UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, DC 20549

FORM 10-Q

(Mark One)

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

FOR THE QUARTERLY PERIOD ENDED MARCH 31, 2017

OR

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

FOR THE TRANSITION PERIOD FROM TO

Commission file number: 001-37851

AIRGAIN, INC.
(Exact name of registrant as specified in its charter)

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

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

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 and posted on its corporate Web site, if any, every Interactive Data File required to be submitted and posted 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 and post 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	☐		Accelerated filer	☐
Non-accelerated filer	☒	(Do not check if a smaller reporting company)	Smaller reporting company	☐
			Emerging growth company	☒

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

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

As of May 10, 2017, the registrant had 9,520,290 shares of Common Stock ($0.0001 par value) outstanding.

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PART I. FINANCIAL INFORMATION

ITEM 1. FINANCIAL STATEMENTS

Airgain, Inc.
Unaudited Condensed Balance Sheets

	March 31, 2017	December 31, 2016
Assets		
Current assets:		
Cash and cash equivalents	$ 41,859,298	$ 45,161,403
Trade accounts receivable, net	7,512,937	5,154,996
Inventory	108,321	146,815
Prepaid expenses and other current assets	318,937	349,550
Total current assets	49,799,493	50,812,764
Property and equipment, net	812,005	807,086
Goodwill	1,249,956	1,249,956
Customer relationships, net	2,744,168	2,822,918
Intangible assets, net	268,123	286,719
Other assets	189,876	84,060
Total assets	$ 55,063,621	$ 56,063,503
Liabilities and stockholders’ equity		
Current liabilities:		
Accounts payable	$ 3,992,976	$ 3,949,005
Accrued bonus	599,475	1,748,551
Accrued liabilities	803,936	1,072,242
Deferred purchase price	1,000,000	1,000,000
Current portion of long-term notes payable	1,333,333	1,388,563
Current portion of deferred rent obligation under operating lease	81,332	81,332
Total current liabilities	7,811,052	9,239,693
Long-term notes payable	1,000,000	1,333,333
Deferred tax liability	16,000	6,166
Deferred rent obligation under operating lease	421,170	451,909
Total liabilities	9,248,222	11,031,101
Stockholders’ equity:		
Common shares, par value $0.0001, 200,000,000 shares authorized at March 31, 2017 and December 31, 2016; 9,488,057 and 9,275,062 shares issued and outstanding at March 31, 2017 and December 31, 2016, respectively	949	928
Additional paid in capital	88,980,356	88,582,470
Accumulated deficit	(43,165,906)	(43,550,996)
Total stockholders’ equity	45,815,399	45,032,402
Commitments and contingencies (note 10)		
Total liabilities and stockholders’ equity	$ 55,063,621	$ 56,063,503

See accompanying notes to unaudited condensed financial statements.

Airgain, Inc.
Unaudited Condensed Statements of Operations

	For the Three Months Ended March 31, 2017	For the Three Months Ended March 31, 2016
Sales	$ 11,252,417	$ 8,512,305
Cost of goods sold	5,963,959	4,834,681
Gross profit	5,288,458	3,677,624
Operating expenses:		
Research and development	1,596,799	1,321,686
Sales and marketing	1,628,141	1,241,104
General and administrative	1,638,039	998,040
Total operating expenses	4,862,979	3,560,830
Income from operations	425,479	116,794
Other expense (income):		
Interest income	(37,201)	—
Interest expense	30,764	52,475
Fair market value adjustment - warrants	—	(78,834)
Total other income	(6,437)	(26,359)
Income before income taxes	431,916	143,153
Provision for income taxes	46,826	4,000
Net income	385,090	139,153
Accretion of dividends on preferred convertible stock	—	(604,069)
Net income (loss) attributable to common stockholders	$ 385,090	$ (464,916)
Net income (loss) per share:		
Basic	$ 0.04	$ (0.70)
Diluted	$ 0.04	$ (0.82)
Weighted average shares used in calculating income (loss) per share:		
Basic	9,359,562	665,842
Diluted	10,201,606	665,842

See accompanying notes to unaudited condensed financial statements.

