

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

FORM 10-Q

(Mark One)

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

For the quarterly period ended: **March 31, 2025**

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 **0-28082**

KVH Industries, Inc.
(Exact Name of Registrant as Specified in its Charter)

Delaware
(State or Other Jurisdiction of Incorporation or Organization)

05-0420589
(I.R.S. Employer Identification Number)

75 Enterprise Center, Middletown, RI 02842
(Address of Principal Executive Offices) (Zip Code)
(401) 847-3327

(Registrant's Telephone Number, Including Area Code)

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

Title of Each Class	Trading Symbol(s)	Name of Each Exchange on which Registered
Common Stock, par value \$0.01 per share	KVHI	The Nasdaq Stock Market LLC (Nasdaq Global Select Market)

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

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

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

Large accelerated filer	<input type="checkbox"/>	Accelerated filer	<input checked="" type="checkbox"/>
Non-accelerated filer	<input type="checkbox"/>	Smaller reporting company	<input checked="" type="checkbox"/>
		Emerging growth company	<input type="checkbox"/>

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

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

Indicate the number of shares outstanding of each of the issuer's classes of common stock, as of the latest practicable date.

<u>Date</u>	<u>Class</u>	<u>Outstanding shares</u>
May 5, 2025	Common Stock, par value \$0.01 per share	19,599,461

KVH INDUSTRIES, INC. AND SUBSIDIARIES

Form 10-Q

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ITEM 1. Financial Statements

PART I. FINANCIAL INFORMATION

KVH INDUSTRIES, INC. AND SUBSIDIARIES
CONSOLIDATED BALANCE SHEETS
(in thousands, except share and per share amounts)

	March 31, 2025	December 31, 2024
	(unaudited)	
ASSETS		
Current assets:		
Cash and cash equivalents	\$ 48,600	\$ 50,572
Accounts receivable, net of allowance for credit losses of \$1,018 and \$1,006 as of March 31, 2025 and December 31, 2024, respectively	23,197	21,624
Inventories	21,982	22,953
Prepaid expenses and other current assets	16,390	16,016
Current assets held for sale	11,410	11,410
Total current assets	121,579	122,575
Property and equipment, net	24,818	27,014
Intangible assets, net	733	828
Right of use assets	1,130	1,361
Other non-current assets	3,037	3,146
Deferred income tax asset	137	157
Total assets	\$ 151,434	\$ 155,081
LIABILITIES AND STOCKHOLDERS' EQUITY		
Current liabilities:		
Accounts payable	\$ 3,355	\$ 4,316
Accrued airtime	560	745
Accrued compensation and employee-related expenses	2,828	4,728
Accrued loss on future firm purchase commitments	483	919
Accrued other	2,066	2,134
Accrued product warranty costs	707	607
Deferred revenue	1,806	1,039
Current operating lease liability	507	660
Liability for uncertain tax positions	745	724
Total current liabilities	13,057	15,872
Long-term operating lease liability	525	569
Deferred income tax liability	41	15
Total liabilities	\$ 13,623	\$ 16,456
Commitments and contingencies (Notes 2, 11, and 16)		
Stockholders' equity:		
Preferred stock, \$0.01 par value. Authorized 1,000,000 shares; none issued	—	—
Common stock, \$0.01 par value. Authorized 30,000,000 shares; 21,220,157 and 21,240,525 shares issued at March 31, 2025 and December 31, 2024, respectively; and 19,733,230 and 19,784,416 shares outstanding at March 31, 2025 and December 31, 2024, respectively	212	212
Additional paid-in capital	167,624	167,287
Accumulated deficit	(14,462)	(12,752)
Accumulated other comprehensive loss	(3,310)	(4,032)
	150,064	150,715
Less: treasury stock at cost, common stock, 1,486,927 and 1,456,109 shares as of March 31, 2025 and December 31, 2024, respectively.	(12,253)	(12,090)
Total stockholders' equity	137,811	138,625
Total liabilities and stockholders' equity	\$ 151,434	\$ 155,081

See accompanying Notes to Unaudited Consolidated Financial Statements.

KVH INDUSTRIES, INC. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF OPERATIONS
(in thousands, except earnings per share amounts, unaudited)

	Three Months Ended	
	March 31,	
	2025	2024
Sales:		
Service	\$ 21,642	\$ 25,038
Product	3,772	4,229
Net sales	<u>25,414</u>	<u>29,267</u>
Costs and expenses:		
Costs of service sales	14,235	14,044
Costs of product sales	3,740	5,308
Research and development	1,187	3,038
Sales, marketing and support	4,960	5,384
General and administrative	3,535	5,291
Total costs and expenses	<u>27,657</u>	<u>33,065</u>
Loss from operations	(2,243)	(3,798)
Interest income	567	911
Other expense, net	(9)	(198)
Loss before income tax expense	<u>(1,685)</u>	<u>(3,085)</u>
Income tax expense	25	78
Net loss	<u><u>\$ (1,710)</u></u>	<u><u>\$ (3,163)</u></u>
Net loss per common share		
Basic	<u><u>\$ (0.09)</u></u>	<u><u>\$ (0.16)</u></u>
Diluted	<u><u>\$ (0.09)</u></u>	<u><u>\$ (0.16)</u></u>
Weighted average number of common shares outstanding:		
Basic	<u><u>19,492</u></u>	<u><u>19,286</u></u>
Diluted	<u><u>19,492</u></u>	<u><u>19,286</u></u>

See accompanying Notes to Unaudited Consolidated Financial Statements.

KVH INDUSTRIES, INC. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF COMPREHENSIVE LOSS
(in thousands, unaudited)

	Three Months Ended March 31,	
	2025	2024
Net loss	\$ (1,710)	\$ (3,163)
Other comprehensive loss, net of tax:		
Foreign currency translation adjustment	722	229
Other comprehensive income, net of tax ⁽¹⁾	722	229
Total comprehensive loss	\$ (988)	\$ (2,934)

(1) Tax impact was nominal for all periods.

See accompanying Notes to Unaudited Consolidated Financial Statements.

KVH INDUSTRIES, INC. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF STOCKHOLDERS' EQUITY
(in thousands, unaudited)

	Common Stock		Additional Paid-in Capital	Retained Deficit	Accumulated Other Comprehensive Loss	Treasury Stock		Total Stockholders' Equity
	Shares	Amount				Shares	Amount	
Balance at December 31, 2024	21,241	\$ 212	\$ 167,287	\$ (12,752)	\$ (4,032)	(1,456)	\$ (12,090)	\$ 138,625
Net loss	—	—	—	(1,710)	—	—	—	(1,710)
Other comprehensive income	—	—	—	—	722	—	—	722
Stock-based compensation	—	—	337	—	—	—	—	337
Acquisition of treasury stock	—	—	—	—	—	(31)	(163)	(163)
Exercise of stock options and issuance of restricted stock awards, net of forfeitures	(21)	—	—	—	—	—	—	—
Balance at March 31, 2025	21,220	\$ 212	\$ 167,624	\$ (14,462)	\$ (3,310)	(1,487)	\$ (12,253)	\$ 137,811

	Common Stock		Additional Paid-in Capital	Retained Deficit	Accumulated Other Comprehensive Loss	Treasury Stock		Total Stockholders' Equity
	Shares	Amount				Shares	Amount	
Balance at December 31, 2023	21,067	\$ 211	\$ 165,140	\$ (1,704)	\$ (4,185)	(1,456)	\$ (12,090)	\$ 147,372
Net loss	—	—	—	(3,163)	—	—	—	(3,163)
Other comprehensive income	—	—	—	—	229	—	—	229
Stock-based compensation	—	—	522	—	—	—	—	522
Issuance of common stock under employee stock purchase plan	24	—	95	—	—	—	—	95
Exercise of stock options and issuance of restricted stock awards, net of forfeitures	114	1	11	—	—	—	—	12
Balance at March 31, 2024	21,205	\$ 212	\$ 165,768	\$ (4,867)	\$ (3,956)	(1,456)	\$ (12,090)	\$ 145,067

See accompanying Notes to Unaudited Consolidated Financial Statements.

KVH INDUSTRIES, INC. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CASH FLOWS
(in thousands, unaudited)

	Three Months Ended	
	March 31,	
	2025	2024
Cash flows from operating activities:		
Net loss	\$ (1,710)	\$ (3,163)
Adjustments to reconcile net loss to net cash used in operating activities:		
Provision for credit losses	97	54
Depreciation and amortization	2,888	3,247
Deferred income taxes	46	36
(Gain) loss on disposals of fixed assets	(27)	683
Compensation expense related to stock-based awards and employee stock purchase plan	337	522
Unrealized currency translation loss	726	241
Changes in operating assets and liabilities:		
Accounts receivable	(1,650)	(355)
Inventories	971	(44)
Prepaid expenses and other current assets	(351)	100
Other non-current assets	144	328
Accounts payable	(964)	2,184
Deferred revenue	734	400
Accrued compensation, product warranty and other	(2,518)	(5,025)
Net cash used in operating activities	\$ (1,277)	\$ (792)
Cash flows from investing activities:		
Capital expenditures	(1,149)	(2,399)
Cash paid for acquisition of intangible asset	(43)	(10)
Proceeds from sale of fixed assets	635	—
Purchases of marketable securities	—	(720)
Maturities and sales of marketable securities	—	4,000
Net cash (used in) provided by investing activities	\$ (557)	\$ 871
Cash flows from financing activities:		
Proceeds from stock options exercised and employee stock purchase plan	1	96
Purchase of treasury stock	(163)	—
Net cash (used in) provided by financing activities	\$ (162)	\$ 96
Effect of exchange rate changes on cash and cash equivalents	24	(28)
Net (decrease) increase in cash and cash equivalents	(1,972)	147
Cash and cash equivalents at beginning of period	50,572	11,294
Cash and cash equivalents at end of period	\$ 48,600	\$ 11,441
Supplemental disclosure of non-cash investing and financing activities:		
Amounts in accrued other and accounts payable related to property and equipment additions	\$ 186	\$ 5

See accompanying Notes to Unaudited Consolidated Financial Statements.

