicate counterparts, each of which shall be deemed an original; provided, however, such counterparts shall together constitute only one agreement. Facsimile signatures or signatures sent via electronic mail shall be as effective as original signatures.

i. Interpretation. The headings contained in this Agreement are for reference purposes only and shall not affect in any way the meaning or interpretation of this Agreement.

j. Non-transferability of Interest. None of the rights of Employee to receive any form of compensation payable pursuant to this Agreement shall be assignable or transferable except through a testamentary disposition or by the laws of descent and distribution upon the death of Employee. Any attempted assignment, transfer, conveyance, or other disposition (other than as aforesaid) of any interest in the rights of Employee to receive any form of compensation to be made by the Company pursuant to this Agreement shall be void.

k. Construction. The language in all parts of this Agreement shall in all cases be construed simply, according to its fair meaning, and not strictly for or against any of the parties hereto. Without limitation, there shall be no presumption against any party on the ground that such party was responsible for drafting this Agreement or any part thereof.

l. Section 409A.

i. Notwithstanding anything to the contrary in this Agreement, no payment or benefit to be paid or provided to Employee upon his termination of employment, if any, pursuant to this Agreement that, when considered together with any other payments or benefits, are considered deferred compensation under Section 409A (together, the "Deferred Payments") will be paid or otherwise provided until Employee has a "separation from service" within the meaning of Section 409A. Similarly, no amounts payable to Employee, if any, pursuant to this Agreement that otherwise would be exempt from Section 409A pursuant to Treasury Regulation Section 1.409A-1(b)(9) will be payable until Employee has a "separation from service" within the meaning of Section 409A.

ii. Notwithstanding anything to the contrary in this Agreement, if Employee is a "specified employee" within the meaning of Section 409A at the time of Employee's termination of employment (other than due to death), then the Deferred Payments that are payable within the first six (6) months following Employee's separation from service, will become payable on the first payroll date that occurs on or after the date six (6) months and one (1) day following the date of Employee's separation from service. All subsequent Deferred Payments, if any, will be payable in accordance with the payment schedule applicable to each payment or benefit. Notwithstanding anything herein to the contrary, if Employee dies following Employee's separation from service, but prior to the six (6) month anniversary of the separation from service, then any payments delayed in accordance with this paragraph will be payable in a lump sum as soon as administratively practicable after the date of Employee's death and all other Deferred Payments will be payable in accordance with the payment schedule applicable to each payment or benefit. Each payment and benefit payable under this Agreement is intended to constitute a separate payment for purposes of Section 1.409A-2(b)(2) of the Treasury Regulations.

iii. Any amount paid under this Agreement that satisfies the requirements of the "short-term deferral" rule set forth in Section 1.409A-1(b)(4) of the Treasury Regulations will not constitute a Deferred Payment for purposes of clauses (i) and (ii) above.

iv. Any amount paid under this Agreement that qualifies as a payment made as a result of an involuntary separation from service pursuant to Section 1.409A-1(b)(9)(iii) of the Treasury Regulations that does not exceed the limits set forth therein will not constitute a Deferred Payment for purposes of clauses (i) and (ii) above.

v. This Agreement is intended to be written, administered, interpreted and construed in a manner such that no payment or benefits provided under the Agreement become subject to (A) the gross income inclusion set forth within Code Section 409A(a)(1)(A) or (B) the interest and additional tax set forth within Code Section 409A(a)(1)(B) (together, referred to herein as the "Section 409A Penalties"), including, where appropriate, the construction of defined terms to have meanings that would not cause the imposition of Section 409A Penalties. In no event shall the Company be required to provide a tax gross-up payment to Employee or otherwise reimburse Employee with respect to Section 409A Penalties. The Company and Employee agree to work together in good faith to consider amendments to this Agreement and to take such reasonable actions which are necessary, appropriate or desirable to avoid imposition of any Section 409A Penalties on Employee.

vi. Any reimbursement of expenses or in-kind benefits payable under this Agreement shall be made in accordance with Treasury Regulation Section 1.409A-3(i)(1)(iv) and shall be paid on or before the last day of Employee's taxable year following the taxable year in which Employee incurred the expenses. The amount of expenses reimbursed or in-kind benefits payable in one year shall not affect the amount eligible for reimbursement or in-kind benefits payable in any other taxable year of Employee's, and Employee's right to reimbursement for such amounts shall not be subject to liquidation or exchange for any other benefit.

m. Whistleblower Provision. Nothing herein shall be construed to prohibit Employee from communicating directly with, cooperating with, or providing information to, any government regulator, including, but not limited to, the U.S. Securities and Exchange Commission, the U.S. Commodity Futures Trading Commission, or the U.S. Department of Justice. Employee acknowledges that the Company has provided Employee with the following notice of immunity rights in compliance with the requirements of the Defend Trade Secrets Act: (i) Employee shall not be held criminally or civilly liable under any Federal or State trade

secret law for the disclosure of proprietary information of the Company that is made in confidence to a Federal, State, or local government official or to an attorney solely for the purpose of reporting or investigating a suspected violation of law, (ii) Employee shall not be held criminally or civilly liable under any Federal or State trade secret law for the disclosure of proprietary information of the Company that is made in a complaint or other document filed in a lawsuit or other proceeding, if such filing is made under seal and (iii) if Employee files a lawsuit for retaliation by the Company for reporting a suspected violation of law, Employee may disclose the proprietary information to my attorney and use the proprietary information in the court proceeding, if Employee files any document containing the proprietary information under seal, and does not disclose the proprietary information, except pursuant to court order.

(Signature Page Follows)

m.

IN WITNESS WHEREOF, the Parties have executed this Agreement as of the date(s) set forth below.

AIRGAIN, INC.

Dated: By:__/s/Jim Sims________________________

Name: ______________________________

Title: ______________________________

EMPLOYEE

Dated: /s/Anil Doradla_____________________________
ANIL DORADLA

EXHIBIT 1

CONFIDENTIALITY AND INVENTIONS ASSIGNMENT AGREEMENT

[Attached]

EXHIBIT 2

GENERAL RELEASE OF CLAIMS

[*The language in this Release may change based on legal developments and evolving best practices; this form is provided as an example of what will be included in the final Release document.*]

This General Release of Claims ("Release") is entered into as of this _____ day of ________, ____, between ANIL DORADLA ("Employee"), and AIRGAIN, INC., a Delaware corporation (the "Company") (collectively referred to herein as the "Parties").

WHEREAS, Employee and the Company are parties to that certain Amended and Restated Employment Agreement effective as of January 16, 2019 (the "Agreement");

WHEREAS, the Parties agree that Employee is entitled to certain severance benefits under the Agreement, subject to Employee's execution of this Release; and

WHEREAS, the Company and Employee now wish to fully and finally to resolve all matters between them.

NOW, THEREFORE, in consideration of, and subject to, the severance benefits payable to Employee pursuant to the Agreement, the adequacy of which is hereby acknowledged by Employee, and which Employee acknowledges that he would not otherwise be entitled to receive, Employee and the Company hereby agree as follows:

1. General Release of Claims by Employee.

(a)Employee, on behalf of himself and his executors, heirs, administrators, representatives and assigns, hereby agrees to release and forever discharge the Company and all predecessors, successors and their respective parent corporations, affiliates, related, and/or subsidiary entities, and all of their past and present investors, directors, shareholders, officers, general or limited partners, employees, attorneys, agents and representatives, and the employee benefit plans in which Employee is or has been a participant by virtue of his employment with or service to the Company (collectively, the "Company Releasees"), from any and all claims, debts, demands, accounts, judgments, rights, causes of action, equitable relief, damages, costs, charges, complaints, obligations, promises, agreements, controversies, suits, expenses, compensation, responsibility and liability of every kind and character whatsoever (including attorneys' fees and costs), whether in law or equity, known or unknown, asserted or unasserted, suspected or unsuspected (collectively, "Claims"), which Employee has or may have had against such entities based on any events or circumstances arising or occurring on or prior to the date hereof or on or prior to the date hereof, arising directly or indirectly out of, relating to, or in any other way involving in any manner whatsoever Employee's employment by or service to the Company or the termination thereof, including any and all claims arising under federal, state, or local laws relating to employment, including without limitation claims of wrongful discharge, breach of express or implied contract, fraud, misrepresentation, defamation, or liability in tort, and claims of any kind that may be brought in any court or administrative agency including, without

limitation, claims under Title VII of the Civil Rights Act of 1964, as amended, 42 U.S.C. Section 2000, et seq.; the Americans with Disabilities Act, as amended, 42 U.S.C. § 12101 et seq.; the Rehabilitation Act of 1973, as amended, 29 U.S.C. § 701 et seq.; the Civil Rights Act of 1866, and the Civil Rights Act of 1991; 42 U.S.C. Section 1981, et seq.; the Age Discrimination in Employment Act, as amended, 29 U.S.C. Section 621, et seq. (the "ADEA"); the Equal Pay Act, as amended, 29 U.S.C. Section 206(d); regulations of the Office of Federal Contract Compliance, 41 C.F.R. Section 60, et seq.; the Family and Medical Leave Act, as amended, 29 U.S.C. § 2601 et seq.; the Fair Labor Standards Act of 1938, as amended, 29 U.S.C. § 201 et seq.; the Employee Retirement Income Security Act, as amended, 29 U.S.C. § 1001 et seq.; and the California Fair Employment and Housing Act, California Government Code Section 12940, et seq.

Notwithstanding the generality of the foregoing, Employee does not release the following claims:

(i) Claims for unemployment compensation or any state disability insurance benefits pursuant to the terms of applicable state law;

(ii) Claims for workers' compensation insurance benefits under the terms of any worker's compensation insurance policy or fund of the Company;

(iii) Claims pursuant to the terms and conditions of the federal law known as COBRA;

(iv)Claims for indemnity under the bylaws of the Company, as provided for by California or Delaware law or under any applicable insurance policy with respect to Employee's liability as an employee, director or officer of the Company;

(v) Employee's right to bring to the attention of the Equal Employment Opportunity Commission or the California Department of Fair Employment and Housing or any other federal, state or local government agency claims of discrimination, or from participating in an investigation or proceeding conducted by the Equal Employment Opportunity Commission or any other federal, state or local government agency; provided, however, that Employee does release his right to secure any damages for alleged discriminatory treatment;

(vi) Claims based on any right Employee may have to enforce the Company's executory obligations under the Agreement;

(vii) Claims Employee may have to vested or earned compensation and benefits; and

(viii) Employee's right to communicate or cooperate with any government agency.

(b) EMPLOYEE ACKNOWLEDGES THAT HE HAS BEEN ADVISED OF

AND IS FAMILIAR WITH THE PROVISIONS OF CALIFORNIA CIVIL CODE SECTION 1542, WHICH PROVIDES AS FOLLOWS:

"A GENERAL RELEASE DOES NOT EXTEND TO CLAIMS WHICH THE CREDITOR DOES NOT KNOW OR SUSPECT TO EXIST IN HIS OR HER FAVOR AT THE TIME OF EXECUTING THE RELEASE, WHICH, IF KNOWN BY HIM OR HER, MUST HAVE MATERIALLY AFFECTED HIS OR HER SETTLEMENT WITH THE DEBTOR."