Airgain, Inc.
Unaudited Condensed Statement of Stockholders' Equity

	Common Stock		Additional Paid-in	Accumulated	Total Stockholders'
	Shares	Amount	Capital	Deficit	Equity
Balance at December 31, 2016	9,275,062	$ 928	$ 88,582,470	$ (43,550,996)	$ 45,032,402
Stock-based compensation	—	—	73,475	—	73,475
Exercise of stock options	155,520	15	323,636	—	323,651
Shares issued pursuant to stock awards	57,475	6	(6)	—	—
Reversal of costs related to secondary offering	—	—	781	—	781
Net income	—	—	—	385,090	385,090
Balance at March 31, 2017	9,488,057	$ 949	$ 88,980,356	$ (43,165,906)	$ 45,815,399

See accompanying notes to unaudited condensed financial statements.

Airgain, Inc.
Unaudited Condensed Statements of Cash Flows

	For the Three Months Ended March 31,	
	2017	2016
Cash flows from operating activities:		
Net income	$ 385,090	$ 139,153
Adjustments to reconcile net income to net cash used in operating activities:		
Depreciation	115,447	117,445
Amortization	97,346	91,333
Fair market value adjustment - warrants	—	(78,834)
Stock-based compensation	73,475	28,893
Deferred tax liability	9,834	—
Changes in operating assets and liabilities:		
Trade accounts receivable	(2,357,941)	52,995
Inventory	38,494	73,048
Prepaid expenses and other assets	(75,203)	83,248
Accounts payable	42,917	(349,102)
Accrued bonus	(1,149,076)	(937,250)
Accrued liabilities	(268,306)	(47,302)
Deferred obligation under operating lease	(30,739)	(26,683)
Net cash used in operating activities	(3,118,662)	(853,056)
Cash flows from investing activities:		
Purchases of property and equipment	(119,312)	(41,030)
Net cash used in investing activities	(119,312)	(41,030)
Cash flows from financing activities:		
Repayment of notes payable	(388,563)	(404,469)
Reversal of costs related to initial public offering	781	—
Proceeds from exercise of stock options	323,651	—
Net cash used in financing activities	(64,131)	(404,469)
Net decrease in cash and cash equivalents	(3,302,105)	(1,298,555)
Cash and cash equivalents, beginning of period	45,161,403	5,335,913
Cash and cash equivalents, end of period	$ 41,859,298	$ 4,037,358
Supplemental disclosure of cash flow information		
Interest paid	$ 32,508	$ 52,475
Supplemental disclosure of non-cash investing and financing activities:		
Accretion of Series E, F, and G preferred redeemable convertible stock to redemption amount	$ —	$ 533,203
Accrual of property and equipment	$ 1,054	$ —

See accompanying notes to unaudited condensed financial statements.

Airgain, Inc.
Notes to Unaudited Condensed Financial Statements

Note 1. Basis of Presentation

Business Description

Airgain, Inc. (the Company) was incorporated in the State of California on March 20, 1995, and reincorporated in the State of Delaware on August 15, 2016. The Company is a leading provider of embedded antenna technologies used to enable high performance wireless networking across a broad range of home, enterprise, and industrial devices. The Company designs, develops, and engineers its antenna products for original equipment and design manufacturers worldwide. The Company's main office is in San Diego, California with office space and research facilities in San Diego, California, Rancho Santa Fe, California, Poway, California, Melbourne, Florida, Taipei, Taiwan, Shenzhen and Jiangsu, China and Cambridgeshire, United Kingdom.