KVH INDUSTRIES, INC. AND SUBSIDIARIES
Notes to Consolidated Interim Financial Statements
(Unaudited, all amounts in thousands except per share amounts)

(1) Description of Business

KVH Industries, Inc. (together with its subsidiaries, the Company or KVH) designs, develops, manufactures and markets mobile connectivity services and products for the marine and land markets.

KVH's service sales primarily represent revenue earned from satellite Internet airtime services. KVH provides, for monthly fixed and per-usage fees, satellite connectivity encompassing broadband Internet and Voice over Internet Protocol (VoIP) services, to its TracNet® H-series and TracPhone® V-HTS series customers via KVH's global high-throughput satellite (HTS) network. Revenue from our cellular airtime service supplements KVH's satellite-only airtime revenue following the July 2022 launch of the KVH ONE® hybrid network and TracNet H-series terminals. This service and product combination integrates global satellite service with KVH-provided cellular service in more than 150 countries, along with shore-based Wi-Fi access. In March 2023, KVH began selling terminals for the Starlink Low Earth Orbit (LEO) service and in September 2023 became a Starlink authorized hardware and airtime reseller. The May 2023 introduction of the KVH ONE OpenNet Program expanded access to KVH's global HTS network and airtime services to non-KVH terminals for the first time. KVH further expanded its LEO service and hardware portfolio in January 2025 with the launch of OneWeb service for maritime applications.

AgilePlans, KVH's connectivity as a service offering, is a monthly subscription model that provides global connectivity to commercial maritime customers. The subscription can include KVH VSAT terminals and data service, Starlink and OneWeb terminals and data service, KVH's CommBox™ Edge Communications Gateway and associated service licensing, VoIP, daily news, subsidized shipping and installation, and global support for a monthly fee with no minimum contract commitment. KVH offers AgilePlans subscribers a variety of airtime data plans with varying data speeds and fixed data usage levels with per megabyte overage charges. These airtime plans are similar to those that the Company offers to customers who elect to purchase or lease a TracNet H-series, TracPhone V-HTS series, Starlink, or OneWeb terminal.

The Company recognizes the monthly AgilePlans subscription fee as service revenue over the service delivery period. The Company retains ownership of the hardware it provides to AgilePlans customers, who must return the hardware to KVH if they decide to terminate the service. Because KVH does not sell the hardware under AgilePlans, the Company does not recognize any product revenue when the hardware is deployed to an AgilePlans customer. KVH records the cost of the hardware used by AgilePlans customers as revenue-generating assets and depreciates the cost over an estimated useful life of two to five years. Since the Company retains ownership of the hardware, it does not accrue any warranty costs for AgilePlans hardware; however, any maintenance or refurbishment costs on the hardware are expensed in the period these costs are incurred.

Service sales also include the distribution of commercially licensed entertainment, including movies, television programming, news, and music, to commercial customers in the maritime market through the KVH Media Group, along with supplemental value-added cybersecurity, email, and crew Internet services. In addition, KVH earns monthly usage fees from third-party satellite connectivity services, including VoIP, data and Internet services, provided to its Viasat/Inmarsat and Iridium customers who choose to activate their subscriptions with KVH. Service sales also include sales from product repairs and extended warranty sales.

KVH's satellite-only and hybrid products enable marine customers to receive data, VoIP, and value-added services via satellite, cellular, and shore-based Wi-Fi networks onboard commercial, leisure, and military/government vessels. In addition, the Company's in-motion television terminals permit customers to receive live digital television via regional satellite services in marine vessels, recreational vehicles, buses and automobiles. KVH sells its products through an extensive international network of dealers and distributors. KVH also sells and leases products to service providers and end users.

KVH's marine leisure business is highly seasonal. Seasonality can also impact the Company's commercial marine business, although typically to a lesser degree. Temporary suspensions of the Company's airtime services typically increase in the fourth and first quarters of each year as boats are placed out of service during the winter months. Historically, the Company has generated the majority of its marine leisure product revenues during the first and second quarters of each year, and these revenues typically decline in the third and fourth quarters of each year, compared to the first two quarters.

In February 2024, the Company announced a staged wind-down of its product manufacturing operations at its Middletown, Rhode Island location. The Company expects that it will continue its product manufacturing activities in order to generate a targeted amount of inventory of maritime satellite connectivity and satellite television terminals to meet anticipated

demand and that it will cease substantially all manufacturing activity by the end of 2025. The Company expects to continue to facilitate customer transition to third-party hardware products compatible with its mobile satellite communications services. Please see Note 17 for additional details surrounding the wind-down of the Company's manufacturing activities.

(2) Summary of Significant Accounting Policies

Basis of Presentation

The accompanying consolidated interim financial statements of KVH Industries, Inc. and its wholly owned subsidiaries have been prepared in accordance with accounting principles generally accepted in the United States of America. The Company has evaluated all subsequent events through the date of this filing. All significant intercompany accounts and transactions have been eliminated in consolidation.

The consolidated interim financial statements have not been audited by the Company's independent registered public accounting firm and include all adjustments (consisting of only normal recurring adjustments) which are, in the opinion of management, necessary for a fair presentation of the financial condition, results of operations, and cash flows for the periods presented. These consolidated interim financial statements do not include all disclosures associated with annual financial statements and accordingly should be read in conjunction with the Company's consolidated financial statements and related notes included in the Company's annual report on Form 10-K for the year ended December 31, 2024 filed on March 10, 2025 with the Securities and Exchange Commission. The results for the three months ended March 31, 2025 are not necessarily indicative of operating results for the remainder of the year.

Significant Estimates and Assumptions and Other Significant Non-Recurring Transactions

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities as of the date of the financial statements and the reported amounts of sales and expenses during the reporting periods. The estimates and assumptions used by management affect the Company's revenue recognition, valuation of accounts receivable, valuation of inventory, valuation of prepaid assets, expected future cash flows (including growth rates, discount rates, terminal values and other assumptions and estimates used to evaluate the recoverability of long-lived assets), estimated fair values of long-lived assets (including amortization methods and amortization periods), certain accrued expenses and other related charges, stock-based compensation, contingent liabilities, forfeitures and key valuation assumptions for its share-based awards, estimated fulfillment costs for warranty obligations, tax reserves and recoverability of the Company's net deferred tax assets and related valuation allowance, and the valuation of right-of-use assets and lease liabilities.

Although the Company regularly assesses these estimates, actual results could differ materially from these estimates. Changes in estimates are recorded in the period in which they become known. The Company bases its estimates on historical experience and various other assumptions that it believes to be reasonable under the circumstances.

Asset Held for Sale

The Company classifies an asset as held for sale when management, having the authority to approve the action, commits to a plan to sell the asset, the sale is probable within one year and the asset is available for immediate sale in its present condition. The Company also considers whether an active program to locate a buyer has been initiated, whether the asset is marketed actively for sale at a price that is reasonable in relation to its current fair value and whether actions required to complete the plan indicate that it is unlikely that significant changes to the plan will be made or that the plan will be withdrawn. The Company initially measures an asset that is classified as held for sale at the lower of its carrying amount or fair value less costs to sell. Any loss resulting from this measurement is recognized in the period in which the held for sale criteria are met. Conversely, gains are not recognized until the date of sale. The Company assesses the fair value of an asset less costs to sell for each reporting period that it remains classified as held for sale and reports any subsequent changes as an adjustment to the carrying amount of the asset, as long as the new carrying amount does not exceed the carrying amount of the asset at the time it was initially classified as held for sale. Assets are not depreciated or amortized while they are classified as held for sale.

Foreign Currency Translation

The financial statements of the Company's foreign subsidiaries located in Denmark, Singapore, Brazil and Cyprus are maintained using the United States dollar as the functional currency. Exchange rates in effect on the date of the transaction are used to record monetary assets and liabilities. Revenue and other expense elements are recorded at rates that approximate the rates in effect on the transaction dates. Foreign currency exchange gains and losses are recognized within "other expense, net" in the accompanying consolidated statements of operations. The Company recorded net foreign currency exchange losses, which are comprised of both realized and unrealized foreign currency exchange gains and losses, in its accompanying consolidated statements of operations of \$(31) and \$(21) for the three months ended March 31, 2025 and 2024, respectively.

The financial statements of the Company's foreign subsidiaries located in the United Kingdom, Norway, India and Japan use the foreign subsidiaries' respective local currencies as the functional currency. The Company translates the assets and liabilities of these foreign subsidiaries at the exchange rates in effect at the end of each reporting period. Net sales, costs and expenses are translated using average exchange rates in effect during the period. Gains and losses from foreign currency translation are credited or charged to accumulated other comprehensive loss included in stockholders' equity in the accompanying consolidated balance sheets.

(3) Recently Issued Accounting Standards and Accounting Standards Not yet Adopted

In December 2023, the Financial Accounting Standards Board (FASB) issued Accounting Standards Update (ASU) No. 2023-09, Income Taxes (Topic 740): Improvements to Income Tax Disclosures. The amendments in this ASU apply to all entities that are subject to Topic 740, Income Taxes. The amendments require public business entities to disclose specific categories in their tax rate reconciliation and provide additional information for reconciling items that meet a quantitative threshold. These amendments also require all entities to disclose income taxes paid, net of refunds received, disaggregated by federal, state, and foreign taxes and by individual jurisdictions in which income taxes paid, net of refunds received, are equal to or greater than five percent of total income taxes paid. For public business entities, the amendments in this ASU are effective for annual periods beginning after December 15, 2024. The amendments in this ASU should be applied on a prospective basis. The adoption of ASU No. 2023-09 is not expected to have a material impact on the Company's financial statements, including disclosures.