BEING AWARE OF SAID CODE SECTION, EMPLOYEE HEREBY EXPRESSLY WAIVES ANY RIGHTS HE MAY HAVE THEREUNDER, AS WELL AS UNDER ANY OTHER STATUTES OR COMMON LAW PRINCIPLES OF SIMILAR EFFECT.

[Note: Clauses (c), (d) and (e) apply only if Employee is age 40 or older at time of termination]

(c)Employee acknowledges that this Release was presented to him on the date indicated above and that Employee is entitled to have twenty-one (21) days' time in which to consider it. Employee further acknowledges that the Company has advised him that he is waiving his rights under the ADEA, and that Employee should consult with an attorney of his choice before signing this Release, and Employee has had sufficient time to consider the terms of this Release. Employee represents and acknowledges that if Employee executes this Release before twenty-one (21) days have elapsed, Employee does so knowingly, voluntarily, and upon the advice and with the approval of Employee's legal counsel (if any), and that Employee voluntarily waives any remaining consideration period.

(d) Employee understands that after executing this Release, Employee has the right to revoke it within seven (7) days after his execution of it. Employee understands that this Release will not become effective and enforceable unless the seven (7) day revocation period passes and Employee does not revoke the Release in writing. Employee understands that this Release may not be revoked after the seven (7) day revocation period has passed. Employee also understands that any revocation of this Release must be made in writing and delivered to the Company at its principal place of business within the seven (7) day period.

(e) Employee understands that this Release shall become effective, irrevocable, and binding upon Employee on the eighth (8th) day after his execution of it, so long as Employee has not revoked it within the time period and in the manner specified in clause (d) above.

(f) Employee further understands that Employee will not be given any severance benefits under the Agreement unless this Release is effective on or before the date that is thirty (30) days following the date of Employee's termination of employment.

2. No Assignment. Employee represents and warrants to the Company Releasees that there has been no assignment or other transfer of any interest in any Claim that Employee may have against the Company Releasees. Employee agrees to indemnify and hold harmless the

Company Releasees from any liability, claims, demands, damages, costs, expenses and attorneys' fees incurred as a result of any such assignment or transfer from Employee.

3. Whistleblower Provision. Nothing herein shall be construed to prohibit Employee from communicating directly with, cooperating with, or providing information to, any government regulator, including, but not limited to, the U.S. Securities and Exchange Commission, the U.S. Commodity Futures Trading Commission, or the U.S. Department of Justice. Employee acknowledges that the Company has provided Employee with the following notice of immunity rights in compliance with the requirements of the Defend Trade Secrets Act: (i) Employee shall not be held criminally or civilly liable under any Federal or State trade secret law for the disclosure of proprietary information of the Company that is made in confidence to a Federal, State, or local government official or to an attorney solely for the purpose of reporting or investigating a suspected violation of law, (ii) Employee shall not be held criminally or civilly liable under any Federal or State trade secret law for the disclosure of proprietary information of the Company that is made in a complaint or other document filed in a lawsuit or other proceeding, if such filing is made under seal and (iii) if Employee files a lawsuit for retaliation by the Company for reporting a suspected violation of law, Employee may disclose the proprietary information to my attorney and use the proprietary information in the court proceeding, if Employee files any document containing the proprietary information under seal, and does not disclose the proprietary information, except pursuant to court order.

4. Severability. In the event any provision of this Release is found to be unenforceable by an arbitrator or court of competent jurisdiction, such provision shall be deemed modified to the extent necessary to allow enforceability of the provision as so limited, it being intended that the parties shall receive the benefit contemplated herein to the fullest extent permitted by law. If a deemed modification is not satisfactory in the judgment of such arbitrator or court, the unenforceable provision shall be deemed deleted, and the validity and enforceability of the remaining provisions shall not be affected thereby.

5. Interpretation; Construction. The headings set forth in this Release are for convenience only and shall not be used in interpreting this Agreement. This Release has been drafted by legal counsel representing the Company, but Employee has participated in the negotiation of its terms. Furthermore, Employee acknowledges that Employee has had an opportunity to review and revise the Release and have it reviewed by legal counsel, if desired, and, therefore, the normal rule of construction to the effect that any ambiguities are to be resolved against the drafting party shall not be employed in the interpretation of this Release. Either party's failure to enforce any provision of this Release shall not in any way be construed as a waiver of any such provision, or prevent that party thereafter from enforcing each and every other provision of this Release.

6. Governing Law; Venue. This Release shall be governed by and construed in accordance with the laws of the State of California without regard to the conflicts of laws principles thereof. Employee and the Company agree that any litigation regarding this Release shall be conducted in San Diego, California. Employee and the Company hereby consent to the jurisdiction of the courts of the State of California and the United States District Court for the Southern District of California.

7. Entire Agreement. This Release and the Agreement constitute the entire agreement of the Parties in respect of the subject matter contained herein and therein and supersede all prior or simultaneous representations, discussions, negotiations and agreements, whether written or oral. This Release may be amended or modified only with the written consent of Employee and an authorized representative of the Company. No oral waiver, amendment or modification will be effective under any circumstances whatsoever.

8. Counterparts. This Release may be executed in multiple counterparts, each of which shall be deemed to be an original but all of which together shall constitute one and the same instrument.

(Signature Page Follows)

IN WITNESS WHEREOF, the Parties have executed this Release as of the date(s) set forth below.

AIRGAIN, INC.

Dated: By:_/s/James Sims________________________

Name: ______________________________

Title: ______________________________

EMPLOYEE

Dated: __/s/Anil Doradla___________________________

ANIL DORADLA

Exhibit 10.20

AMENDED AND RESTATED EMPLOYMENT AGREEMENT

This AMENDED AND RESTATED EMPLOYMENT AGREEMENT ("Agreement"), effective as of January 16, 2019 (the "Effective Date"), is made by and between AIRGAIN, INC. (the "Company"), and KEVIN THILL ("Employee").

WHEREAS, Employee is employed by the Company as its Vice-President of Antenna Plus;

WHEREAS, Employee and the Company are parties to that certain Employment Agreement effective as of April 28, 2017 (the "Prior Agreement");

WHEREAS, the Board of Directors of the Company (the "Board") has determined that it is in the best interests of the Company and its shareholders to continue to employ Employee as the Company's Vice-President, Engineering under the following revised terms and conditions; and

WHEREAS, Employee desires to continue to be employed by the Company as the Company's Vice-President, Engineering and to accept such revised terms and conditions of employment as are contained in this Agreement.

NOW, THEREFORE, in consideration of the promises and mutual covenants contained herein and for other good and valuable consideration, the receipt of which is mutually acknowledged, the Company and Employee (individually a "Party" and together the "Parties") agree as follows:

AGREEMENT

1. Effective Date.

Employee's employment under the terms of this Agreement shall commence on the Effective Date.

2. At-will Employment.

Employee's employment relationship with the Company under this Agreement ("Employment") is at-will, terminable at any time and for any reason by either the Company or Employee. While certain sections of this Agreement describe events that could occur at a particular time in the future, nothing in this Agreement shall be construed as a guarantee of employment of any length.

3. Employment Duties.

a. Title/Responsibilities. On the Effective Date, Employee shall be the Senior Vice-President, Engineering of the Company, reporting to the Chief Executive Officer (or interim Chief Executive Officer) (the "Supervising Officer") of the Company. Employee shall perform all of the duties and responsibilities of such offices set forth in the Bylaws of the Company and those commonly associated with such offices and such further duties and responsibilities as may from time to time be assigned to him by the Board or the Supervising Officer.

b. Full-Time Attention. Employee shall devote his full time, attention, energy and skills to the Company during the period he is employed under this Agreement.

c. Policy Compliance. Employee shall comply with all of the Company's policies, practices and procedures, as well as, all applicable laws. Employee has previously executed and delivered to the Company the Confidentiality and Inventions Assignment Agreement (the "Confidentiality and Inventions Assignment Agreement") attached hereto as Exhibit 1.

4. Compensation.

a. Base Salary. Effective January 1, 2019, the Company shall pay Employee a base salary of $275,000 per year, or such higher amount as the Board may determine from time to time, less applicable federal and state withholding taxes, in accordance with the Company's regular payroll practices (the "Base Salary").

b. Annual Bonus Compensation. In addition to the Base Salary, Employee will be eligible to receive an incentive bonus (the "Bonus") at an initial target of sixty percent (60%) of his Base Salary (the "Target Bonus").

c. Effective Date Equity Awards. On the Effective Date, the Company shall grant to Employee (i) stock options to purchase an aggregate of 25,000 shares of the Company's common stock (the "Stock Option"), and (ii) 10,163 restricted stock units (the "RSUs"). The Stock Option shall vest as follows: 25% of the original number of shares subject to the Stock Option shall vest on January 1, 2020, and 1/48th of the original number of shares subject to the Stock Option shall vest following each one-month period thereafter, subject to Employee's continued service to the Company through each such vesting date, so that all of the shares subject to the Stock Option shall be vested on January 1, 2023. The RSUs shall vest as follows: 25% of the original number of shares subject to the RSUs shall vest on each of March 1, 2020, 2021, 2022 and 2023, subject to Employee's continued service to the Company through each such vesting date. Notwithstanding the foregoing, the Stock Option and the RSUs (and all Equity Awards held by Employee (as defined below)) shall become fully vested and exercisable, in the event of Employee's termination of employment by the Company without Cause (as defined below), or Employee's Resignation for Good Reason (as defined below), in each case following a Change in Control (as defined below). The Stock Option and the RSUs will be granted pursuant to the Company's 2016 Incentive Award Plan (the "Plan"). The Stock Option will have an exercise price per share equal to the then-current fair market value per share of the common stock of the Company (as determined pursuant to the Plan) on the date of grant. The Stock Option shall be an incentive stock option to the extent permitted under Section 422 of the Internal Revenue Code of 1986, as amended (the "Code"). The Stock Option shall have a ten-year term. The Stock Option and the RSUs shall be subject to the terms and conditions of the Plan and the award agreements pursuant to which such awards are granted. For purposes of this Agreement, "Equity Awards" means all stock options, restricted stock, restricted stock units and such other awards granted pursuant to the Company's stock option and equity incentive award plans or agreements and any shares of stock issued upon exercise thereof, including the Stock Option and the RSUs.

d. Additional Equity Awards. Employee shall be entitled to participate in any equity or other employee benefit plan that is generally available to senior executive officers, as distinguished from general management, of the Company. Except as otherwise provided in this Agreement, Employee's participation in and benefits under any such plan shall be on the terms and subject to the conditions specified in the governing document of the particular plan.

e. Employee Benefits. Employee shall be entitled to participate in all employee benefit plans, programs and arrangements maintained by the Company and made available to employees generally, including, without limitation, bonus, retirement, profit sharing and savings plans and medical, disability, dental, life and accidental death and dismemberment insurance plans.

f. Reimbursement of Expenses. During his Employment with the Company, Employee shall be entitled to reimbursement for all reasonable and necessary business expenses incurred on behalf of the Company, including without limitation, travel and entertainment expenses, business supplies and communication expenses, in accordance with the Company's policies and procedures.