Basis of Presentation

The accompanying unaudited condensed financial statements have been prepared in accordance with U.S. generally accepted accounting principles (GAAP) and applicable rules and regulations of the Securities and Exchange Commission (SEC) regarding interim financial reporting. Certain information and note disclosures normally included in the financial statements prepared in accordance with GAAP have been condensed or omitted pursuant to such rules and regulations. Interim financial results are not necessarily indicative of results anticipated for the full year. As such, the information included in this quarterly report on Form 10-Q should be read in conjunction with the financial statements and accompanying notes included in the Company's Annual Report on Form 10-K for the fiscal year ended December 31, 2016, from which the balance sheet information herein was derived.

The condensed balance sheet as of December 31, 2016 included herein was derived from the audited financial statements as of that date, but does not include all disclosures including notes required by GAAP.

The condensed statements of operations for the three months ended March 31, 2017 and March 31, 2016, and the balance sheet data as of March 31, 2017 have been prepared on the same basis as the audited financial statements.

In the opinion of management, the accompanying unaudited condensed financial statements reflect all adjustments, consisting of normal and recurring adjustments, necessary for a fair presentation of results of the Company's operations and financial position for the interim periods, but are not necessarily indicative of the results of operations to be anticipated for the full year ending December 31, 2017 or for any future period.

Inventory

The vast majority of the Company's products are manufactured by third parties that retain ownership of the inventory until title is transferred to the customer at the shipping point. In certain instances, shipping terms are delivery at place and the Company is responsible for arranging transportation and delivery of goods ready for unloading at the named place. The Company bears all risk involved in bringing the goods to the named place and records the related inventory in transit to the customer as inventory on the accompanying balance sheet.

Inventory is stated at the lower of cost or market. Cost is determined using the first-in, first-out method (FIFO).

Segment Information

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

Initial Public Offering

On August 17, 2016, the Company completed its initial public offering (IPO) in which it issued and sold 1.5 million shares of common stock at a public offering price of $8.00 per share. The Company received net proceeds of approximately $9.5 million after deducting underwriting discounts and commissions of $0.8 million and offering-related transaction costs of approximately $1.7 million. Upon the closing of the IPO, all shares of the Company's then-outstanding preferred redeemable convertible stock and preferred convertible stock automatically converted into an aggregate of 3,080,733 shares of common stock and the Company issued 1,957,207 shares of common stock in satisfaction of accumulated dividends. Additionally, the Company reduced the number of preferred shares authorized to a total of 10,000,000 shares.

On August 29, 2016 the underwriters exercised their over-allotment option to purchase an additional 200,100 shares of common stock at the public offering price of $8.00 per share, which resulted in net proceeds to the Company of approximately $1.5 million, after deducting underwriting discounts, commissions and estimated offering-related transaction costs of approximately $0.1 million.

On December 8, 2016, the Company completed a public offering of common stock in which it issued and sold 1,352,941 shares of common stock at a public offering price of $17.00 per share and received gross proceeds of $23.0 million, which resulted in net proceeds to the Company of approximately $20.7 million, after deducting underwriting discounts and commissions of approximately $1.5 million and offering-related transaction costs of approximately $0.8 million.

On December 14, 2016, the underwriters exercised their over-allotment option to purchase an additional 332,941 shares of common stock at the public offering price of $17.00 per share and the Company received gross proceeds of approximately $5.6 million, which resulted in net proceeds to the Company of approximately $5.3 million, after deducting underwriting discounts and commissions of approximately $0.3 million and offering-related transaction costs.

Fair Value Measurements

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

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

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

The Company's accounting policy is to recognize transfers between levels of the fair value hierarchy on the date of the event or change in circumstances that caused the transfer. There were no transfers into or out of Level 1, Level 2, or Level 3 for the three months ended March 31, 2017 and for the year ended December 31, 2016.

The following table provides a rollforward of the Company's Level 3 fair value measurements during the three months ended March 31, 2017 and 2016:

	Three Months Ended March 31, 2017	Three Months Ended March 31, 2016
Beginning balance	$ —	$ 709,504
Change in fair value of warrant liability	—	(78,834)
Ending balance	$ —	$ 630,670

Use of Estimates

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

Note 2. Summary of Significant Accounting Policies

During the three months ended March 31, 2017, there have been no material changes to the Company's significant accounting policies as described in the Annual Report on Form 10-K for the fiscal year ended December 31, 2016.