In November 2024, the FASB issued ASU No. 2024-03, Income Statement—Reporting Comprehensive Income—Expense Disaggregation Disclosures (Subtopic 220-40): Disaggregation of Income Statement Expenses. The standard requires public business entities to provide further disaggregated information of relevant expense captions within its consolidated statements of operations. The standard is effective for annual periods beginning after December 15, 2026 and interim periods within annual periods beginning after December 15, 2027. The standard may be applied prospectively or retrospectively. The adoption will result in disclosure changes only.

There are no other recent accounting pronouncements that have been issued by the FASB that are not yet effective and that the Company expects would have a material impact on the Company's financial statements, including disclosures.

(4) Marketable Securities

In the fourth quarter of 2024, the balance of our marketable securities held by Wells Fargo was liquidated and transferred to an interest-bearing account held by Bank of America, N.A. Interest income from marketable securities was \$0 and \$720 during the three months ended March 31, 2025 and 2024, respectively.

We held no marketable securities as of March 31, 2025 and December 31, 2024.

(5) Stockholder's Equity

(a) Stock Equity and Incentive Plan

The Company recognizes stock-based compensation in accordance with the provisions of ASC Topic 718, *Compensation-Stock Compensation*. Stock-based compensation expense was \$335 and \$517, excluding \$2 and \$5 of compensation shares related to the employee stock purchase plan (ESPP), for the three months ended March 31, 2025 and 2024, respectively. As of March 31, 2025, there was \$2,005 of total unrecognized compensation expense related to stock options, which is expected to be recognized over a weighted-average period of 3.20 years. As of March 31, 2025, there was \$1,227 of total unrecognized compensation expense related to restricted stock awards, which is expected to be recognized over a weighted-average period of 1.83 years.

Stock Options

During the three months ended March 31, 2025, the Company issued less than 1 shares of common stock upon the exercise of stock options. Additionally, during the three months ended March 31, 2025, 525 stock options were granted and 63 stock options expired, were canceled or were forfeited. During the three months ended March 31, 2024, no shares of common stock were issued upon the exercise of stock options. Additionally, during the three months ended March 31, 2024, 266 stock options were granted and 14 stock options expired, were canceled or were forfeited. The Company has historically estimated the fair value of each option grant on the date of grant using the Black-Scholes option-pricing model. The weighted average assumptions utilized to determine the fair value of options granted during the three months ended March 31, 2025 and 2024 are as follows:

	Three Months Ended March 31,	
	2025	2024
Risk-free interest rate	3.95 %	4.36 %
Expected volatility	40.73 %	48.63 %
Expected life (in years)	3.77	4.32
Dividend yield	0 %	0 %

As of March 31, 2025, there were 1,415 options outstanding with a weighted average exercise price of \$7.33 per share and 531 options exercisable with a weighted average exercise price of \$9.02 per share. As of March 31, 2024, there were 1,482 options outstanding with a weighted average exercise price of \$8.75 per share and 641 options exercisable with a weighted average exercise price of \$9.86 per share.

Restricted Stock

During the three months ended March 31, 2025, no shares of restricted stock were granted and 21 shares of restricted stock were forfeited. Additionally, during the three months ended March 31, 2025, 83 shares of restricted stock vested. During the three months ended March 31, 2024, 122 shares of restricted stock were granted with a weighted average grant date fair value of \$5.03 per share and 8 shares of restricted stock were forfeited. Additionally, during the three months ended March 31, 2024, 66 shares of restricted stock vested.

As of March 31, 2025 and 2024, the Company had no unvested outstanding options and no outstanding shares of restricted stock that were subject to performance-based or market-based vesting conditions.

(b) Employee Stock Purchase Plan

The Company's ESPP affords eligible employees the right to purchase common stock, via payroll deductions, through various offering periods at a purchase price equal to 85% of the fair market value of the common stock on the first or last day of the offering period, whichever is lower. During the three months ended March 31, 2025 and 2024, 0 and 24 shares were issued under the ESPP plan, respectively. The Company recorded compensation charges related to the ESPP of \$2 and \$5 for the three months ended March 31, 2025 and 2024, respectively.

(c) Stock-Based Compensation Expense

The following table presents stock-based compensation expense, including expense for the ESPP, in the Company's consolidated statements of operations for the three months ended March 31, 2025 and 2024, respectively:

	Three Months Ended March 31,	
	2025	2024
Cost of service sales	\$ 7	\$ 7
Cost of product sales	5	9
Research and development	(49)	89
Sales, marketing and support	77	71
General and administrative	297	346
	<u>\$ 337</u>	<u>\$ 522</u>

(d) Accumulated Other Comprehensive Loss (AOCL)

Comprehensive income (loss) includes net income (loss), unrealized gains and losses from foreign currency translation, and unrealized gains and losses on available for sale marketable securities. The components of the Company's comprehensive income (loss) and the effect on earnings for the periods presented are detailed in the accompanying consolidated statements of comprehensive income (loss).

The balances for the three months ended March 31, 2025 and 2024 are as follows:

	Foreign Currency Translation	Total Accumulated Other Comprehensive Loss
Balance, December 31, 2024	\$ (4,032)	\$ (4,032)
Other comprehensive income	722	722
Net other comprehensive income	722	722
Balance, March 31, 2025	\$ (3,310)	\$ (3,310)

	Foreign Currency Translation	Total Accumulated Other Comprehensive Loss
Balance, December 31, 2023	\$ (4,185)	\$ (4,185)
Other comprehensive income	229	229
Net other comprehensive income	229	229
Balance, March 31, 2024	\$ (3,956)	\$ (3,956)

(6) Net Loss per Common Share

Basic net loss per share is calculated based on the weighted average number of common shares outstanding during the period. Diluted net income per share incorporates the dilutive effect of common stock equivalent options, warrants and other convertible securities, if any, as determined with the treasury stock accounting method. For the three months ended March 31, 2025 and 2024 since there was a net loss, the company excluded 1,141 and 1,584 shares, respectively, in outstanding stock options and non-vested restricted shares from its diluted loss per share calculation, as inclusion of these convertible securities would have reduced the net loss per share.

A reconciliation of the basic and diluted weighted average common shares outstanding is as follows:

	Three Months Ended March 31,	
	2025	2024
Weighted average common shares outstanding—basic	19,492	19,286
Dilutive common shares issuable in connection with stock plans	—	—
Weighted average common shares outstanding—diluted	<u>19,492</u>	<u>19,286</u>

(7) Inventories

Inventories are stated at the lower of cost or net realizable value using the first-in first-out costing method. Inventories as of March 31, 2025 and December 31, 2024 include the costs of material, labor, and factory overhead. Components of inventories consist of the following:

	March 31, 2025	December 31, 2024
Raw materials	\$ 14,954	\$ 15,379
Work in process	2,066	2,469
Finished goods	4,962	5,105
	<u>\$ 21,982</u>	<u>\$ 22,953</u>

(8) Prepaid Expenses and Other Current Assets

	March 31, 2025	December 31, 2024
Prepaid Starlink pooled data	\$ 11,897	\$ 14,137
Other prepaid expenses and other current assets	4,493	1,879
	<u>\$ 16,390</u>	<u>\$ 16,016</u>

During the second quarter of 2024, KVH expanded its relationship with Starlink through a bulk data distribution agreement. Under the agreement, KVH prepaid for access to a large block of Starlink Global Priority data at favorable rates. The new agreement offers KVH increased flexibility in the development and sales of custom, cost-effective airtime plans using Starlink's Global Priority service. KVH began drawing from this prepaid pooled data in the third quarter of 2024.

(9) Property and Equipment

Property and equipment, net, as of March 31, 2025 and December 31, 2024 consist of the following:

	March 31, 2025	December 31, 2024
Leasehold improvements	338	336
Machinery and equipment	6,021	6,021
Revenue-generating assets	60,370	61,380
Office and computer equipment	10,950	10,561
Motor vehicles	31	31
	77,710	78,329
Less accumulated depreciation	(52,892)	(51,315)
	\$ 24,818	\$ 27,014

Depreciation expense was \$2,784 and \$3,147 for the three months ended March 31, 2025 and 2024, respectively.

Certain revenue-generating hardware assets are utilized by the Company in the delivery of the Company's airtime services, media and other content.

As of March 31, 2025 and December 31, 2024, the long-lived tangible assets related to the Company's international subsidiaries were less than 10% of the Company's long-lived tangible assets.

In the third quarter of 2024, the Company commenced its plan to sell the warehouse building and surface parking lot located at 75 Enterprise Center in Middletown, Rhode Island ("75 Enterprise Center"). As of September 30, 2024, 75 Enterprise Center had a carrying value of approximately \$7.8 million. The Company determined that all of the criteria to classify 75 Enterprise Center as held for sale had been met as of September 30, 2024. The estimated fair value was determined based upon the anticipated sales price of these assets based on current market conditions and assumptions made by management, less selling costs. The Company recorded an impairment charge of \$1.1 million during the year ended December 31, 2024, as the carrying value of 75 Enterprise Center at the time the asset for sale criteria were met exceeded the fair value less costs to sell.

Additionally, in the third quarter of 2024, the Company commenced its plan to sell the property, building, improvements, and land located at 50 Enterprise Center in Middletown, Rhode Island ("50 Enterprise Center"). As of September 30, 2024, 50 Enterprise Center had a carrying value of approximately \$3.6 million. The Company determined that all of the criteria to classify 50 Enterprise Center as held for sale had been met as of September 30, 2024. The estimated fair value of 50 Enterprise Center exceeds its carrying value. In December 2024, the Company entered into an agreement to sell 50 Enterprise Center, subject to the buyer's right to terminate the agreement during an inspection period. In January 2025, before the end of the inspection period, the Company received notice of termination from the buyer. In March 2025, the Company entered into an agreement with another buyer to sell 50 Enterprise Center for \$5.3 million. Consummation of the transaction is subject to customary closing conditions. Under the purchase agreement, the buyer has a 60-day inspection period and may terminate the agreement at any time before the end of the inspection period.