5. Voluntary Resignation or Termination for "Cause."

a. Payment upon Voluntary Resignation other than for Good Reason or Termination for Cause. If Employee voluntarily resigns his Employment other than for Good Reason or if Employee is terminated for Cause, the Company shall pay Employee the following: (i) all accrued and unpaid Base Salary, if any is due, through the date of termination and any vacation which is accrued but unused as of such date; (ii) Employee's business expenses that are reimbursable pursuant to this Agreement and Company policies, but which have not been reimbursed by the Company as of the date of termination; and (iii) the Employee's Bonus compensation for the calendar year immediately preceding the year in which the date of termination occurs if such Bonus has been determined but not paid as of the date of termination (payable at the time such Bonus would otherwise have been paid to Employee, but in no event later than March 15 of the year in which the date of termination occurs) (collectively, the "Accrued Obligations"). Employee shall not be eligible for severance payments under Sections 6, 7 or 8 below, or any continuation of benefits (other than as required by law), or any other compensation pursuant to this Agreement or otherwise.

b. Definition of "Cause". As set forth above, the employment relationship between the Parties is at-will, terminable at any time by either Party for any reason or no reason. The termination may nonetheless be for "Cause". For purposes of this Agreement, "Cause" is defined as the Company's good faith determination of: (i) Employee's material breach of this Agreement or the Confidentiality and Inventions Assignment Agreement or the definitive agreements relating to the Equity Awards referenced in Section 4(c) above; (ii) Employee's continued substantial and material failure or refusal to perform according to, or to comply with, the policies, procedures or practices established by the Company; (iii) the appropriation (or attempted appropriation) of a material business opportunity of the Company, including attempting to secure or securing any personal profit in connection with any transaction entered into on behalf of the Company; (iv) the misappropriation (or attempted appropriation) of any of the Company's funds or property of any kind; (v) willful gross misconduct; or (vi) Employee's conviction of a felony involving moral turpitude that is likely to inflict or has inflicted material injury on the business of the Company; provided, however, that except for Cause being the result of item (vi) above, the Company shall provide written notice to Employee, which notice specifically identifies the nature of the alleged Cause claimed by the Company with enough specificity for Employee to be able to cure, and Employee shall thereafter have fifteen (15) days to cure the purported ground(s) for Cause.

c. Definition of "Good Reason". For purposes of this Agreement, "Good Reason" and "Resignation for Good Reason" are defined as:

i. a material reduction in Employee's authority, duties or responsibilities relative to Employee's authority, duties or

responsibilities in effect immediately prior to such reduction;

ii. a material reduction by the Company in Employee's Base Salary relative to Employee's Base Salary in effect immediately prior to such reduction (and the Parties agree that a reduction of ten percent (10%) or more will be considered material for purposes of this clause (ii)), other than a general reduction in the base salaries of similarly situated employees of the Company; or

iii. a relocation of Employee's or the Company's principal executive offices to a location outside of Maricopa County, Arizona, if Employee's principal office is at such offices; or

iv. the Company's material breach of this Agreement;

provided, however, that Employee must provide written notice to the Board of the condition that could constitute a "Good Reason" event within ninety (90) days of the initial existence of such condition and such condition must not have been remedied by the Company within thirty (30) days (the "Cure Period") of such written notice. Employee's Resignation for Good Reason must occur within six (6) months following the initial existence of such condition.

6. Termination Without "Cause" or "Resignation for Good Reason". In the event Employee is terminated without Cause or resigns for Good Reason, Employee shall be entitled to:

a. the Accrued Obligations; plus

b. subject to Employee's execution and non-revocation of a full and final Release (as defined in Section 9 below) and Employee's continued compliance with the Confidentiality and Inventions Assignment Agreement, severance pay in an amount equal to the sum of (i) six (6) months' Base Salary as in effect immediately prior to the date of termination, plus (ii) an amount equal to Employee's Target Bonus for the calendar year during which the date of termination occurs, prorated for such portion of the calendar year during which such termination occurs that has elapsed through the date of termination, payable in a lump sum on the date that is thirty (30) days following the date of termination; plus

c. subject to Employee's execution and non-revocation of a full and final Release and Employee's continued compliance with the Confidentiality and Inventions Assignment Agreement, for the period beginning on the date of Employee's termination of employment and ending on the date which is six (6) full months following the date of Employee's termination of employment (or, if earlier, the date on which the applicable continuation period under the Consolidated Omnibus Budget Reconciliation Act of 1985, as amended ("COBRA") expires) (the "COBRA Coverage Period"), the Company shall arrange to provide Employee and his eligible dependents who were covered under the Company's health insurance plans as of the date of Employee's termination of employment with health (including medical and dental) insurance benefits substantially similar to those provided to Employee and his dependents immediately prior to the date of such termination. If the Company is not reasonably able to continue health insurance benefits coverage under the Company's insurance plans, the Company shall provide substantially equivalent coverage under other third-party insurance sources. If any of the Company's health benefits are self-funded as of the date of Employee's termination of employment, or if the Company cannot provide the foregoing

benefits in a manner that is exempt from or otherwise compliant with applicable law (including, without limitation, Section 409A of the Code and Section 2716 of the Public Health Service Act), instead of providing continued health insurance benefits as set forth above, the Company shall instead pay to Employee an amount equal to the monthly premium payment for Employee and his eligible dependents who were covered under the Company's health plans as of the date of Employee's termination of employment (calculated by reference to the premium as of the date of termination) as currently taxable compensation in substantially equal monthly installments over the COBRA Coverage Period (or the remaining portion thereof).

7. Employee's Disability or Death. Employee's employment shall terminate automatically in the event of Employee's death or termination of employment by reason of his "Disability." In the event of Employee's death or termination of employment as a result of Employee's Disability, Employee or his heirs shall be entitled to (a) the Accrued Obligations, plus (b) payment of an amount equal to Employee's "earned" Bonus for the calendar year during which Employee's date of termination occurs calculated as of the date of termination (wherein "earned" means that Employee has met the applicable bonus metrics as of date of such termination, as determined by the Board), prorated for such portion of the calendar year during which such termination occurs that has elapsed through the date of termination, payable in a lump sum on the date that is thirty (30) days following the date of termination. For purposes of this Agreement, "Disability" shall mean the Employee's failure to perform his duties hereunder, for a period of not less than one hundred twenty (120) consecutive days because of Employee's incapacitation due to physical or mental injury, disability, or illness.

8. Change in Control Termination.

a. Payment Upon Change in Control Termination. In the event of a "Change in Control Termination", as defined below, Employee shall be entitled to:

i. the Accrued Obligations; plus

ii. subject to Employee's execution and non-revocation of a full and final Release and Employee's continued compliance with the Confidentiality and Inventions Assignment Agreement, severance pay in an amount equal to the sum of (A) twelve (12) months' Base Salary as in effect immediately prior to the date of termination, plus (B) Employee's Target Bonus for the calendar year during which such date of termination occurs, payable in a lump sum on the date that is thirty (30) days following the date of termination; plus

iii. subject to Employee's execution and non-revocation of a full and final Release and Employee's continued compliance with the Confidentiality and Inventions Assignment Agreement, for the period beginning on the date of Employee's termination of employment and ending on the date which is eighteen (18) full months following the date of Employee's termination of employment (or, if earlier, the date on which the applicable continuation period under COBRA expires) (the "CIC COBRA Coverage Period"), the Company shall arrange to provide Employee and his eligible dependents who were covered under the Company's health insurance plans as of the date of

Employee's termination of employment with health (including medical and dental) insurance benefits substantially similar to those provided to Employee and his dependents immediately prior to the date of such termination. If the Company is not reasonably able to continue health insurance benefits coverage under the Company's insurance plans, the Company shall provide substantially equivalent coverage under other third-party insurance sources. If any of the Company's health benefits are self-funded as of the date of Employee's termination of employment, or if the Company cannot provide the foregoing benefits in a manner that is exempt from or otherwise compliant with applicable law (including, without limitation, Section 409A of the Code and Section 2716 of the Public Health Service Act), instead of providing continued health insurance benefits as set forth above, the Company shall instead pay to Employee an amount equal to the monthly premium payment for Employee and his eligible dependents who were covered under the Company's health plans as of the date of Employee's termination of employment (calculated by reference to the premium as of the date of termination) as currently taxable compensation in substantially equal monthly installments over the CIC COBRA Coverage Period (or the remaining portion thereof).

b. Definition of "Change in Control Termination". A "Change in Control Termination" occurs if Employee (i) is terminated without Cause, or (ii) terminates his employment pursuant to a Resignation for Good Reason, in each case within twelve (12) months following a "Change in Control" (as defined below). For purposes of this Agreement, a "Change in Control" means the occurrence of any of the following events:

i. Any "person" (as such term is used in Sections 13(d) and 14(d) of the Exchange Act) (other than the Company, any of its subsidiaries, or any existing shareholder of the Company) becomes the "beneficial owner" (as defined in Rule 13d-3 of the Securities and Exchange Act of 1934, as amended), directly or indirectly, of securities of the Company representing fifty percent (50%) or more of the total voting power represented by the Company's then outstanding voting securities;

ii. The consummation of the sale, liquidation or disposition by the Company of all or substantially all of the Company's assets; or

iii. The consummation of a merger, consolidation, reorganization or other similar transaction involving the Company ("Transaction") in each case, in which the voting securities of the Company outstanding immediately prior thereto do not continue to represent (either by remaining outstanding or by being converted into voting securities of the surviving entity or its parent) at least fifty percent (50%) of the power represented by the voting securities of the Company or such surviving entity or its parent outstanding immediately after such Transaction.

In addition, if a Change in Control constitutes a payment event with respect to any payment under this Agreement which provides for the deferral of compensation and is subject to Section 409A of the Code, the transaction or event described in clause (i), (ii) or (iii) with respect to such payment must also constitute a "change in control event," as defined in Treasury Regulation Section 1.409A-3(i)(5) to the extent required by Section 409A of the Code.

9. Release. Notwithstanding any provision to the contrary in this Agreement, no amount shall be paid or benefit provided pursuant to Section 6 or Section 8 (other than the Accrued Obligations) and no accelerated vesting of the Equity Awards shall occur as a result of Employee's termination of employment pursuant to Section 4(c) unless, on or prior to the thirtieth (30th) day following the date of Employee's termination of employment, an effective general release of claims agreement (the "Release") in substantially the form attached hereto as Exhibit 2 has been executed by Employee and remains effective on such date and any applicable revocation period thereunder has expired.

10. Notices. Any reports, notices or other communications required or permitted to be given by either Party hereto, shall be given in writing by personal delivery, overnight courier service, or by registered or certified mail, postage prepaid, return receipt requested, addressed to the Company at its principal executive offices and to Employee at his most recent address on the Company's payroll records.

11. Notice of Termination. Any purported termination of Employment by the Company or the Employee shall be communicated by written Notice of Termination to the other Party. For purposes of this Agreement, a "Notice of Termination" shall mean a notice which indicates, if applicable, the specific termination provision in this Agreement relied upon and shall set forth in reasonable detail the facts and circumstances claimed to provide a basis for termination of the Employee's employment under the provision so indicated. For purposes of this Agreement, no such purported termination of employment shall be effective without delivery of such a Notice of Termination.