Recent Accounting Pronouncements

In January 2017, the Financial Accounting Standards Board (FASB) issued Accounting Standards Update (ASU) No. 2017-04, *Intangibles – Goodwill and Other (Topic 350): Simplifying the Test for Goodwill Impairment*, which simplifies the subsequent measurement of goodwill. For public entities, ASU 2017-04 is effective for fiscal years beginning after December 15, 2019. For nonpublic entities, ASU 2017-04 is effective for fiscal years beginning after December 15, 2021. Early adoption is permitted. The Company does not expect the adoption of this guidance to have a material impact on its financial statements.

In August 2016, the FASB, issued ASU, No. 2016-15, *Statement of Cash Flows (Topic 230): Classification of Certain Cash Receipts and Cash Payments*, which simplifies the way cash receipts and cash payments are presented on the statement of cash flows. For public entities, ASU 2016-15 is effective for fiscal years beginning after December 15, 2017, and interim periods within those annual periods. For nonpublic entities, ASU 2016-15 is effective for fiscal years beginning after December 15, 2018, and interim periods within fiscal years beginning after December 15, 2019. Early adoption is permitted. The Company is currently evaluating the impact the guidance will have on its financial statements.

In February 2016, the FASB issued ASU No. 2016-02, *Leases (Topic 842)*, which requires lessees to recognize most leases on their balance sheets as lease liabilities with corresponding right-of-use assets. For public entities, ASU 2016-02 is effective for annual periods beginning after December 15, 2018, including interim periods within those fiscal years. For nonpublic entities, ASU 2016-02 is effective for fiscal year beginning after December 15, 2019 and interim periods within fiscal years beginning after December 15, 2020. The Company is evaluating the effect that ASU 2016-02 will have on its financial statements and related disclosures. The Company has not yet selected a transition method nor has it determined the effect of the standard on its ongoing financial reporting.

In July 2015, the FASB issued ASU 2015-11, *Simplifying the Measurement of Inventory*. ASU 2015-11 requires companies to measure certain inventory at the lower of cost and net realizable value. For public entities, ASU 2015-11 is effective for fiscal years beginning after December 15, 2016, and interim periods within those years on a prospective basis. For nonpublic entities, ASU 2015-11 is effective for fiscal years beginning after December 15, 2016, and interim periods within fiscal years beginning after December 15, 2017. Early adoption is permitted. The Company is evaluating the effect that ASU 2015-11 will have on its financial statements and related disclosure. The Company does not expect the adoption of this guidance to have a material impact on its financial statements.

In May 2014, the FASB issued ASU No. 2014-09, *Revenue from Contracts with Customers*, which requires an entity to recognize the amount of revenue to which it expects to be entitled for the transfer of promised goods or services to customers. The standard will replace most existing revenue recognition guidance in GAAP when it becomes effective. For public entities, ASU 2014-09 is effective for reporting periods beginning after December 15, 2017, including interim periods within that reporting period. For nonpublic entities, ASU 2014-09 is effective for annual reporting periods beginning after December 15, 2018 and interim periods within those periods. The standard permits the use of either the retrospective or cumulative effect transition method. The Company is evaluating the effect that ASU 2014-09 will have on its financial statements and related disclosures. The Company has not yet selected a transition method nor has it determined the effect of the standard on the Company's ongoing financial reporting.

Note 3. Net Income (Loss) Per Share

Basic net income or loss per share is calculated by dividing net income or loss available to common stockholders by the weighted average shares of common stock outstanding for the period. The per share computations reflect the one-for-ten reverse stock split that was effected in July 2016. Diluted net income or loss per share is calculated by dividing net income or loss by the weighted average shares of common stock outstanding for the period plus amounts representing the dilutive effect of securities that are convertible into common stock. Preferred dividends are deducted from net income or loss in arriving at net income or loss attributable to common stockholders. The Company calculates diluted earnings or loss per common share using the treasury stock method and the as-if-converted method, as applicable.