(10) Product Warranty

The Company's products carry standard limited warranties that range from one to two years and vary by product. The warranty period begins on the date of retail purchase or lease by the original purchaser. The Company also offers extended warranties on its products for up to five years. The Company accrues estimated product warranty costs at the time of sale and any additional amounts are recorded when such costs are probable and can be reasonably estimated. Factors that affect the Company's warranty liability include the number of units sold or leased, historical and anticipated rates of warranty repairs and the cost per repair. Warranty and related costs are reflected within sales, marketing and support in the accompanying consolidated statements of operations. As of March 31, 2025 and December 31, 2024, the Company had accrued product warranty costs of \$707 and \$607, respectively.

The following table summarizes product warranty activity during 2025 and 2024:

	Three Months Ended	
	March 31,	
	2025	2024
Beginning balance	\$ 607	\$ 828
Charges to expense	232	264
Costs incurred	(132)	(366)
Ending balance	\$ 707	\$ 726

(11) Legal Matters

In the ordinary course of business, the Company is a party to inquiries, legal proceedings and claims including, from time to time, disagreements with vendors and customers. The Company is not a party to any lawsuit or proceeding that, in management's opinion, is likely to materially harm the Company's business, results of operations, financial condition, or cash flows.

(12) Fair Value Measurements

ASC Topic 820, *Fair Value Measurements and Disclosures* (ASC 820), provides a framework for measuring fair value and requires expanded disclosures regarding fair value measurements. ASC 820 defines fair value as the exchange price that would be received for an asset or paid to transfer a liability (an exit price) in the principal or most advantageous market for the asset or liability in an orderly transaction between market participants on the measurement date. ASC 820 also establishes a fair value hierarchy, which requires an entity to maximize the use of observable inputs and minimize the use of unobservable inputs when measuring fair value. ASC 820 describes three levels of inputs that may be used to measure fair value:

- Level 1: Unadjusted quoted prices in active markets that are accessible at the measurement date for identical, unrestricted assets or liabilities.
- Level 2: Quoted prices for similar assets or liabilities in active markets; or observable prices that are based on observable market data, based on directly or indirectly market-corroborated inputs.
- Level 3: Unobservable inputs that are supported by little or no market activity and are developed based on the best information available given the circumstances.

No financial assets or liabilities were measured at fair value based upon the ASC 820 fair value hierarchy as of March 31, 2025 or December 31, 2024.

The carrying amount of certain financial instruments approximates fair value due to their short-term, highly liquid nature. These instruments include cash and cash equivalents, accounts receivable, accounts payable, and accrued expenses. The carrying amount of the Company's operating and financing lease liabilities approximates fair value based on currently available quoted rates of similarly structured borrowings.

Assets Measured and Recorded at Fair Value on a Nonrecurring Basis

The Company's non-financial assets, such as intangible assets, and other long-lived assets resulting from business combinations, are measured at fair value using income approach valuation methodologies at the date of acquisition and subsequently re-measured if indications of impairment exist. There was no impairment of the Company's non-financial assets noted during the three months ended March 31, 2025 or 2024. The Company does not have any liabilities that are recorded at fair value on a non-recurring basis.

(13) Intangible Assets

Intangible assets with finite lives and other long-lived assets are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount of an asset may not be recoverable. Recoverability of intangible assets with finite lives and other long-lived assets is measured by a comparison of the carrying amount of an asset or asset group to future undiscounted cash flows expected to be generated by the asset or asset group. Asset groups are determined at the lowest level for which identifiable cash flows are largely independent of the cash flows of other assets and liabilities. If these comparisons indicate that an asset is not recoverable, the Company will recognize an impairment loss for the amount by which the carrying value of the asset or asset group exceeds its related estimated fair value. The Company has determined that the assets within each of the Company's reporting units (Mobile Broadband (MBB) and KVH Media Group (Media)) are highly interrelated and interdependent on each other to generate revenues, and thus independent cash flows are not identifiable at a level lower than that of these reporting units. Accordingly, the Company's asset groups were determined to be its reporting units (MBB and Media).

The changes in the carrying amount of intangible assets during the three months ended March 31, 2025 are as follows:

	Amounts
Balance at December 31, 2024	\$ 828
Amortization expense	(104)
Intangible assets acquired in asset acquisition	9
Balance at March 31, 2025	<u>\$ 733</u>

Intangible assets arose from the purchase of distribution rights from Kognitive Networks Inc. in October 2023 and the purchase of KVH Industries Norway AS in September 2010. The assets that are related to the distribution rights from Kognitive Networks are being amortized on a straight-line basis over the estimated useful life of 3 years. The assets related to the purchase of KVH Industries Norway AS for acquired intellectual property are fully amortized.

In January 2017, the Company completed the acquisition of certain subscriber relationships from a third party. This acquisition did not meet the definition of a business under ASC 2017-01, *Business Combinations (Topic 805)-Clarifying the Definition of a Business*. The Company ascribed \$100 of the initial purchase price to the acquired subscriber relationships definite-lived intangible assets with an initial estimated useful life of 10 years. Under the asset purchase agreement, the purchase price includes a component of contingent consideration under which the Company is required to pay a percentage of recurring revenues received from the acquired subscriber relationships through 2026 up to a maximum annual payment of \$114. The amounts payable under the contingent consideration arrangement, if any, will be included in the measurement of the cost of the acquired subscriber relationships.

Acquired intangible assets are subject to amortization. The following table summarizes acquired intangible assets at March 31, 2025 and December 31, 2024, respectively:

	Gross Carrying Amount	Accumulated Amortization	Net Carrying Value
March 31, 2025			
Subscriber relationships	\$ 60	\$ 18	\$ 42
Distribution rights	1,250	559	691
Intellectual property	2,284	2,284	—
	<u>\$ 3,594</u>	<u>\$ 2,861</u>	<u>\$ 733</u>
December 31, 2024			
Subscriber relationships	\$ 51	\$ 13	\$ 38
Distribution rights	1,250	460	790
Intellectual property	2,284	2,284	—
	<u>\$ 3,585</u>	<u>\$ 2,757</u>	<u>\$ 828</u>

Amortization expense related to intangible assets was \$104 and \$100 for the three months ended March 31, 2025 and 2024, respectively. Amortization expense was categorized as general and administrative expense.

As of March 31, 2025, the total weighted average remaining useful lives of the definite-lived intangible assets was 1.8 years.

Estimated future amortization expense for intangible assets recorded by the Company at March 31, 2025 is as follows:

Years ending December 31,	Amortization Expense
2025	\$ 314
2026	419
Total amortization expense	<u>\$ 733</u>

(14) Revenue from Contracts with Customers

In accordance with ASC 606, revenue is recognized when a customer obtains control of promised products and services. The amount of revenue recognized reflects the consideration which the Company expects to be entitled to receive in exchange for these products and services.

Disaggregation of Revenue

The following table summarizes net sales from contracts with customers for the three months ended March 31, 2025 and 2024:

	Three Months Ended March 31,	
	2025	2024
Service - over time	\$ 21,642	\$ 25,038
Product - point in time	3,772	4,229
Total net sales	<u>\$ 25,414</u>	<u>\$ 29,267</u>

For product sales, the delivery of the Company's performance obligations is generally transferred to the customer, and associated revenue is recognized, at a point in time. For service sales, the delivery of the Company's performance obligations is transferred to the customer, and associated revenue is recognized, over time. Revenues for these service agreements are recognized over time using an output method based upon the passage of time, as this provides a faithful depiction of the pattern of transfer of control. The Company's performance is impacted by the levels of activity in the marine and land mobile markets, among other factors. Performance in any particular period could be impacted by the timing of sales to certain large customers.

The Company offers a comprehensive family of mobile satellite antenna services and products that provide access to the Internet, television, and VoIP services while on the move. Service sales of airtime service accounted for approximately 79% and 81% of the Company's consolidated net sales for the three months ended March 31, 2025 and 2024, respectively. The balance of service sales are comprised of distribution of commercially licensed entertainment and news, product repairs, and extended warranty sales. Product sales accounted for 15% and 14% of the Company's consolidated net sales for the three months ended March 31, 2025 and 2024, respectively.

No other single product class accounts for 10% or more of the Company's consolidated net sales.

The Company operates in a number of major geographic areas, including internationally. Revenues from international locations primarily include Singapore, Canada, South American countries, European Union countries and other European countries, and countries in Africa, the Middle East and Asia/Pacific, including India. Revenues are based upon customer location, and revenues from international locations represented 80% and 72% of consolidated net sales for the three months ended March 31, 2025 and 2024, respectively. Sales to Singapore customers represented 23% and 22% of the Company's consolidated net sales for the three months ended March 31, 2025 and 2024, respectively. No other individual foreign country represented 10% or more of the Company's consolidated net sales for the three months ended March 31, 2025 or 2024.

Business and Credit Concentrations

Concentrations of risk with respect to trade accounts receivable are generally limited due to the large number of customers and their dispersion across several geographic areas. Although the Company does not foresee that credit risk associated with these receivables will deviate from historical experience, repayment is dependent upon the financial stability of those individual customers. The Company establishes allowances for credit losses and evaluates, on a monthly basis, the adequacy of those reserves based upon expected losses, historical experience and its expectation for future collectability concerns.