12. General Provisions.

a. Governing Law; Venue. This Agreement shall be governed by and construed in accordance with the laws of the State of Arizona without regard to the conflicts of laws principles thereof. Employee and the Company agree that any litigation regarding this Agreement shall be conducted in Scottsdale, Arizona. Employee and the Company hereby consent to the jurisdiction of the courts of the State of Arizona and the United States District Court for the District of Arizona.

b. Assignment; Assumption by Successor. The rights of the Company under this Agreement may, without the consent of Employee, be assigned by the Company, in its sole and unfettered discretion, to any person, firm, corporation or other business entity which at any time, whether by purchase, merger or otherwise, directly or indirectly, acquires all or substantially all of the assets or business of the Company. The Company will require any successor (whether direct or indirect, by purchase, merger or otherwise) to all or substantially all of the business or assets of the Company expressly to assume and to agree to perform this Agreement in the same manner and to the same extent that the Company would be required to perform it if no such succession had taken place; provided, however, that no such assumption shall relieve the Company of its obligations hereunder. As used in this Agreement, the "Company" shall mean the Company as hereinbefore defined and any successor to its business and/or assets as aforesaid which assumes and agrees to perform this Agreement by operation of law or otherwise.

c. No Waiver of Breach. The failure to enforce any provision of this Agreement shall not be construed as a waiver of any such provision, nor prevent a Party thereafter from enforcing the provision or any other provision of this Agreement. The rights

granted the Parties are cumulative, and the election of one shall not constitute a waiver of such Party's right to assert all other legal and equitable remedies available under the circumstances.

d. Severability. The provisions of this Agreement are severable, and if any provision shall be held to be invalid or otherwise unenforceable, in whole or in part, the remainder of the provisions, or enforceable parts of this Agreement, shall not be affected.

e. Entire Agreement. This Agreement, the Confidentiality and Inventions Assignment Agreement and that certain Noncompete Agreement, effective April 28, 2017, between Employee and the Company, constitute the entire agreement of the Parties with respect to the subject matter of this Agreement and supersede all prior and contemporaneous negotiations, agreements and understandings between the Parties, whether oral or written, including, without limitation, any offer letter between the parties and the Prior Agreement.

f. Modifications and Waivers. No modification or waiver of this Agreement shall be valid unless in writing, signed by the Party against whom such modification or waiver is sought to be enforced.

g. Amendment. This Agreement may be amended or supplemented only by a writing signed by both of the Parties hereto.

h. Duplicate Counterparts; Facsimile. This Agreement may be executed in duplicate counterparts, each of which shall be deemed an original; provided, however, such counterparts shall together constitute only one agreement. Facsimile signatures or signatures sent via electronic mail shall be as effective as original signatures.

i. Interpretation. The headings contained in this Agreement are for reference purposes only and shall not affect in any way the meaning or interpretation of this Agreement.

j. Non-transferability of Interest. None of the rights of Employee to receive any form of compensation payable pursuant to this Agreement shall be assignable or transferable except through a testamentary disposition or by the laws of descent and distribution upon the death of Employee. Any attempted assignment, transfer, conveyance, or other disposition (other than as aforesaid) of any interest in the rights of Employee to receive any form of compensation to be made by the Company pursuant to this Agreement shall be void.

k. Construction. The language in all parts of this Agreement shall in all cases be construed simply, according to its fair meaning, and not strictly for or against any of the parties hereto. Without limitation, there shall be no presumption against any party on the ground that such party was responsible for drafting this Agreement or any part thereof.

l. Section 409A.

i. Notwithstanding anything to the contrary in this Agreement, no payment or benefit to be paid or provided to Employee upon his termination of employment, if any, pursuant to this Agreement that, when considered together with any other payments or benefits, are considered deferred compensation under Section 409A (together, the "Deferred Payments") will be paid or otherwise provided until Employee has a "separation from service" within the meaning of Section 409A. Similarly, no amounts payable to Employee, if any, pursuant to this Agreement that otherwise would be exempt from Section 409A pursuant to Treasury Regulation Section 1.409A-1(b)(9) will be payable until Employee has a "separation from service" within the meaning of Section 409A.

ii. Notwithstanding anything to the contrary in this Agreement, if Employee is a "specified employee" within the meaning of Section 409A at the time of Employee's termination of employment (other than due to death), then the Deferred Payments that are payable within the first six (6) months following Employee's separation from service, will become payable on the first payroll date that occurs on or after the date six (6) months and one (1) day following the date of Employee's separation from service. All subsequent Deferred Payments, if any, will be payable in accordance with the payment schedule applicable to each payment or benefit. Notwithstanding anything herein to the contrary, if Employee dies following Employee's separation from service, but prior to the six (6) month anniversary of the separation from service, then any payments delayed in accordance with this paragraph will be payable in a lump sum as soon as administratively practicable after the date of Employee's death and all other Deferred Payments will be payable in accordance with the payment schedule applicable to each payment or benefit. Each payment and benefit payable under this Agreement is intended to constitute a separate payment for purposes of Section 1.409A-2(b)(2) of the Treasury Regulations.

iii. Any amount paid under this Agreement that satisfies the requirements of the "short-term deferral" rule set forth in Section 1.409A-1(b)(4) of the Treasury Regulations will not constitute a Deferred Payment for purposes of clauses (i) and (ii) above.

iv. Any amount paid under this Agreement that qualifies as a payment made as a result of an involuntary separation from service pursuant to Section 1.409A-1(b)(9)(iii) of the Treasury Regulations that does not exceed the limits set forth therein will not constitute a Deferred Payment for purposes of clauses (i) and (ii) above.

v. This Agreement is intended to be written, administered, interpreted and construed in a manner such that no payment or benefits provided under the Agreement become subject to (A) the gross income inclusion set forth within Code Section 409A(a)(1)(A) or (B) the interest and additional tax set forth within Code Section 409A(a)(1)(B) (together, referred to herein as the "Section 409A Penalties"), including, where appropriate, the construction of defined terms to have meanings that would not cause the imposition of Section 409A Penalties. In no event shall the Company be required to provide a tax gross-up payment to Employee or otherwise reimburse Employee with respect to Section 409A Penalties. The Company and Employee agree to work together in good faith to consider amendments to this Agreement and to take such reasonable actions which are necessary, appropriate or desirable to avoid imposition of any Section 409A Penalties on Employee.

vi. Any reimbursement of expenses or in-kind benefits payable under this Agreement shall be made in accordance with Treasury Regulation Section 1.409A-3(i)(1)(iv) and shall be paid on or before the last day of Employee's taxable year following the taxable year in which Employee incurred the expenses. The amount of expenses reimbursed or in-kind benefits payable in one year shall not affect the amount eligible for reimbursement or in-kind benefits payable in any other taxable year of Employee's, and Employee's right to reimbursement for such amounts shall not be subject to liquidation or exchange for any other benefit.

m. Whistleblower Provision. Nothing herein shall be construed to prohibit Employee from communicating directly with, cooperating with, or providing information to, any government regulator, including, but not limited to, the U.S. Securities and Exchange Commission, the U.S. Commodity Futures Trading Commission, or the U.S. Department of Justice. Employee acknowledges that the Company has provided Employee with the following notice of immunity rights in compliance with the requirements of the Defend Trade Secrets Act: (i) Employee shall not be held criminally or civilly liable under any Federal or State trade

secret law for the disclosure of proprietary information of the Company that is made in confidence to a Federal, State, or local government official or to an attorney solely for the purpose of reporting or investigating a suspected violation of law, (ii) Employee shall not be held criminally or civilly liable under any Federal or State trade secret law for the disclosure of proprietary information of the Company that is made in a complaint or other document filed in a lawsuit or other proceeding, if such filing is made under seal and (iii) if Employee files a lawsuit for retaliation by the Company for reporting a suspected violation of law, Employee may disclose the proprietary information to my attorney and use the proprietary information in the court proceeding, if Employee files any document containing the proprietary information under seal, and does not disclose the proprietary information, except pursuant to court order.

(Signature Page Follows)

IN WITNESS WHEREOF, the Parties have executed this Agreement as of the date(s) set forth below.

AIRGAIN, INC.

Dated: By:____/s/Anil Doradla____________________

Name: ______________________________

Title: ______________________________

EMPLOYEE

Dated: _/s/Kevin Thill______________________________

KEVIN THILL

EXHIBIT 1

<u>CONFIDENTIALITY AND INVENTIONS ASSIGNMENT AGREEMENT</u>

[Attached]

EXHIBIT 2

GENERAL RELEASE OF CLAIMS

[*The language in this Release may change based on legal developments and evolving best practices; this form is provided as an example of what will be included in the final Release document.*]

This General Release of Claims ("Release") is entered into as of this _____ day of ________, ______, between KEVIN THILL ("Employee"), and AIRGAIN, INC., a Delaware corporation (the "Company") (collectively referred to herein as the "Parties").

WHEREAS, Employee and the Company are parties to that certain Amended and Restated Employment Agreement effective as of January 16, 2019 (the "Agreement");

WHEREAS, the Parties agree that Employee is entitled to certain severance benefits under the Agreement, subject to Employee's execution of this Release; and

WHEREAS, the Company and Employee now wish to fully and finally to resolve all matters between them.

NOW, THEREFORE, in consideration of, and subject to, the severance benefits payable to Employee pursuant to the Agreement, the adequacy of which is hereby acknowledged by Employee, and which Employee acknowledges that he would not otherwise be entitled to receive, Employee and the Company hereby agree as follows:

1. General Release of Claims by Employee.

(a)Employee, on behalf of himself and his executors, heirs, administrators, representatives and assigns, hereby agrees to release and forever discharge the Company and all predecessors, successors and their respective parent corporations, affiliates, related, and/or subsidiary entities, and all of their past and present investors, directors, shareholders, officers, general or limited partners, employees, attorneys, agents and representatives, and the employee benefit plans in which Employee is or has been a participant by virtue of his employment with or service to the Company (collectively, the "Company Releasees"), from any and all claims, debts, demands, accounts, judgments, rights, causes of action, equitable relief, damages, costs, charges, complaints, obligations, promises, agreements, controversies, suits, expenses, compensation, responsibility and liability of every kind and character whatsoever (including attorneys' fees and costs), whether in law or equity, known or unknown, asserted or unasserted, suspected or unsuspected (collectively, "Claims"), which Employee has or may have had against such entities based on any events or circumstances arising or occurring on or prior to the date hereof or on or prior to the date hereof, arising directly or indirectly out of, relating to, or in any other way involving in any manner whatsoever Employee's employment by or service to the Company or the termination thereof, including any and all claims arising under federal, state, or local laws relating to employment, including without limitation claims of wrongful discharge, breach of express or implied contract, fraud, misrepresentation, defamation, or liability in tort, and claims of any kind that may be brought in any court or administrative agency including, without

limitation, claims under Title VII of the Civil Rights Act of 1964, as amended, 42 U.S.C. Section 2000, et seq.; the Americans with Disabilities Act, as amended, 42 U.S.C. § 12101 et seq.; the Rehabilitation Act of 1973, as amended, 29 U.S.C. § 701 et seq.; the Civil Rights Act of 1866, and the Civil Rights Act of 1991; 42 U.S.C. Section 1981, et seq.; the Age Discrimination in Employment Act, as amended, 29 U.S.C. Section 621, et seq. (the "ADEA"); the Equal Pay Act, as amended, 29 U.S.C. Section 206(d); regulations of the Office of Federal Contract Compliance, 41 C.F.R. Section 60, et seq.; the Family and Medical Leave Act, as amended, 29 U.S.C. § 2601 et seq.; the Fair Labor Standards Act of 1938, as amended, 29 U.S.C. § 201 et seq.; the Employee Retirement Income Security Act, as amended, 29 U.S.C. § 1001 et seq.; and the California Fair Employment and Housing Act, California Government Code Section 12940, et seq.