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

	Three Months Ended March 31, 2017	2016
Numerator:		
Net income	$ 385,090	$ 139,153
Accretion of dividends on preferred stock	—	(604,069)
Net income (loss) attributable to common stockholders - basic	$ 385,090	$ (464,916)
Adjustment for change in fair value of warrant liability	—	(78,834)
Net income (loss) attributable to common stockholders - diluted	$ 385,090	$ (543,750)
Denominator:		
Weighted average common shares outstanding		
Basic	9,359,562	665,842
Diluted	10,201,606	665,842
Net income (loss) per share:		
Basic	$ 0.04	$ (0.70)
Diluted	$ 0.04	$ (0.82)

Diluted weighted average common shares outstanding as of March 31, 2017 includes 10,532 warrants and 831,512 options outstanding.

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

	Three Months Ended March 31, 2017	2016
Preferred redeemable convertible stock, including accumulated dividends	—	4,944,630
Employee stock options	6,581	754,192
Series G preferred stock warrants outstanding	—	788,338
Total	6,581	6,487,160

Note 4. Acquisition

On December 17, 2015, the Company executed and entered into an asset purchase agreement for certain North American assets of Skycross, Inc. (Skycross), a manufacturer of advanced antenna and radio-frequency solutions. In addition to the $4.0 million paid up front, the purchase price also included a contingent consideration arrangement. The $1.0 million of deferred consideration is payable upon the later of (i) the expiration of the Transition Services Agreement between the Company and Skycross which defines transition services to be provided by Skycross to the Company and (ii) the date on which the Company has received copies of third party approvals with respect to each customer and program that was purchased. The potential undiscounted amount of all future payments that could be required to be paid under the contingent consideration arrangement is between $0.0 and $1.0 million. The fair value of the contingent consideration was estimated by applying the income approach. The income approach is based on estimating the value of the present worth of future net cash flows. As of March 31, 2017, the contingent consideration was still outstanding.

Note 5. Intangible Assets

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

	March 31, 2017			
	Weighted Average Amortization Period	Gross Carrying Amount	Accumulated Amortization	Intangibles, Net
Developed technologies	5	$ 280,000	$ 50,104	$ 229,896
Customer relationships	10	3,150,000	405,832	2,744,168
Non-compete agreement	3	67,000	28,773	38,227
Total intangible assets, net	10	$ 3,497,000	$ 484,709	$ 3,012,291

	December 31, 2016			
	Weighted Average Amortization Period	Gross Carrying Amount	Accumulated Amortization	Intangibles, Net
Developed technologies	5	$ 280,000	$ 37,091	$ 242,909
Customer relationships	10	3,150,000	327,082	2,822,918
Non-compete agreement	3	67,000	23,190	43,810
Total intangible assets, net	10	$ 3,497,000	$ 387,363	$ 3,109,637

The estimated annual amortization of intangible assets for the next five years and thereafter is shown in the following table. Actual amortization expense to be reported in future periods could differ from these estimates as a results of acquisitions, divestitures, asset impairments, among other factors. Amortization expense was $97,346 and $91,333 for the three months ended March 31, 2017 and 2016, respectively.

	Estimated Future Amortization
2017 (remaining nine months)	$ 292,039
2018	388,529
2019	367,052
2020	366,333
2021	350,420
Thereafter	1,247,918
Total	$ 3,012,291

Note 6. Long-term Notes Payable (including current portion) and Line of Credit

In June 2012, the Company amended its line of credit with Silicon Valley Bank. The amended revolving line of credit facility allows for an advance up to $3.0 million. The facility bears interest at the U.S. prime rate (4.0% as of March 31, 2017) plus 1.25%. The revolving facility is available as long as the Company maintains a liquidity ratio of cash and cash equivalents plus accounts receivable to outstanding debt under the facility of 1.25 to 1.00; otherwise, the facility reverts to its previous eligible receivables financing arrangement. The amended facility matures in April 2018. The bank has a first security interest in all the Company's assets excluding intellectual property, for which the bank has received a negative pledge. There was no balance owed on the line of credit as of March 31, 2017 and December 31, 2016.