One customer accounted for 13% and 11% of consolidated net sales for the three months ended March 31, 2025 and 2024, respectively. No other customers accounted for 10% or more of consolidated net sales for the three months ended March 31, 2025 and 2024. One customer accounted for approximately 21% and 19% of accounts receivable at March 31, 2025 and December 31, 2024, respectively. One customer accounted for 39% and 45% of long-term accounts receivable included in other non-current assets on the consolidated balance sheets related to sales-type leases at March 31, 2025 and December 31, 2024, respectively.

Certain components from third parties used in the Company's products are procured from single sources of supply. The failure of a supplier, including a subcontractor, to deliver on schedule could delay or interrupt the Company's delivery of products and thereby materially adversely affect the Company's revenues and operating results.

(15) Income Taxes

The Company's effective tax rate for the three months ended March 31, 2025 was (1.5)%, compared with (2.5)%, for the corresponding period in the prior year. The effective income tax rate is based on estimated income for the year, the estimated composition of the income in different jurisdictions and discrete adjustments, if any, in the applicable periods, including retroactive changes in tax legislation, settlements of tax audits or assessments, and the resolution or identification of tax position uncertainties.

For the three months ended March 31, 2025 and 2024, the effective tax rates differed from the statutory tax rate primarily due to the Company maintaining a valuation allowance reserve on its U.S. deferred tax assets, discrete tax adjustments and the composition of income from foreign jurisdictions taxed at lower rates.

As of March 31, 2025 and December 31, 2024, the Company had reserves for uncertain tax positions of \$745 and \$724, respectively. There were no material changes during the three months ended March 31, 2025 to the Company's reserve for uncertain tax positions. The Company estimates that it is reasonably possible that the balance of unrecognized tax benefits as of March 31, 2025 may decrease \$15 in the next twelve months as a result of a lapse of statutes of limitations and settlements with taxing authorities.

The Company's tax jurisdictions include the United States, the United Kingdom, Denmark, Cyprus, Norway, Brazil, Singapore, Japan and India. In general, the statute of limitations with respect to the Company's United States federal income taxes has expired for years prior to 2020, and the relevant state and foreign statutes vary. However, preceding years remain open to examination by United States federal and state and foreign taxing authorities to the extent of future utilization of net operating losses and research and development tax credits generated in each preceding year.

(16) Leases

Lessee

The Company has operating leases for office facilities, equipment, and satellite service capacity and related equipment. Lease expense was \$271 and \$353 for the three months ended March 31, 2025 and 2024, respectively. Short-term operating lease costs were \$22 and \$19 for the three months ended March 31, 2025 and 2024, respectively. Maturities of lease liabilities as of March 31, 2025 under operating leases having an initial or remaining non-cancelable term of one year or more are as follows:

Remainder of 2025	\$	460
2026		292
2027		204
2028 and thereafter		154
Total minimum lease payments	\$	1,110
Less amount representing interest	\$	(78)
Present value of net minimum operating lease payments	\$	1,032
Less current installments of obligation under current-operating lease liabilities	\$	507
Obligations under long-term operating lease liabilities, excluding current installments	\$	525
Weighted-average remaining lease term - operating leases (years)		2.43
Weighted-average discount rate - operating leases		5.50 %

Lessor

The Company enters into leases with certain customers primarily for the TracPhone and TracNet VSAT systems. These leases are classified as sales-type leases because title to the equipment transfers to the customer at the end of the lease term. The Company records the leases at a price typically equivalent to normal selling price and in excess of the cost or carrying amount. Upon delivery, the Company records the net present value of all payments under these leases as product revenue, and the related costs of the product are charged to cost of sales. Interest income is recognized throughout the lease term (typically three to five years) using an implicit interest rate. The sales-type leases do not have unguaranteed residual assets.

Upon adoption of ASC 842, the Company elected to apply the practical expedient provided to lessors to combine the lease and non-lease component of a contract where the revenue recognition pattern is the same and where the lease component, when accounted for separately, would be considered an operating lease. The practical expedient also allows a lessor to account for the combined lease and non-lease components under ASC 606, Revenue from Contracts with Customers, when the non-lease component is the predominant element of the combined component.

The current portion of the net investment in these leases was \$3,067 as of March 31, 2025 and the non-current portion of the net investment in these leases was \$3,036 as of March 31, 2025. The current portion of the net investment in the leases is included in accounts receivable, net of allowance for doubtful accounts on the accompanying consolidated balance sheets, and the non-current portion of the net investment in these leases is included in other non-current assets on the accompanying consolidated balance sheets. Interest income from sales-type leases was \$102 and \$129 during the three months ended March 31, 2025 and 2024, respectively.

The future undiscounted cash flows from these leases as of March 31, 2025 are:

Remainder of 2025	\$	2,776
2026		2,102
2027		1,243
2028		414
2029		94
2030		2
Total undiscounted cash flows	\$	<u>6,631</u>
Present value of lease payments	\$	<u>6,103</u>
Difference between undiscounted cash flows and discounted cash flows	\$	<u><u>528</u></u>

In 2021, the Company began entering into three-year leases for its TracPhone VSAT systems, in which ownership of the hardware does not transfer to the lessee by the end of the lease term. As a result, and in light of other factors indicated in ASC 842, these leases are classified as operating leases.

As of March 31, 2025, the gross costs and accumulated depreciation associated with these operating leases are included in revenue generating assets and amounted to \$1,767 and \$1,352, respectively. They are depreciated on a straight-line basis over a five-year estimated useful life. Depreciation expense for these operating leases was \$89 for the three months ended March 31, 2025.

Lease revenue recognized was \$19 for the three months ended March 31, 2025, respectively, in service sales in the consolidated statements of operations.

As of March 31, 2025, minimum future lease payments to be recognized on the operating leases are as follows:

Remainder of 2025	\$	<u>6</u>
Total	\$	<u><u>6</u></u>

(17) Restructuring

On February 9, 2024, the Board of Directors of the Company voted to implement a staged wind-down of the Company's manufacturing activities at its facility in Middletown, Rhode Island. The Board made this determination following a strategic review of the Company's manufacturing operations, driven by reduced demand for the Company's hardware products in the face of intensifying competition during the third and fourth quarters of 2023. The Board concluded that the Company should discontinue its capital-intensive manufacturing activities and concentrate its efforts on growing sales of its multi-orbit, multi-channel, integrated communications solutions, which in recent years have constituted the largest portion of the Company's overall revenues.

The Company expects that it will continue its product manufacturing activities for a period of time in order to generate a targeted amount of inventory of maritime satellite connectivity and satellite television terminals to meet anticipated demand and that it will cease substantially all manufacturing activity at the Middletown, Rhode Island facility by the end of 2025. The Company expects to continue to facilitate customer transition to third-party hardware products compatible with the Company's mobile satellite communications services. The Company also plans to continue to conduct maintenance, refurbishment service, warehousing, shipping and receiving activities at the Middletown, Rhode Island location until the Company's anticipated relocation by early next year.

As part of this restructuring, the Company reduced its headcount by approximately 75 employees, or approximately 20% of its total workforce as of the time the Company announced the restructuring. In 2024, the Company incurred aggregate severance charges of approximately \$3.9 million, consisting of approximately \$3.6 million of cash charges and approximately \$0.3 million of non-cash charges arising from pre-existing contractual obligations to accelerate vesting of certain outstanding equity compensation awards. For the aggregate severance charges of approximately \$3.9 million, the Company recorded in its consolidated statement of operations \$0.9 million in cost of product sales, \$1.4 million in research and development, \$0.7 million in sales, marketing and support, and \$0.8 million in general and administrative.

(18) Segment Information

The Company manages its operations as a single operating segment for the purpose of assessing performance and making operating decisions, resulting in a single reportable segment. The Company has determined that its Chief Operating Decision Maker (CODM) is its Chief Executive Officer. The CODM reviews the Company's financial information on a consolidated basis for the purpose of allocating resources and assessing financial performance.

The key measure of segment profit or loss that the CODM uses to allocate resources and assess performance is the Company's consolidated net income (loss). This is reviewed against budgeted expectations to assess segment performance and allocate resources. The Company's segment net income for the three months ended March 31, 2025 and 2024 consisted of the following:

	Three Months Ended March 31,	
	2025	2024
Sales:		
Service	\$ 21,642	\$ 25,038
Product	3,772	4,229
Net Sales	25,414	29,267
Cost of service sales		
VSAT airtime	11,196	13,207
LEO airtime	2,545	507
Other (1)	494	330
	14,235	14,044
Cost of product sales		
VSAT	595	620
LEO	1,455	1,272
TracVision & land mobile	620	1,067
Other (2)	1,070	2,349
	3,740	5,308
Research and development		
Personnel costs	951	2,606
Professional fees	38	88
Other (3)	198	344
	1,187	3,038
Sales, marketing and support		
Personnel costs	3,231	3,583
Professional fees	220	167
Other (4)	1,509	1,634
	4,960	5,384
General and administrative		
Personnel costs	1,878	3,460
Professional fees	636	590
Other (5)	1,021	1,241
	3,535	5,291
Other segment items (6)	(533)	(635)
Net loss	\$ (1,710)	\$ (3,163)

(1) Includes costs related to Inmarsat, service activations, content service, CommBox Edge and other miscellaneous

(2) Includes costs related to CommBox Edge, TracNet Coastal, obsolete inventory write-off and other miscellaneous

(3) Includes facilities and other less significant expenses

(4) Includes marketing expenses, external commissions, travel and entertainment, facilities expense, warranty expense and other less significant expenses

(5) Includes the financing fees, facilities expense, computer expenses, depreciation and amortization and other less significant expenses

(6) Other segment items includes interest income; other expense, net; and income tax expense line items on the face of the income statement

Regarding the Company's long-lived assets of \$25,948, \$4,719 of these assets are located inside of the United States, while the remaining \$21,229 are located outside of the United States. Regarding the assets located outside of the United States, \$7,128 are located in Singapore. The geographic location of the Company's AgilePlans revenue-generating assets has been determined based upon the customer shipping address.