Notwithstanding the generality of the foregoing, Employee does not release the following claims:

(i) Claims for unemployment compensation or any state disability insurance benefits pursuant to the terms of applicable state law;

(ii) Claims for workers' compensation insurance benefits under the terms of any worker's compensation insurance policy or fund of the Company;

(iii) Claims pursuant to the terms and conditions of the federal law known as COBRA;

(iv)Claims for indemnity under the bylaws of the Company, as provided for by California or Delaware law or under any applicable insurance policy with respect to Employee's liability as an employee, director or officer of the Company;

(v) Employee's right to bring to the attention of the Equal Employment Opportunity Commission or the California Department of Fair Employment and Housing or any other federal, state or local government agency claims of discrimination, or from participating in an investigation or proceeding conducted by the Equal Employment Opportunity Commission or any other federal, state or local government agency; provided, however, that Employee does release his right to secure any damages for alleged discriminatory treatment;

(vi) Claims based on any right Employee may have to enforce the Company's executory obligations under the Agreement;

(vii) Claims Employee may have to vested or earned compensation and benefits; and

(viii) Employee's right to communicate or cooperate with any government agency.

(b) EMPLOYEE ACKNOWLEDGES THAT HE HAS BEEN ADVISED OF

AND IS FAMILIAR WITH THE PROVISIONS OF CALIFORNIA CIVIL CODE SECTION 1542, WHICH PROVIDES AS FOLLOWS:

"A GENERAL RELEASE DOES NOT EXTEND TO CLAIMS WHICH THE CREDITOR DOES NOT KNOW OR SUSPECT TO EXIST IN HIS OR HER FAVOR AT THE TIME OF EXECUTING THE RELEASE, WHICH, IF KNOWN BY HIM OR HER, MUST HAVE MATERIALLY AFFECTED HIS OR HER SETTLEMENT WITH THE DEBTOR."

BEING AWARE OF SAID CODE SECTION, EMPLOYEE HEREBY EXPRESSLY WAIVES ANY RIGHTS HE MAY HAVE THEREUNDER, AS WELL AS UNDER ANY OTHER STATUTES OR COMMON LAW PRINCIPLES OF SIMILAR EFFECT.

[Note: Clauses (c), (d) and (e) apply only if Employee is age 40 or older at time of termination]

(c)Employee acknowledges that this Release was presented to him on the date indicated above and that Employee is entitled to have twenty-one (21) days' time in which to consider it. Employee further acknowledges that the Company has advised him that he is waiving his rights under the ADEA, and that Employee should consult with an attorney of his choice before signing this Release, and Employee has had sufficient time to consider the terms of this Release. Employee represents and acknowledges that if Employee executes this Release before twenty-one (21) days have elapsed, Employee does so knowingly, voluntarily, and upon the advice and with the approval of Employee's legal counsel (if any), and that Employee voluntarily waives any remaining consideration period.

(d) Employee understands that after executing this Release, Employee has the right to revoke it within seven (7) days after his execution of it. Employee understands that this Release will not become effective and enforceable unless the seven (7) day revocation period passes and Employee does not revoke the Release in writing. Employee understands that this Release may not be revoked after the seven (7) day revocation period has passed. Employee also understands that any revocation of this Release must be made in writing and delivered to the Company at its principal place of business within the seven (7) day period.

(e) Employee understands that this Release shall become effective, irrevocable, and binding upon Employee on the eighth (8th) day after his execution of it, so long as Employee has not revoked it within the time period and in the manner specified in clause (d) above.

(f) Employee further understands that Employee will not be given any severance benefits under the Agreement unless this Release is effective on or before the date that is thirty (30) days following the date of Employee's termination of employment.

2. No Assignment. Employee represents and warrants to the Company Releasees that there has been no assignment or other transfer of any interest in any Claim that Employee may have against the Company Releasees. Employee agrees to indemnify and hold harmless the

Company Releasees from any liability, claims, demands, damages, costs, expenses and attorneys' fees incurred as a result of any such assignment or transfer from Employee.

3. Whistleblower Provision. Nothing herein shall be construed to prohibit Employee from communicating directly with, cooperating with, or providing information to, any government regulator, including, but not limited to, the U.S. Securities and Exchange Commission, the U.S. Commodity Futures Trading Commission, or the U.S. Department of Justice. Employee acknowledges that the Company has provided Employee with the following notice of immunity rights in compliance with the requirements of the Defend Trade Secrets Act: (i) Employee shall not be held criminally or civilly liable under any Federal or State trade secret law for the disclosure of proprietary information of the Company that is made in confidence to a Federal, State, or local government official or to an attorney solely for the purpose of reporting or investigating a suspected violation of law, (ii) Employee shall not be held criminally or civilly liable under any Federal or State trade secret law for the disclosure of proprietary information of the Company that is made in a complaint or other document filed in a lawsuit or other proceeding, if such filing is made under seal and (iii) if Employee files a lawsuit for retaliation by the Company for reporting a suspected violation of law, Employee may disclose the proprietary information to my attorney and use the proprietary information in the court proceeding, if Employee files any document containing the proprietary information under seal, and does not disclose the proprietary information, except pursuant to court order.

4. Severability. In the event any provision of this Release is found to be unenforceable by an arbitrator or court of competent jurisdiction, such provision shall be deemed modified to the extent necessary to allow enforceability of the provision as so limited, it being intended that the parties shall receive the benefit contemplated herein to the fullest extent permitted by law. If a deemed modification is not satisfactory in the judgment of such arbitrator or court, the unenforceable provision shall be deemed deleted, and the validity and enforceability of the remaining provisions shall not be affected thereby.

5. Interpretation; Construction. The headings set forth in this Release are for convenience only and shall not be used in interpreting this Agreement. This Release has been drafted by legal counsel representing the Company, but Employee has participated in the negotiation of its terms. Furthermore, Employee acknowledges that Employee has had an opportunity to review and revise the Release and have it reviewed by legal counsel, if desired, and, therefore, the normal rule of construction to the effect that any ambiguities are to be resolved against the drafting party shall not be employed in the interpretation of this Release. Either party's failure to enforce any provision of this Release shall not in any way be construed as a waiver of any such provision, or prevent that party thereafter from enforcing each and every other provision of this Release.

6. Governing Law; Venue. This Release shall be governed by and construed in accordance with the laws of the State of California without regard to the conflicts of laws principles thereof. Employee and the Company agree that any litigation regarding this Release shall be conducted in San Diego, California. Employee and the Company hereby consent to the jurisdiction of the courts of the State of California and the United States District Court for the Southern District of California.

7. Entire Agreement. This Release and the Agreement constitute the entire agreement of the Parties in respect of the subject matter contained herein and therein and supersede all prior or simultaneous representations, discussions, negotiations and agreements, whether written or oral. This Release may be amended or modified only with the written consent of Employee and an authorized representative of the Company. No oral waiver, amendment or modification will be effective under any circumstances whatsoever.

8. Counterparts. This Release may be executed in multiple counterparts, each of which shall be deemed to be an original but all of which together shall constitute one and the same instrument.

(Signature Page Follows)

IN WITNESS WHEREOF, the Parties have executed this Release as of the date(s) set forth below.

AIRGAIN, INC.

Dated: By:___/s/James Sims____________________

Name: ____________________________

Title: ____________________________

EMPLOYEE

Dated: _/s/Kevin Thill____________________________
KEVIN THILL

Exhibit 10.21

AMENDED AND RESTATED EMPLOYMENT AGREEMENT

This EMPLOYMENT AGREEMENT ("Agreement"), effective as of March 13, 2019 (the "Effective Date"), is made by and between AIRGAIN, INC. (the "Company"), and JIM K. SIMS ("Employee").

WHEREAS, Employee is currently serving as Executive Chairman of the Board of Directors of the Company (the "Board") and interim Chief Executive Officer of the Company pursuant to that certain Employment Agreement between the Company and Employee effective as of February 16, 2018 (the "Prior Agreement");

WHEREAS, the Board has determined that it is in the best interests of the Company and its shareholders to appoint Employee as both Chairman and Chief Executive Officer, effective as of the Effective Date, under the following terms and conditions; and

WHEREAS, Employee desires to continue to be employed by the Company as its Chairman and Chief Executive Officer and to accept such terms and conditions of employment as are contained in this Agreement, in each case as of the Effective Date.

NOW, THEREFORE, in consideration of the promises and mutual covenants contained herein and for other good and valuable consideration, the receipt of which is mutually acknowledged, the Company and Employee (individually a "Party" and together the "Parties") agree as follows:

AGREEMENT

1. Effective Date.

Employee's employment under the terms of this Agreement shall commence on the Effective Date.

2. At-will Employment.

Employee's employment relationship with the Company under this Agreement ("Employment") is at-will, terminable at any time and for any reason by either the Company or Employee. While certain sections of this Agreement describe events that could occur at a particular time in the future, nothing in this Agreement shall be construed as a guarantee of employment of any length.

3. Employment Duties.

a. Title/Responsibilities. On the Effective Date, Employee shall be the Chairman of the Board and the Chief Executive Officer, reporting to the Board. Employee shall perform all of the duties and responsibilities of such offices set forth in the Bylaws of the Company and those commonly associated with such offices and such further duties and responsibilities as may from time to time be assigned to him by the Board. During the term of this Agreement, Employee will also continue to serve as a member of the Board and Chairman of the Board until the earlier of his resignation, removal from the Board or death, or his successor is duly appointed by the Board. Employee's termination of employment as Chief Executive Officer will not affect his service as Chairman of the Board or a member of the

Board, which will remain subject to Delaware law and the Company's bylaws and charter. However, Employee may resign or be removed as Chairman of the Board or a member of the Board in accordance with Delaware law and the Company's bylaws and charter.

b. Responsibilities/Work Location. Employee's duties and authority shall be prescribed by the Board and shall be commensurate with those of a chairman and chief executive officer of a company of comparable size and with a similar business as the Company. Employee agrees that while serving as Chairman and Chief Executive Officer under this Agreement Employee shall use best efforts and devote such business time to the Company as reasonably necessary to perform such duties. Employee's primary place of work shall be the Company's offices in Melbourne, Florida, but shall travel to other Company locations as his duties may reasonably require.

c. Policy Compliance. Employee shall comply with all of the Company's policies, practices and procedures, as well as, all applicable laws. Employee has previously executed and delivered to the Company the Confidentiality and Inventions Assignment Agreement (the "Confidentiality and Inventions Assignment Agreement") attached hereto as Exhibit 1.

4. Compensation.

a. Base Salary. The Company shall pay Employee a base salary of $400,000 per year, or such higher amount as the Board may determine from time to time, less applicable federal and state withholding taxes, in accordance with the Company's regular payroll practices (the "Base Salary").

b. Annual Bonus Compensation. In addition to the Base Salary, Employee may be awarded a discretionary bonus by the Board in connection with his employment as Chairman of the Board and Chief Executive Officer. Employee will be eligible to receive an incentive bonus (the "Bonus") with his target incentive equal to ninety percent (90%) of the target incentive of the CEO from time to time (the "Target Bonus"), or such higher amount as the Board may determine from time to time. Employee's Bonus will be prorated to the extent he is not serving as Chief Executive Officer for a full calendar year.

c. Director Compensation. Employee acknowledges and agrees that during the term of this Agreement, he will not be entitled to any additional fees or other compensation for serving as a member of the Board, including any fees or equity grants in accordance with the Company's policy for non-employee members of the Board, provided, that the Equity Awards (as defined below) previously granted to Employee in connection with his service as a member of the Board will continue to vest based on his employment hereunder. Following the cessation of Employee's employment under this Agreement, subject to his remaining as a member of the Board thereafter, Employee will again be eligible to receive fees and equity grants in accordance with the Company's policy for non-employee members of the Board. Employee and the Company acknowledge and agree that the compensation payable to Employee under this Agreement is solely for Employee's services as an employee and not for his service as a non-employee member of the Board.

d. Equity Awards. Employee shall be entitled to participate in any equity or other employee benefit plan that is generally available to senior executive officers, as distinguished from general management, of the Company. Except as otherwise provided in this Agreement, Employee's participation in and benefits under any such plan shall be on the terms and subject to the conditions specified in the governing document of the particular plan. All of Employee's Equity Awards shall vest in full upon the occurrence of a Change in Control (as defined in the Company's 2016 Incentive Award Plan). For purposes of this Agreement, "Equity Awards" means all stock options, restricted stock and such other awards granted pursuant to the Company's stock option and equity incentive award plans or agreements and any shares of stock issued upon exercise thereof.

e. Employee Benefits. Employee shall be entitled to participate in all employee benefit plans, programs and arrangements maintained by the Company and made available to employees generally, including, without limitation, bonus, retirement, profit sharing and savings plans and medical, disability, dental, life and accidental death and dismemberment insurance plans.

f. Reimbursement of Expenses. During his Employment with the Company, Employee shall be entitled to reimbursement for all reasonable and necessary business expenses incurred on behalf of the Company, including without limitation, travel and entertainment expenses, business supplies and communication expenses, in accordance with the Company's policies and procedures.

5. Voluntary Resignation, Termination for "Cause" or any Termination After February 16, 2021.

a. Payment upon Voluntary Resignation other than for Good Reason or Termination for Cause or any Termination After February 16, 2021. If Employee voluntarily resigns his Employment other than for Good Reason or if Employee is terminated for Cause, or in the event of any termination of Employee's employment after February 16, 2021, the Company shall pay Employee the following: (i) all accrued and unpaid Base Salary, if any is due, through the date of termination and any vacation which is accrued but unused as of such date; (ii) Employee's business expenses that are reimbursable pursuant to this Agreement and Company policies, but which have not been reimbursed by the Company as of the date of termination; and (iii) the Employee's Bonus compensation for the calendar year immediately preceding the year in which the date of termination occurs if such Bonus has been determined but not paid as of the date of termination (payable at the time such Bonus would otherwise have been paid to Employee, but in no event later than March 15 of the year in which the date of termination occurs) (collectively, the "Accrued Obligations"). Employee shall not be eligible for severance payments under Sections 6 or 7 below, or any continuation of benefits (other than as required by law), or any other compensation pursuant to this Agreement or otherwise.

b. Definition of "Cause". As set forth above, the employment relationship between the Parties is at-will, terminable at any time by either Party for any reason or no reason. The termination may nonetheless be for "Cause". For purposes of this Agreement, "Cause" is defined as the Company's good faith determination of: (i) Employee's material breach of this Agreement or the Confidentiality and Inventions Assignment Agreement; (ii) Employee's continued substantial and material failure or refusal to perform the duties reasonably assigned to him by the Board consistent with his position ; (iii) the appropriation (or attempted appropriation) of a material business opportunity of the Company, including attempting to secure or securing any personal profit in connection with any transaction entered into on behalf of the Company; (iv) the misappropriation (or attempted appropriation) of any of the Company's funds or property of any kind; (v) willful gross misconduct; (vi) Employee's conviction of a felony involving moral turpitude that is likely to inflict or has inflicted material injury on the business of the Company; or (vii) any violation by Employee of any fiduciary duties owed by Employee to the Company; provided, however, that except for Cause being the result of item (vi) above, the Board shall provide written notice to Employee, which notice specifically identifies the nature of the alleged Cause claimed by the Company with enough specificity for Employee to be able to cure, and Employee shall thereafter have fifteen (15) days to cure the purported ground(s) for Cause.

c. Definition of "Good Reason". For purposes of this Agreement, "Good Reason" and "Resignation for Good Reason" are defined as the occurrence of any of the following events after the Effective Date: (i) a material reduction in Employee's authority, duties or responsibilities relative to Employee's authority, duties or responsibilities in effect immediately prior to such reduction; provided, however, that Employee's cessation of service as Chief Executive Officer will not constitute good reason if he thereafter continues as an employee in the capacity of Executive Chairman and none of the other clauses of this definition of Good Reason are triggered as a result of such transition; (ii) a material reduction by the Company in Employee's Base Salary relative to Employee's Base Salary in effect immediately prior to such reduction (and the Parties agree that a reduction of ten percent (10%) or more will be considered material for purposes of this clause (ii)), other than a general reduction in the base salaries of similarly-situated employees of the Company; or (iii) the Company's material breach of this Agreement; provided, however, that Employee must provide written notice to the Board of the condition that could constitute a "Good Reason" event within ninety (90) days of the initial existence of such condition and such condition must not have been remedied by the Company within thirty (30) days (the "Cure Period") of such written notice. Employee's Resignation for Good Reason must occur within six (6) months following the initial existence of such condition.

6. Termination Without "Cause" or "Resignation for Good Reason" On or Prior to February 16, 2021. In the event Employee is terminated without Cause or resigns for Good Reason on or prior to February 16, 2021, Employee shall be entitled to:

a. the Accrued Obligations; plus

b. subject to Employee's execution and non-revocation of a full and final Release (as defined in Section 8 below) and Employee's continued compliance with the Confidentiality and Inventions Assignment Agreement, severance pay in an amount equal to the sum of (i) Employee's Base Salary as in effect immediately prior to the date of termination for the applicable Severance Period (as defined below), plus (ii) Employee's Target Bonus for the calendar year in which the Termination Date occurs, payable in a lump sum on the date that is thirty (30) days following the date of termination; plus

c. subject to Employee's execution and non-revocation of a full and final Release and Employee's continued compliance with the Confidentiality and Inventions Assignment Agreement, for the period beginning on the date of Employee's termination of employment and ending on the last day of the Severance Period (or, if earlier, the date on which the applicable continuation period under the Consolidated Omnibus Budget Reconciliation Act of 1985, as amended ("COBRA") expires) (the "COBRA Coverage Period"), the Company shall arrange to provide Employee and his eligible dependents who were covered under the Company's health insurance plans as of the date of Employee's termination of employment with health (including medical and dental) insurance benefits substantially similar to those provided to Employee and his dependents immediately prior to the date of such termination. If the Company is not reasonably able to continue health insurance benefits coverage under the Company's insurance plans, the Company shall provide substantially equivalent coverage under other third-party insurance sources. If any of the Company's health benefits are self-funded as of the date of Employee's termination of employment, or if the Company cannot provide the foregoing benefits in a manner that is exempt from or otherwise compliant with applicable law (including, without limitation, Section 409A of the Code and Section 2716 of the Public Health Service Act), instead of providing continued health insurance benefits as set forth above, the Company shall instead pay to

Employee an amount equal to the monthly premium payment for Employee and his eligible dependents who were covered under the Company's health plans as of the date of Employee's termination of employment (calculated by reference to the premium as of the date of termination) as currently taxable compensation in substantially equal monthly installments over the COBRA Coverage Period (or the remaining portion thereof).

d. subject to Employee's execution and non-revocation of a full and final Release and Employee's continued compliance with the Confidentiality and Inventions Assignment Agreement, effective as of the Termination Date, all of Employee's Equity Awards shall become fully vested and/or exercisable.

For purposes of this Agreement, "Severance Period" shall mean (i) with respect to a termination without Cause or resignation for Good Reason after December 31, 2020 but on or prior to February 16, 2021, six (6) months, or (ii) with respect to a termination without Cause or resignation for Good Reason on or prior to December 31, 2020, such number of months (including any partial month resulting from the following calculation) as is equal to (A) six (6), plus (B) the number of months (or partial months, rounded up to the nearest day) resulting from the following formula:

$$X = 12 \times [1 - \frac{A}{B}]$$

Where:

X = the number of months (or partial months, rounded up to the nearest day) in the Severance Period.

A = the number of days elapsed during the period starting on February 16, 2019 through and including the Termination Date.

B = the denominator of which is the number of days during the period starting on February 16, 2019 through and including December 31, 2020.

For the avoidance of doubt, no amounts shall be payable to Employee under this Section 6 in the event of (a) his conversion from employee to non-executive Chairman of the Board by mutual agreement of Employee and the Company, (b) in the event of his termination by the Company for Cause or his resignation of employment other for Good Reason, (c) in the event of a termination of his employment with the Company for any reason after February 16, 2021, or (d) in the event of Employee's death or termination of employment by reason of his Disability (as defined below).

7. Employee's Disability or Death. Employee's employment shall terminate automatically in the event of Employee's death or termination of employment by reason of his "Disability." In the event of Employee's death or termination of employment as a result of Employee's Disability, Employee or his heirs shall be entitled to (a) the Accrued Obligations, plus (b) payment of an amount equal to Employee's "earned" Bonus for the calendar year during which Employee's date of termination occurs calculated as of the date of termination (wherein "earned" means that Employee has met the applicable bonus metrics as of date of such termination, as determined by the Board), prorated for such portion of the calendar year during which such termination occurs that has elapsed through the date of termination, payable in a lump sum on the date that is thirty (30) days following the date of termination. For purposes of this Agreement, "Disability" shall mean the Employee's failure to perform his duties

hereunder, for a period of not less than one hundred twenty (120) consecutive days because of Employee's incapacitation due to physical or mental injury, disability, or illness.

8. Release. Notwithstanding any provision to the contrary in this Agreement, no amount shall be paid or benefit provided pursuant to Section 6 (other than the Accrued Obligations) unless, on or prior to the thirtieth (30th) day following the date of Employee's termination of employment, an effective general release of claims agreement (the "Release") in substantially the form attached hereto as Exhibit 2 has been executed by Employee and remains effective on such date and any applicable revocation period thereunder has expired.

9. Notices. Any reports, notices or other communications required or permitted to be given by either Party hereto, shall be given in writing by personal delivery, overnight courier service, or by registered or certified mail, postage prepaid, return receipt requested, addressed to the Company at its principal executive offices and to Employee at his most recent address on the Company's payroll records.