(19) Share Buyback Program

On December 9, 2024, the Board of Directors of the Company authorized a share repurchase program pursuant to which the Company may purchase outstanding shares of the Company's common stock for an aggregate purchase price of up to \$10 million.

Under the program, the Company, at management's discretion, may repurchase shares from time to time through various means, including on the open market, in privately negotiated transactions or block transactions, or through an accelerated repurchase agreement. The Company may elect to make purchases under Rule 10b-18 under the Securities Exchange Act of 1934, as amended, which imposes certain volume limitations, and/or under Rule 10b5-1 under that act, which would permit repurchases to occur during periods when the Company might otherwise be precluded from making purchases under insider trading laws or Company policy. The volume and timing of any such repurchases will depend on a variety of factors, including the availability of shares, price, market conditions, alternative uses of capital, liquidity, general business conditions, satisfaction of debt covenants, and applicable regulatory requirements. The program does not obligate the Company to repurchase any minimum number or dollar amount of shares, and the program may be modified, suspended or terminated at any time without prior notice.

During the three months ended March 31, 2025, the Company repurchased 31 shares of common stock in open market transactions at a cost of approximately \$163. Except as noted above, there were no other repurchase programs outstanding.

ITEM 2. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

Introduction

The statements included in this quarterly report on Form 10-Q, other than statements of historical fact, are forward-looking statements. Examples of forward-looking statements include statements regarding our future financial results, operating results, business strategies, projected costs, products and services, competitive positions and plans, customer preferences, consumer trends, anticipated product development, and objectives of management for future operations. In some cases, forward-looking statements can be identified by terminology such as "may," "will," "should," "would," "expects," "plans," "anticipates," "believes," "estimates," "predicts," "potential," "continue," or the negative of these terms or other comparable terminology. Any expectations based on these forward-looking statements are subject to risks and uncertainties and other important factors, including those discussed in the section entitled "Risk Factors" in Item 1A of Part I of our annual report on Form 10-K for the year ended December 31, 2024. These and many other factors could affect our future financial and operating results and could cause actual results to differ materially from expectations based on forward-looking statements made in this document or elsewhere by us or on our behalf. For example, our expectations regarding certain items as a percentage of sales assume that we will achieve our anticipated sales goals. The following discussion and analysis should be read in conjunction with our consolidated interim financial statements and related notes appearing elsewhere in this report.

Overview

We are a leading global provider of innovative and technology-driven connectivity solutions to primarily maritime commercial, leisure, and military/government customers. We provide global high-speed Internet and Voice over Internet Protocol (VoIP) services via satellite to mobile users at sea and on land. We are also a leading provider of commercially licensed entertainment, including movies, television programming, news, and music, to commercial customers in the maritime market, along with supplemental value-added cybersecurity, email, and crew internet services.

We generate a substantial majority of our revenues from sales of satellite Internet airtime services. We provide, for monthly fixed fees and per-usage fees, satellite connectivity encompassing broadband Internet, data and VoIP services, to customers via our global HTS network. In mid-2022, we launched our KVH ONE hybrid network, which integrates global satellite service (including Ku-band VSAT using the Intelsat HTS network along with Starlink, OneWeb, Iridium, and other satellite services), KVH-provided cellular service in more than 150 countries, and shore-based Wi-Fi access. Revenue from our cellular airtime service has supplemented, and we expect will continue to supplement, our satellite-only airtime revenue. In addition, we earn monthly usage fees from sales of third-party satellite connectivity for VoIP, data and Internet services to our

Inmarsat, Iridium, and Starlink customers who choose to activate their subscriptions with us. In March 2023, we began selling Starlink terminals and, in September 2023, we became a Starlink authorized hardware and airtime reseller offering Global Priority data plans for maritime use. In October 2024, we expanded our portfolio to include Starlink Local Priority data plans, which will primarily be used for stationary and in-motion commercial use on land. In December 2024, we introduced our TracNet Coastal and TracNet Coastal Pro terminals, expanding our extensive multi-channel portfolio of maritime products and services with a 5G/cellular and Wi-Fi system. We expect to earn usage fees from our offering of OneWeb service, which we launched in January 2025. We also generate service revenue from product repairs and extended warranty sales.

Our service sales also include the distribution of entertainment, including movies, television programming, news and music, to commercial customers in the maritime market through KVH Media Group, along with supplemental value-added services.

Historically, our Ku-band VSAT communications service has been the primary driver of revenue growth. However, these services represent a declining percentage of our revenues in the face of increased demand for and competition from emerging LEO services. Our satellite-only and hybrid products enable marine customers to receive data, VoIP, and value-added services via satellite, cellular, and shore-based Wi-Fi networks onboard commercial, leisure, and military/government vessels. In addition, our in-motion television terminals permit customers to receive live digital television via regional satellite services in marine vessels, recreational vehicles, buses and automobiles. We sell our products through an extensive international network of dealers and distributors. We also sell and lease products to service providers and end users.

In February 2024, we announced a staged wind-down of our product manufacturing operations at our Middletown, Rhode Island location. The wind-down was driven by reduced demand for our hardware products in the face of intensifying competition in the third and fourth quarters of 2023. We concluded that we should discontinue our capital-intensive manufacturing activities and concentrate our efforts on growing sales of our multi-orbit, multi-channel, integrated communications solutions. We expect that we will continue our product manufacturing activities in order to generate a targeted amount of inventory of maritime satellite connectivity and satellite television terminals to meet anticipated demand through 2025 and potentially into 2026 and that we will cease substantially all manufacturing activity by the end of 2025. We expect to continue to facilitate customer transition to third-party hardware products compatible with our mobile satellite communications services. We also plan to continue to conduct maintenance, service, warehousing, shipping and receiving activities at the Middletown, Rhode Island location until our anticipated relocation by early next year.

As part of this restructuring, we reduced our headcount by approximately 75 employees, or approximately 20% of our total workforce as of the time we announced the restructuring. As of June 30, 2024, all employee terminations were completed. During 2024, we incurred \$3.9 million of severance charges for this and other restructurings. The \$3.9 million of severance charges incurred during the year consisted of approximately \$3.6 million of cash charges and approximately \$0.3 million of non-cash charges arising from pre-existing contractual obligations to accelerate vesting of certain outstanding equity compensation awards.

During the second quarter of 2024, we expanded our relationship with Starlink through a bulk data distribution agreement. Under the agreement, we prepaid \$17.0 million for access to a large block of Starlink Global Priority data at favorable rates. The new agreement offers us increased flexibility in the development and sale of custom airtime plans using Starlink's Global Priority service.

During the third quarter of 2024, we commenced our plan to sell the warehouse building and surface parking lot located at 75 Enterprise Center in Middletown, Rhode Island ("75 Enterprise Center"). As of September 30, 2024, 75 Enterprise Center had a carrying value of approximately \$7.8 million. We determined that all of the criteria to classify 75 Enterprise Center as held for sale had been met as of September 30, 2024. The estimated fair value was determined based upon the anticipated sales price of these assets based on current market conditions and assumptions made by management, less selling costs. We recorded an impairment charge of \$1.1 million in 2024, as the carrying value of 75 Enterprise Center at the time the asset for sale criteria were met exceeded the fair value less costs to sell.

In December 2024, we entered into an agreement to sell 75 Enterprise Center for \$8.5 million. Consummation of the transaction is subject to customary closing conditions. Under the purchase agreement, the buyer has six months to obtain specified zoning approvals, with up to three 30-day extensions, as well as a 60-day inspection period, subject to potential extension. The buyer may terminate the agreement at any time before the expiration of the inspection period and may also terminate the agreement if the specified zoning approvals are denied before the expiration of the zoning approval period. Upon consummation of the sale, we will remain in possession of the property as a tenant under a triple-net lease having an initial term of six months, which we can extend for up to an additional three months. Rent during the initial term is approximately \$25,000 per month, which would increase to approximately \$44,000 per month during any extension.

Additionally, in the third quarter of 2024, we commenced our plan to sell the property, building, improvements, and land located at 50 Enterprise Center in Middletown, Rhode Island (“50 Enterprise Center”). As of September 30, 2024, 50 Enterprise Center had a carrying value of approximately \$3.6 million. We determined that all of the criteria to classify 50 Enterprise Center as held for sale had been met as of September 30, 2024. The estimated fair value of 50 Enterprise Center exceeds its carrying value. In December 2024, we entered into an agreement to sell 50 Enterprise Center, subject to the buyer’s right to terminate the agreement during an inspection period. In January 2025, before the end of the inspection period, we received notice of termination from the buyer. In March 2025, we entered into an agreement with another buyer to sell 50 Enterprise Center for \$5.3 million. Consummation of the transaction is subject to customary closing conditions. Under the purchase agreement, the buyer has a 60-day inspection period and may terminate the agreement at any time before the end of the inspection period.

Our marine leisure business has been highly seasonal, and seasonality can also impact our commercial marine business. Temporary suspensions of our airtime services typically increase in the third and fourth quarters of each year as boats are placed out of service during the winter months. Historically, we have generated the majority of our marine leisure product revenues during the first and second quarters of each year, and these revenues typically decline in the third and fourth quarters of each year, compared to the first two quarters.

Critical Accounting Estimates

The discussion and analysis of our financial condition and results of operations are based upon our consolidated interim financial statements, which have been prepared in accordance with accounting principles generally accepted in the United States of America. The preparation of these interim financial statements requires us to make estimates and judgments that affect the reported amounts of assets and liabilities, revenues and expenses, and related disclosure at the date of our interim financial statements. Our significant accounting policies are summarized in Note 1 to the consolidated financial statements in our annual report on Form 10-K for the year ended December 31, 2024.