10. Notice of Termination. Any purported termination of Employment by the Company or the Employee shall be communicated by written Notice of Termination to the other Party. For purposes of this Agreement, a "Notice of Termination" shall mean a notice which indicates, if applicable, the specific termination provision in this Agreement relied upon and shall set forth in reasonable detail the facts and circumstances claimed to provide a basis for termination of the Employee's employment under the provision so indicated. For purposes of this Agreement, no such purported termination of employment shall be effective without delivery of such a Notice of Termination.

11. General Provisions.

a. Governing Law; Venue. This Agreement shall be governed by and construed in accordance with the laws of the State of California without regard to the conflicts of laws principles thereof. Employee and the Company agree that any litigation regarding this Agreement shall be conducted in San Diego, California. Employee and the Company hereby consent to the jurisdiction of the courts of the State of California and the United States District Court for the Southern District of California.

b. Assignment; Assumption by Successor. The rights of the Company under this Agreement may, without the consent of Employee, be assigned by the Company, in its sole and unfettered discretion, to any person, firm, corporation or other business entity which at any time, whether by purchase, merger or otherwise, directly or indirectly, acquires all or substantially all of the assets or business of the Company. The Company will require any successor (whether direct or indirect, by purchase, merger or otherwise) to all or substantially all of the business or assets of the Company expressly to assume and to agree to perform this Agreement in the same manner and to the same extent that the Company would be required to perform it if no such succession had taken place; provided, however, that no such assumption shall relieve the Company of its obligations hereunder. As used in this Agreement, the "Company" shall mean the Company as hereinbefore defined and any successor to its business and/or assets as aforesaid which assumes and agrees to perform this Agreement by operation of law or otherwise.

c. No Waiver of Breach. The failure to enforce any provision of this Agreement shall not be construed as a waiver of any such provision, nor prevent a Party thereafter from enforcing the provision or any other provision of this Agreement. The rights granted the Parties are cumulative, and the election of one shall not constitute a waiver of such Party's right to assert all other legal and equitable remedies available under the circumstances.

d. Severability. The provisions of this Agreement are severable, and if any provision shall be held to be invalid or otherwise unenforceable, in whole or in part, the remainder of the provisions, or enforceable parts of this Agreement, shall not be affected.

e. Entire Agreement. As of the Effective Date, this Agreement and the Confidentiality and Inventions Assignment Agreement constitute the entire agreement of the Parties with respect to the subject matter of this Agreement and supersede all prior and contemporaneous negotiations, agreements and understandings between the Parties, whether oral or written, including the Prior Agreement.

f. Modifications and Waivers. No modification or waiver of this Agreement shall be valid unless in writing, signed by the Party against whom such modification or waiver is sought to be enforced.

g. Amendment. This Agreement may be amended or supplemented only by a writing signed by both of the Parties hereto.

h. Duplicate Counterparts; Facsimile. This Agreement may be executed in duplicate counterparts, each of which shall be deemed an original; provided, however, such counterparts shall together constitute only one agreement. Facsimile signatures or signatures sent via electronic mail shall be as effective as original signatures.

i. Interpretation. The headings contained in this Agreement are for reference purposes only and shall not affect in any way the meaning or interpretation of this Agreement.

j. Non-transferability of Interest. None of the rights of Employee to receive any form of compensation payable pursuant to this Agreement shall be assignable or transferable except through a testamentary disposition or by the laws of descent and distribution upon the death of Employee. Any attempted assignment, transfer, conveyance, or other disposition (other than as aforesaid) of any interest in the rights of Employee to receive any form of compensation to be made by the Company pursuant to this Agreement shall be void.

k. Construction. The language in all parts of this Agreement shall in all cases be construed simply, according to its fair meaning, and not strictly for or against any of the parties hereto. Without limitation, there shall be no presumption against any party on the ground that such party was responsible for drafting this Agreement or any part thereof.

l. Section 409A.

i. Notwithstanding anything to the contrary in this Agreement, no payment or benefit to be paid or provided to Employee upon his termination of employment, if any, pursuant to this Agreement that, when considered together with any other payments or benefits, are considered deferred compensation under Section 409A (together, the "Deferred Payments") will be paid or otherwise provided until Employee has a "separation from service" within the meaning of Section 409A. Similarly, no amounts payable to Employee, if any, pursuant to this Agreement that otherwise would be exempt from Section 409A pursuant to Treasury Regulation Section 1.409A-1(b)(9) will be payable until Employee has a "separation from service" within the meaning of Section 409A.

ii. Notwithstanding anything to the contrary in this Agreement, if Employee is a "specified employee" within the meaning of Section 409A at the time of Employee's termination of employment (other than due to death), then the Deferred Payments that are payable within the first six (6) months following Employee's separation from service, will become payable on the first payroll date that occurs on or after the date six (6) months and one (1) day following the date of Employee's separation from service. All subsequent Deferred Payments, if any, will be payable in accordance with the payment schedule applicable to each payment or benefit. Notwithstanding anything herein to the contrary, if Employee dies following Employee's separation from service, but prior to the six (6) month anniversary of the separation from service, then any payments delayed in accordance with this paragraph will be payable in a lump sum as soon as administratively practicable after the date of Employee's death and all other Deferred Payments will be payable in accordance with the payment schedule applicable to each payment or benefit. Each payment and benefit payable under this Agreement is intended to constitute a separate payment for purposes of Section 1.409A-2(b)(2) of the Treasury Regulations.

iii. Any amount paid under this Agreement that satisfies the requirements of the "short-term deferral" rule set forth in Section 1.409A-1(b)(4) of the Treasury Regulations will not constitute a Deferred Payment for purposes of clauses (i) and (ii) above.

iv. Any amount paid under this Agreement that qualifies as a payment made as a result of an involuntary separation from service pursuant to Section 1.409A-1(b)(9)(iii) of the Treasury Regulations that does not exceed the limits set forth therein will not constitute a Deferred Payment for purposes of clauses (i) and (ii) above.

v. This Agreement is intended to be written, administered, interpreted and construed in a manner such that no payment or benefits provided under the Agreement become subject to (A) the gross income inclusion set forth within Code Section 409A(a)(1)(A) or (B) the interest and additional tax set forth within Code Section 409A(a)(1)(B) (together, referred to herein as the "Section 409A Penalties"), including, where appropriate, the construction of defined terms to have meanings that would not cause the imposition of Section 409A Penalties. In no event shall the Company be required to provide a tax gross-up payment to Employee or otherwise reimburse Employee with respect to Section 409A Penalties. The Company and Employee agree to work together in good faith to consider amendments to this Agreement and to take such reasonable actions which are necessary, appropriate or desirable to avoid imposition of any Section 409A Penalties on Employee.

vi. Any reimbursement of expenses or in-kind benefits payable under this Agreement shall be made in accordance with Treasury Regulation Section 1.409A-3(i)(1)(iv) and shall be paid on or before the last day of Employee's taxable year following the taxable year in which Employee incurred the expenses. The amount of expenses reimbursed or in-kind benefits payable in one year shall not affect the amount eligible for reimbursement or in-kind benefits payable in any other taxable year of Employee's, and Employee's right to reimbursement for such amounts shall not be subject to liquidation or exchange for any other benefit.

m. Whistleblower Provision. Nothing herein shall be construed to prohibit Employee from communicating directly with, cooperating with, or providing information to, any government regulator, including, but not limited to, the U.S. Securities and Exchange Commission, the U.S. Commodity Futures Trading Commission, or the U.S. Department of Justice. Employee acknowledges that the Company has provided Employee with the following notice of immunity rights in compliance with the requirements of the Defend Trade Secrets Act: (i) Employee shall not be held criminally or civilly liable under any Federal or State trade secret law for the disclosure of proprietary information of the Company that is made in confidence to a Federal, State, or local government official or to an attorney solely for the purpose of reporting or investigating a suspected violation of law, (ii) Employee shall not be held criminally or civilly liable under any Federal or State trade secret law for the disclosure of proprietary information of the Company that is made in a complaint or other document filed in a lawsuit or other proceeding, if such filing is made under seal and (iii) if Employee files a lawsuit for retaliation by the Company for reporting a suspected violation of law, Employee may disclose the proprietary information to my attorney and use the proprietary information in the court proceeding, if Employee files any document containing the proprietary information under seal, and does not disclose the proprietary information, except pursuant to court order.

(Signature Page Follows)

m.

IN WITNESS WHEREOF, the Parties have executed this Agreement as of the date(s) set forth below.

AIRGAIN, INC.

Dated: By:__/s/Anil Doradla______________________

Name: ______________________________

Title: ______________________________

EMPLOYEE

Dated: _/s/Jim Sims________________________________
JIM K. SIMS

EXHIBIT 1

CONFIDENTIALITY AND INVENTIONS ASSIGNMENT AGREEMENT

[Attached]

EXHIBIT 2

GENERAL RELEASE OF CLAIMS

[*The language in this Release may change based on legal developments and evolving best practices; this form is provided as an example of what will be included in the final Release document.*]

This General Release of Claims ("Release") is entered into as of this _____ day of ________, ____, between JIM K. SIMS ("Employee"), and AIRGAIN, INC., a California corporation (the "Company") (collectively referred to herein as the "Parties").

WHEREAS, Employee and the Company are parties to that certain Employment Agreement effective as of the Effective Date (as defined therein) (the "Agreement");

WHEREAS, the Parties agree that Employee is entitled to certain severance benefits under the Agreement, subject to Employee's execution of this Release; and

WHEREAS, the Company and Employee now wish to fully and finally to resolve all matters between them.

NOW, THEREFORE, in consideration of, and subject to, the severance benefits payable to Employee pursuant to the Agreement, the adequacy of which is hereby acknowledged by Employee, and which Employee acknowledges that he would not otherwise be entitled to receive, Employee and the Company hereby agree as follows:

1. General Release of Claims by Employee.

(a)Employee, on behalf of himself and his executors, heirs, administrators, representatives and assigns, hereby agrees to release and forever discharge the Company and all predecessors, successors and their respective parent corporations, affiliates, related, and/or subsidiary entities, and all of their past and present investors, directors, shareholders, officers, general or limited partners, employees, attorneys, agents and representatives, and the employee benefit plans in which Employee is or has been a participant by virtue of his employment with or service to the Company (collectively, the "Company Releasees"), from any and all claims, debts, demands, accounts, judgments, rights, causes of action, equitable relief, damages, costs, charges, complaints, obligations, promises, agreements, controversies, suits, expenses, compensation, responsibility and liability of every kind and character whatsoever (including attorneys' fees and costs), whether in law or equity, known or unknown, asserted or unasserted, suspected or unsuspected (collectively, "Claims"), which Employee has or may have had against such entities based on any events or circumstances arising or occurring on or prior to the date hereof or on or prior to the date hereof, arising directly or indirectly out of, relating to, or in any other way involving in any manner whatsoever Employee's employment by or service to the Company or the termination thereof, including any and all claims arising under federal, state, or local laws relating to employment, including without limitation claims of wrongful discharge, breach of express or implied contract, fraud, misrepresentation, defamation, or liability in tort, and claims of any kind that may be brought in any court or administrative agency including, without

limitation, claims under Title VII of the Civil Rights Act of 1964, as amended, 42 U.S.C. Section 2000, et seq.; the Americans with Disabilities Act, as amended, 42 U.S.C. § 12101 et seq.; the Rehabilitation Act of 1973, as amended, 29 U.S.C. § 701 et seq.; the Civil Rights Act of 1866, and the Civil Rights Act of 1991; 42 U.S.C. Section 1981, et seq.; the Age Discrimination in Employment Act, as amended, 29 U.S.C. Section 621, et seq. (the "ADEA"); the Equal Pay Act, as amended, 29 U.S.C. Section 206(d); regulations of the Office of Federal Contract Compliance, 41 C.F.R. Section 60, et seq.; the Family and Medical Leave Act, as amended, 29 U.S.C. § 2601 et seq.; the Fair Labor Standards Act of 1938, as amended, 29 U.S.C. § 201 et seq.; the Employee Retirement Income Security Act, as amended, 29 U.S.C. § 1001 et seq.; and the California Fair Employment and Housing Act, California Government Code Section 12940, et seq.

Notwithstanding the generality of the foregoing, Employee does not release the following claims:

(i) Claims for unemployment compensation or any state disability insurance benefits pursuant to the terms of applicable state law;

(ii) Claims for workers' compensation insurance benefits under the terms of any worker's compensation insurance policy or fund of the Company;

(iii) Claims pursuant to the terms and conditions of the federal law known as COBRA;

(iv)Claims for indemnity under the bylaws of the Company, as provided for by California law or under any applicable insurance policy with respect to Employee's liability as an employee, director or officer of the Company;

(v) Employee's right to bring to the attention of the Equal Employment Opportunity Commission or the California Department of Fair Employment and Housing or any other federal, state or local government agency claims of discrimination, or from participating in an investigation or proceeding conducted by the Equal Employment Opportunity Commission or any other federal, state or local government agency; provided, however, that Employee does release his right to secure any damages for alleged discriminatory treatment;

(vi) Claims based on any right Employee may have to enforce the Company's executory obligations under the Agreement;

(vii) Claims Employee may have to vested or earned compensation and benefits; and

(viii) Employee's right to communicate or cooperate with any government agency.

(b) EMPLOYEE ACKNOWLEDGES THAT HE HAS BEEN ADVISED OF

AND IS FAMILIAR WITH THE PROVISIONS OF CALIFORNIA CIVIL CODE SECTION 1542, WHICH PROVIDES AS FOLLOWS:

"A GENERAL RELEASE DOES NOT EXTEND TO CLAIMS WHICH THE CREDITOR DOES NOT KNOW OR SUSPECT TO EXIST IN HIS OR HER FAVOR AT THE TIME OF EXECUTING THE RELEASE, WHICH, IF KNOWN BY HIM OR HER, MUST HAVE MATERIALLY AFFECTED HIS OR HER SETTLEMENT WITH THE DEBTOR."

BEING AWARE OF SAID CODE SECTION, EMPLOYEE HEREBY EXPRESSLY WAIVES ANY RIGHTS HE MAY HAVE THEREUNDER, AS WELL AS UNDER ANY OTHER STATUTES OR COMMON LAW PRINCIPLES OF SIMILAR EFFECT.

[Note: Clauses (c), (d) and (e) apply only if Employee is age 40 or older at time of termination]

(c)Employee acknowledges that this Release was presented to him on the date indicated above and that Employee is entitled to have twenty-one (21) days' time in which to consider it. Employee further acknowledges that the Company has advised him that he is waiving his rights under the ADEA, and that Employee should consult with an attorney of his choice before signing this Release, and Employee has had sufficient time to consider the terms of this Release. Employee represents and acknowledges that if Employee executes this Release before twenty-one (21) days have elapsed, Employee does so knowingly, voluntarily, and upon the advice and with the approval of Employee's legal counsel (if any), and that Employee voluntarily waives any remaining consideration period.

(d) Employee understands that after executing this Release, Employee has the right to revoke it within seven (7) days after his execution of it. Employee understands that this Release will not become effective and enforceable unless the seven (7) day revocation period passes and Employee does not revoke the Release in writing. Employee understands that this Release may not be revoked after the seven (7) day revocation period has passed. Employee also understands that any revocation of this Release must be made in writing and delivered to the Company at its principal place of business within the seven (7) day period.

(e) Employee understands that this Release shall become effective, irrevocable, and binding upon Employee on the eighth (8^{th}) day after his execution of it, so long as Employee has not revoked it within the time period and in the manner specified in clause (d) above.

(f) Employee further understands that Employee will not be given any severance benefits under the Agreement unless this Release is effective on or before the date that is thirty (30) days following the date of Employee's termination of employment.

2. No Assignment. Employee represents and warrants to the Company Releasees that there has been no assignment or other transfer of any interest in any Claim that Employee may have against the Company Releasees. Employee agrees to indemnify and hold harmless the

Company Releasees from any liability, claims, demands, damages, costs, expenses and attorneys' fees incurred as a result of any such assignment or transfer from Employee.

3. Whistleblower Provision. Nothing herein shall be construed to prohibit Employee from communicating directly with, cooperating with, or providing information to, any government regulator, including, but not limited to, the U.S. Securities and Exchange Commission, the U.S. Commodity Futures Trading Commission, or the U.S. Department of Justice. Employee acknowledges that the Company has provided Employee with the following notice of immunity rights in compliance with the requirements of the Defend Trade Secrets Act: (i) Employee shall not be held criminally or civilly liable under any Federal or State trade secret law for the disclosure of proprietary information of the Company that is made in confidence to a Federal, State, or local government official or to an attorney solely for the purpose of reporting or investigating a suspected violation of law, (ii) Employee shall not be held criminally or civilly liable under any Federal or State trade secret law for the disclosure of proprietary information of the Company that is made in a complaint or other document filed in a lawsuit or other proceeding, if such filing is made under seal and (iii) if Employee files a lawsuit for retaliation by the Company for reporting a suspected violation of law, Employee may disclose the proprietary information to my attorney and use the proprietary information in the court proceeding, if Employee files any document containing the proprietary information under seal, and does not disclose the proprietary information, except pursuant to court order.

4. Severability. In the event any provision of this Release is found to be unenforceable by an arbitrator or court of competent jurisdiction, such provision shall be deemed modified to the extent necessary to allow enforceability of the provision as so limited, it being intended that the parties shall receive the benefit contemplated herein to the fullest extent permitted by law. If a deemed modification is not satisfactory in the judgment of such arbitrator or court, the unenforceable provision shall be deemed deleted, and the validity and enforceability of the remaining provisions shall not be affected thereby.

5. Interpretation; Construction. The headings set forth in this Release are for convenience only and shall not be used in interpreting this Agreement. This Release has been drafted by legal counsel representing the Company, but Employee has participated in the negotiation of its terms. Furthermore, Employee acknowledges that Employee has had an opportunity to review and revise the Release and have it reviewed by legal counsel, if desired, and, therefore, the normal rule of construction to the effect that any ambiguities are to be resolved against the drafting party shall not be employed in the interpretation of this Release. Either party's failure to enforce any provision of this Release shall not in any way be construed as a waiver of any such provision, or prevent that party thereafter from enforcing each and every other provision of this Release.

6. Governing Law; Venue. This Release shall be governed by and construed in accordance with the laws of the State of California without regard to the conflicts of laws principles thereof. Employee and the Company agree that any litigation regarding this Release shall be conducted in San Diego, California. Employee and the Company hereby consent to the jurisdiction of the courts of the State of California and the United States District Court for the Southern District of California.

7. Entire Agreement. This Release and the Agreement constitute the entire agreement of the Parties in respect of the subject matter contained herein and therein and supersede all prior or simultaneous representations, discussions, negotiations and agreements, whether written or oral. This Release may be amended or modified only with the written consent of Employee and an authorized representative of the Company. No oral waiver, amendment or modification will be effective under any circumstances whatsoever.

8. Counterparts. This Release may be executed in multiple counterparts, each of which shall be deemed to be an original but all of which together shall constitute one and the same instrument.

(Signature Page Follows)

IN WITNESS WHEREOF, the Parties have executed this Release as of the date(s) set forth below.

AIRGAIN, INC.

Dated: 02/14/2019 By:__/s/Anil Doradla______________________

Name: ______________________________

Title: ______________________________

EMPLOYEE

Dated: 02/14/2019 ___/s/James Sims___________________________

JAMES SIMS

Exhibit 23.1

Consent of Independent Registered Public Accounting Firm

The Board of Directors
Airgain, Inc.

We consent to the incorporation by reference in the registration statement (No. 333-213770) on Form S-8 of Airgain, Inc. of our report dated March 15, 2019, with respect to the balance sheets of Airgain, Inc. as of December 31, 2018 and 2017, and the related statements of operations, comprehensive income (loss), stockholders' equity (deficit), and cash flows for each of the years in the three-year period ended December 31, 2018, and the related notes (collectively, the "financial statements"), which report appears in the December 31, 2018 annual report on Form 10-K of Airgain, Inc..

/s/ KPMG LLP

San Diego, California
March 15, 2019

Exhibit 31.1

CERTIFICATION OF PRINCIPAL EXECUTIVE OFFICER
PURSUANT TO SECTION 302 OF THE SARBANES-OXLEY ACT OF 2002

I, James K. Sims, certify that:

1. I have reviewed this annual report on Form 10-K of Airgain, Inc.;

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

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

4. The registrant's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) 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: March 15, 2019

/s/ James K. Sims
James K. Sims
Chief Executive Officer and Chairman

Exhibit 31.2

CERTIFICATION OF PRINCIPAL FINANCIAL OFFICER
PURSUANT TO SECTION 302 OF THE SARBANES-OXLEY ACT OF 2002

I, Anil Doradla, certify that:

1. I have reviewed this annual report on Form 10-K of Airgain, Inc.;

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

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

4. The registrant's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) 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: March 15, 2019

/s/ Anil Doradla
Anil Doradla
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 annual report of Airgain, Inc. (the "Company") on Form 10-K for the year ended December 31, 2018, as filed with the Securities and Exchange Commission on the date hereof (the "Report"), I, James K. Sims, Chairman and Chief Executive Officer of the Company, certify, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 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), as applicable, of the Securities Exchange Act of 1934, as amended; and

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

Date: March 15, 2019

/s/ James K. Sims
James K. Sims
Chief Executive Officer and Chairman

The foregoing certification is being furnished solely pursuant to 18 U.S.C. Section 1350 and is not being filed as part of the Report or as a separate disclosure document.

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 annual report of Airgain, Inc. (the "Company") on Form 10-K for the year ended December 31, 2018, as filed with the Securities and Exchange Commission on the date hereof (the "Report"), I, Anil Doradla, Chief Financial Officer and Secretary of the Company, certify, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 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), as applicable, of the Securities Exchange Act of 1934, as amended; and

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

Date: March 15, 2019

/s/ Anil Doradla
Anil Doradla
Chief Financial Officer

The foregoing certification is being furnished solely pursuant to 18 U.S.C. Section 1350 and is not being filed as part of the Report or as a separate disclosure document.