Critical accounting estimates are those estimates made that involve a significant level of estimation uncertainty and have had or are reasonably likely to have an impact on our statement of operations. We believe that our accounting estimates for intangible assets and other long-lived assets are the only estimates critical to an understanding and evaluation of our financial results for the three months ended March 31, 2025, as discussed below.

Results of Operations

The following table provides, for the periods indicated, certain financial data relating to our operations expressed as a percentage of net sales:

	Three Months Ended March 31,	
	2025	2024
Sales:		
Service	85.2 %	85.6 %
Product	14.8	14.4
Net sales	100.0	100.0
Cost and expenses:		
Costs of service sales	56.0	48.0
Costs of product sales	14.7	18.1
Research and development	4.7	10.4
Sales, marketing and support	19.5	18.4
General and administrative	13.9	18.1
Total costs and expenses	108.8	113.0
Loss from operations	(8.8)	(13.0)
Interest income	2.2	3.1
Other expense, net	—	(0.7)
Loss before income tax expense	(6.6)	(10.6)
Income tax expense	0.1	0.3
Net loss	(6.7)%	(10.9)%

Three months ended March 31, 2025 and 2024

Net Sales

Our net sales for the three months ended March 31, 2025 and 2024 were as follows:

	For the three months ended March 31,		Change	
			2025 vs. 2024	
	2025	2024	\$	%
(dollars in thousands)				
Service	\$ 21,642	\$ 25,038	\$ (3,396)	(14)%
Product	3,772	4,229	(457)	(11)%
Net sales	<u>\$ 25,414</u>	<u>\$ 29,267</u>	<u>\$ (3,853)</u>	<u>(13)%</u>

Net sales decreased by \$3.9 million, or 13%, for the three months ended March 31, 2025 as compared to the three months ended March 31, 2024. Service sales decreased by \$3.4 million, or 14%, to \$21.6 million for the three months ended March 31, 2025 from \$25.0 million for the three months ended March 31, 2024. The decrease in service sales was primarily due to a \$3.5 million decrease in our airtime service sales, of which \$2.5 million was related to the U.S. Coast Guard contract downgrade. In addition, there was a decrease in VSAT-only subscribers, partially offset by an increase in LEO service sales. Alternative solutions offered by recent LEO entrants have heightened competition in the global leisure segment and in commercial and government markets.

Product sales decreased by \$0.5 million, or 11%, to \$3.8 million for the three months ended March 31, 2025 from \$4.2 million for the three months ended March 31, 2024. The decrease in product sales was primarily due to a \$0.5 million decrease in TracVision product sales and a \$0.2 million decrease in accessory and land mobile connectivity product sales, partially offset by a \$0.2 million increase in Starlink product sales and a \$0.2 million increase in CommBox Edge product sales. The decline in product sales was primarily driven by product sales mix. Competition from low-cost alternatives to VSAT, which include streaming capabilities, has had a significant impact on sales of both TracVision and VSAT Broadband products.

Costs of Sales

Costs of sales consists of costs of service sales and costs of product sales. Costs of sales decreased by \$1.4 million, or 7%, in the three months ended March 31, 2025 to \$18.0 million from \$19.4 million in the three months ended March 31, 2024. The decrease in costs of sales was driven by a \$1.6 million decrease in costs of product sales, partially offset by a \$0.2 million increase in costs of service sales. As a percentage of net sales, costs of sales were 71% and 66% for the three months ended March 31, 2025 and 2024, respectively.

Our costs of service sales consist primarily of satellite service capacity, depreciation, service network overhead expense associated with our VSAT Broadband network infrastructure, direct network service labor, product installation costs, media materials and distribution costs, and service repair materials. For the three months ended March 31, 2025, costs of service sales increased by \$0.2 million, or 1%, to \$14.2 million from \$14.0 million for the three months ended March 31, 2024, primarily due to a \$0.2 million increase in content services cost of service sales. As a percentage of service sales, costs of service sales were 66% and 56% for the three months ended March 31, 2025 and 2024, respectively, driven primarily by fixed costs.

Our costs of product sales consist primarily of materials, manufacturing overhead, and direct labor used to produce our products. For the three months ended March 31, 2025, costs of product sales decreased by \$1.6 million, or 30%, to \$3.7 million from \$5.3 million in the three months ended March 31, 2024, primarily due to a \$1.2 million decrease in various manufacturing and other unabsorbed expenses, a \$0.4 million decrease in TracVision cost of product sales and a \$0.2 million decrease in accessory cost of product sales, partially offset by a \$0.2 million increase in Starlink cost of product sales. As a percentage of product sales, costs of product sales were 99% and 126% for the three months ended March 31, 2025 and 2024, respectively. Cost of product sales decreased as a percentage of product sales primarily due to the decrease in various manufacturing and other unabsorbed expense.

Operating Expenses

Research and development expense consists of direct labor, materials, external consultants, and related overhead costs that support our internally funded product development and product sustaining engineering activities. Research and development expense for the three months ended March 31, 2025 decreased by \$1.9 million, or 61%, to \$1.2 million from \$3.0 million for the three months ended March 31, 2024. The decrease in research and development expense resulted primarily from a \$1.7 million decrease in salaries, benefits and taxes, after giving effect to \$0.8 million in costs incurred during the three months ended March 31, 2024 related to the reduction in our workforce. As a percentage of net sales, research and development expense was 5% and 10% for the three months ended March 31, 2025 and 2024, respectively.

Sales, marketing, and support expense consists primarily of salaries and related expenses for sales and marketing personnel, commissions for both in-house and third-party representatives, costs related to the co-development of certain content, other sales and marketing support costs such as advertising, literature and promotional materials, product service personnel and support costs, warranty-related costs and bad debt expense. Sales, marketing and support expense for the three months ended March 31, 2025 decreased by \$0.4 million, or 8%, to \$5.0 million from \$5.4 million for the three months ended March 31, 2024. The decrease in sales, marketing and support expense resulted primarily from a \$0.4 million decrease in salaries, benefits and taxes, after giving effect to \$0.3 million in costs incurred during the three months ended March 31, 2024 related to the reduction in our workforce. As a percentage of net sales, sales, marketing and support expense was 20% and 18% for the three months ended March 31, 2025 and 2024, respectively.

General and administrative expense consists of costs attributable to management, finance and accounting, information technology, human resources, certain outside professional services, and other administrative costs. General and administrative expense for the three months ended March 31, 2025 decreased by \$1.8 million, or 33%, to \$3.5 million from \$5.3 million for the three months ended March 31, 2024. The decrease in general and administrative expense resulted primarily from a \$1.6 million decrease in salaries, benefits and taxes, after giving effect to \$0.6 million in costs incurred during the three months ended March 31, 2024 related to the reduction in our workforce, and a \$0.3 million decrease in depreciation expense. As a percentage of net sales, general and administrative expense was 14% and 18% for the three months ended March 31, 2025 and 2024, respectively.

Interest and Other Expense, Net

Interest income decreased by \$0.3 million to \$0.6 million for the three months ended March 31, 2025 from \$0.9 million for the three months ended March 31, 2024. Of the current period interest income of \$0.6 million, \$0.5 million is attributable to interest earned on cash and cash equivalents, and \$0.1 million was attributable to interest from lease receivables. Other expense, net decreased by \$0.2 million to other expense, net of less than \$0.1 million for the three months ended March 31, 2025 from other expense, net of \$0.2 million for the three months ended March 31, 2024. This decrease was driven by a \$0.2 million decrease in the loss on disposal of fixed assets.

Income Tax Expense

Income tax expense for the three months ended March 31, 2025 was less than \$0.1 million and related to states taxes and taxes on income earned in foreign jurisdictions. Income tax expense for the three months ended March 31, 2024 was \$0.1 million and related to taxes on income earned in foreign jurisdictions.

Liquidity and Capital Resources

Our primary liquidity needs have been to fund general business requirements, including working capital requirements and capital expenditures. In recent years, we have funded our operations primarily from the sale of two businesses in 2022, the sale of a business in 2019, a PPP loan, cash flows from operations, bank financings and proceeds received from exercises of stock options and the issuance of stock.

On August 9, 2022, we sold our inertial navigation business to EMCORE Corporation for net proceeds of \$54.9 million, less specified deductions.

As of March 31, 2025, we had \$48.6 million in cash and cash equivalents, of which \$3.5 million in cash and cash equivalents was held in local currencies by our foreign subsidiaries. We held no marketable securities as of March 31, 2025. As of March 31, 2025, we had \$108.5 million in working capital.

Based upon our current working capital position, current operating plans and expected business conditions, we expect to have sufficient funds, through at least twelve months from the date that this report is filed with the SEC, to fund our short-term and long-term working capital requirements, including capital expenditures and contractual obligations. Our funding plans for our working capital needs and other commitments may be adversely impacted if our underlying assumptions regarding our anticipated revenues and expenses are not realized. If our operating results fail to meet our expectations, we could be required to seek additional funding through public or private financings or other arrangements. In that event, adequate funds may not be available when needed or may be available only on terms which could have a negative impact on our business and results of operations. In addition, if we raise funds by issuing equity securities, our stockholders may experience dilution.

Net cash used in operations was \$1.3 million for the three months ended March 31, 2025 compared to net cash used in operations of \$0.8 million for the three months ended March 31, 2024. The \$0.5 million increase in net cash used in operations was primarily the result of a \$3.1 million increase in cash outflows related to accounts payable, a \$1.3 million decrease in cash inflows relating to accounts receivable, a change of \$0.7 million related to non-cash items and a \$0.5 million increase in cash outflows related to prepaid expenses and current assets, partially offset by a \$2.5 million decrease in cash outflows relating to accrued compensation, product warranty and other expenses, a \$1.5 million decrease in net loss and a \$1.0 million decrease in cash outflows relating to inventories.

Net cash used in investing activities was \$0.6 million for the three months ended March 31, 2025 compared to net cash provided by investing activities of \$0.9 million for the three months ended March 31, 2024. The \$1.4 million change in net cash provided by investing activities was primarily the result of a \$3.3 million decrease in proceeds from net sales of marketable securities, which was driven by the liquidation of our marketable securities held by Wells Fargo in 2024, partially offset by a \$1.3 million decrease in capital expenditures and a \$0.6 million increase in proceeds from the sale of fixed assets.

Net cash used in financing activities was \$0.2 million for the three months ended March 31, 2025 compared to net cash provided by financing activities of \$0.1 million for the three months ended March 31, 2024. The \$0.3 million change in net cash used in financing activities is primarily attributable to a \$0.2 million increase in cash outflows related to the repurchase of treasury stock and \$0.1 million decrease in cash inflows relating to proceeds from the exercise of stock options and purchases under our employee stock purchase plan.

Other Matters

On December 9, 2024, our Board of Directors authorized a share repurchase program pursuant in which we may purchase outstanding shares of our common stock for an aggregate purchase price of up to \$10 million.

Under the program, we, at management's discretion, may repurchase shares from time to time through various means, including on the open market, in privately negotiated transactions or block transactions, or through an accelerated repurchase agreement. We may elect to make purchases under Rule 10b-18 under the Securities Exchange Act of 1934, as amended, which imposes certain volume limitations, and/or under Rule 10b5-1 under that act, which would permit repurchases to occur during periods when we might otherwise be precluded from making purchases under insider trading laws or our company policy. The volume and timing of any such repurchases will depend on a variety of factors, including the availability of shares, price, market conditions, alternative uses of capital, liquidity, general business conditions, satisfaction of debt covenants, and applicable regulatory requirements. The program does not obligate us to repurchase any minimum number or dollar amount of shares, and the program may be modified, suspended or terminated at any time without prior notice.

During the three months ended March 31, 2025, we repurchased 30,818 shares of common stock in open market transactions at a cost of \$0.2 million. Except as noted above, there were no other repurchase programs outstanding.

ITEM 4. CONTROLS AND PROCEDURES

Evaluation of Disclosure Controls and Procedures

We maintain disclosure controls and procedures, as defined in Rules 13a-15(e) and 15d-15(e) under the Securities Exchange Act of 1934, as amended, or the Exchange Act, which are designed to ensure that information required to be disclosed in the reports that we file or submit under the Exchange Act is recorded, processed, summarized and reported within the time periods specified in the Securities and Exchange Commission's rules and forms and that such information is accumulated and communicated to our management, including our Chief Executive Officer and Chief Financial Officer, as appropriate to allow timely decisions regarding required disclosure.

Under the supervision and with the participation of our Chief Executive Officer and Chief Financial Officer, our management has evaluated the effectiveness of our disclosure controls and procedures as of March 31, 2025, the end of the period covered by this interim report. Based on that evaluation, our Chief Executive Officer and Chief Financial Officer concluded that our disclosure controls and procedures were effective as of March 31, 2025.

Evaluation of Changes in Internal Control over Financial Reporting

Under the supervision and with the participation of our Chief Executive Officer and Chief Financial Officer, our management has evaluated changes in our internal control over financial reporting that occurred during the first quarter of 2025. Based on that evaluation, our Chief Executive Officer and Chief Financial Officer did not identify any change in our internal control over financial reporting during the first quarter of 2025 that has materially affected, or is reasonably likely to materially affect, our internal control over financial reporting.

Important Considerations

The effectiveness of our disclosure controls and procedures and our internal control over financial reporting is subject to various inherent limitations, including cost limitations, judgments used in decision making, assumptions about the likelihood of future events, the soundness of our systems, the possibility of human error, and the risk of fraud. Moreover, projections of any evaluation of effectiveness to future periods are subject to the risk that controls may become inadequate because of changes in conditions and the risk that the degree of compliance with policies or procedures may deteriorate over time. Because of these limitations, there can be no assurance that any system of disclosure controls and procedures or internal control over financial reporting will be successful in preventing all errors or fraud or in making all material information known in a timely manner to the appropriate levels of management.

PART II. OTHER INFORMATION

ITEM 2. UNREGISTERED SALES OF EQUITY SECURITIES AND USE OF PROCEEDS

On December 9, 2024, our Board of Directors authorized a share repurchase program pursuant in which we may purchase outstanding shares of our common stock for an aggregate purchase price of up to \$10 million.

Under the program, we, at management's discretion, may repurchase shares from time to time through various means, including on the open market, in privately negotiated transactions or block transactions, or through an accelerated repurchase agreement. We may elect to make purchases under Rule 10b-18 under the Securities Exchange Act of 1934, as amended, which imposes certain volume limitations, and/or under Rule 10b5-1 under that act, which would permit repurchases to occur during periods when we might otherwise be precluded from making purchases under insider trading laws or our company policy. The volume and timing of any such repurchases will depend on a variety of factors, including the availability of shares, price, market conditions, alternative uses of capital, liquidity, general business conditions, satisfaction of debt covenants, and applicable regulatory requirements. The program does not obligate us to repurchase any minimum number or dollar amount of shares, and the program may be modified, suspended or terminated at any time without prior notice.

During the three months ended March 31, 2025, we repurchased 30,818 shares of common stock in open market transactions at a cost of approximately \$162,780. Except as noted above, there were no other repurchase programs outstanding.

During the three months ended March 31, 2025, no vested restricted shares were surrendered to us in satisfaction of tax withholding obligations.

The following table provides information about our repurchase of common stock during the three months ended March 31, 2025.

Period	Total Number of Shares Purchased	Average Price Paid per Share ⁽¹⁾	Total Number of Shares Purchased as Part of Publicly Announced Plans or Programs	Approximate Dollar Value of Shares that May Yet Be Purchased Under the Program
January 1 - January 31	—	\$ —	—	\$ 10,000,000
February 1 - February 29	—	—	—	10,000,000
March 1 - March 31	30,818	5.25	30,818	9,837,220
Total	30,818	5.25	30,818	

(1) Does not include broker commissions.

ITEM 6. EXHIBITS*Exhibits:*

Exhibit No.	Description	Filed with this Form 10-Q	Incorporated by Reference		
			Form	Filing Date	Exhibit No.
3.1	Amended and Restated Certificate of Incorporation, as amended		10-Q	August 6, 2010	3.1
3.2	Certificate of Designations of Series A Junior Participating Cumulative Preferred Stock of KVH Industries, Inc. classifying and designating the Series A Junior Participating Cumulative Preferred Stock		8-A	August 19, 2022	3.1
3.3	Amended and Restated Bylaws		10-Q	November 1, 2017	3.2
4.1	Specimen certificate for the common stock		10-K	March 2, 2018	4.1
31.1	Rule 13a-14(a)/15d-14(a) certification of principal executive officer	X			
31.2	Rule 13a-14(a)/15d-14(a) certification of principal financial officer	X			
32.1	Section 1350 certification of principal executive officer and principal financial officer	X			
101	The following financial information from KVH Industries, Inc.'s Quarterly Report on Form 10-Q for the quarter ended March 31, 2025, formatted in Inline XBRL (Extensible Business Reporting Language): (i) the Consolidated Balance Sheets (unaudited), (ii) the Consolidated Statements of Operations (unaudited), (iii) the Consolidated Statements of Comprehensive Loss (unaudited), (iv) the Consolidated Statements of Stockholders' Equity (unaudited), (v) the Consolidated Statements of Cash Flows (unaudited), and (vi) the Notes to Consolidated Interim Financial Statements (unaudited).	X			
104	Cover Page Interactive Data File (embedded within the Inline XBRL document)	X			

SIGNATURE

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

Date: May 7, 2025

KVH Industries, Inc.

By: _____ /s/ ANTHONY F. PIKE

Anthony F. Pike
(Duly Authorized Officer and Chief Financial Officer)

**Certification of Principal Executive Officer
Pursuant to Rule 13a-14 or 15d-14 under the Securities Exchange Act of 1934 as Adopted Pursuant to
Section 302 of the Sarbanes-Oxley Act of 2002**

I, Brent C. Bruun, certify that:

1. I have reviewed this quarterly report on Form 10-Q of KVH Industries, Inc.;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
 - a. Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
 - b. Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
 - c. Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
 - d. Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):
 - a. All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
 - b. Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: May 7, 2025

/s/ Brent C. Bruun

Brent C. Bruun

President, Chief Executive Officer and Director

Certification of Principal Financial Officer
Pursuant to Rule 13a-14 or 15d-14 under the Securities Exchange Act of 1934 as Adopted Pursuant to
Section 302 of the Sarbanes-Oxley Act of 2002

I, Anthony F. Pike, certify that:

1. I have reviewed this quarterly report on Form 10-Q of KVH Industries, Inc.;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
 - a. Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
 - b. Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
 - c. Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
 - d. Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):
 - a. All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
 - b. Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: May 7, 2025

/s/ Anthony F. Pike

Anthony F. Pike

Chief Financial Officer

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

In connection with the Quarterly Report on Form 10-Q of KVH Industries, Inc. (the “Company”) for the quarter ended March 31, 2025, as filed with the Securities and Exchange Commission on the date hereof (the “Report”), each of the undersigned President, Chief Executive Officer and Director, and Chief Financial Officer of the Company, certifies, to his best knowledge and belief, pursuant to 18 U.S.C. § 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that:

1. The Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Act of 1934; and
2. The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

/s/ Brent C. Bruun

Brent C. Bruun

President, Chief Executive Officer and Director

/s/ Anthony F. Pike

Anthony F. Pike

Chief Financial Officer

Date: May 7, 2025

Date: May 7, 2025