In December 2013, the Company further amended its revolving line of credit with Silicon Valley Bank to include a growth capital term loan of up to $750,000. The growth capital term loan required interest only payments through June 30, 2014 at which point it was to be repaid in 32 equal monthly installments of interest and principal. The growth capital term loan matured on February 1, 2017, at which time $55,230 in principal and accrued interest was paid. The growth capital term loan interest rate was 6.5%. As of December 31, 2016, $55,230 was outstanding under this loan. As of March 31, 2017, there was no balance owed under this loan.

In December 2015, the Company amended its loan and security agreement with Silicon Valley Bank to include a term loan in the amount of $4.0 million. The loan requires 36 monthly installments of interest and principal. The loan matures on December 1, 2018. The loan agreement requires the Company to maintain a liquidity ratio of 1.25 to 1.00 as of the last day of each month and a minimum EBITDA measured as of the last day of each fiscal quarter for the previous six month period (for March 31, 2017 the minimum EBITDA is $750,000). The interest rate is fixed at 5%. As of March 31, 2017 and December 31, 2016, $2,333,333 and $2,666,666 was outstanding under this loan, respectively.

The remaining principal payments on the $4.0 million loan subsequent to March 31, 2017 are as follows:

Year ending:	
2017	$ 1,000,000
2018	1,333,333
	$ 2,333,333

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

Note 7. Income Taxes

The Company's effective income tax rate was 10.84% for the three months ended March 31, 2017. The variance from the U.S. federal statutory tax rate of 34% was primarily attributable to the utilization of deferred tax attributes that had a full valuation allowance as well as nondeductible meals and entertainment expenses, and nondeductible incentive stock option compensation expenses.

Management assesses its deferred tax assets quarterly to determine whether all or any portion of the asset is more likely than not unrealizable under Accounting Standards Codification (ASC) 740. The Company is required to establish a valuation allowance for any portion of the asset that management concludes is more likely than not to be unrealizable. The ultimate realization of deferred tax assets is dependent upon the generation of future taxable income during the periods in which those temporary differences become deductible. The Company's assessment considers all evidence, both positive and negative, including the nature, frequency and severity of any current and cumulative losses, taxable income in carryback years, the scheduled reversal of deferred tax liabilities, tax planning strategies, and projected future taxable income in making this assessment. At March 31, 2017 and December 31, 2016, the Company has a full valuation allowance against net deferred tax assets. Should the Company continue to achieve substantial pre-tax income during 2017 or be better able to forecast taxable income into the future, the Company may need to release a substantial portion of its federal valuation allowance during 2017.

FASB ASC Topic 740, *Income Taxes*, prescribes a recognition threshold and a measurement criterion for the financial statement recognition and measurement of tax positions taken or expected to be taken in a tax return. For those benefits to be recognized, a tax position must be considered more likely than not to be sustained upon examination by taxing authorities. The Company records interest and penalties related to uncertain tax positions as a component of the provision for income taxes. As of March 31, 2017 and December 31, 2016 the Company has gross unrecognized tax benefits of $1.67 million and $1.53 million, respectively, which are offsetting deferred tax assets.

As of March 31, 2017, the Company has $13.19 million in federal and $7.77 million in state net operating loss carryforwards to offset future taxable income. Current federal and state tax laws include substantial restrictions on the annual utilization of net operating loss and tax credit carryforwards in the event of an ownership change. Accordingly, the Company's ability to utilize net operating loss and tax credit carryforwards may be limited as a result of such ownership change. Such information could result in the expiration of carryforwards before they are utilized.

Note 8. Stockholders' Equity

Shares Reserved for Future Issuance

The following common stock is reserved for future issuance at March 31, 2017 and December 31, 2016:

	March 31, 2017	December 31, 2016
Warrants issued and outstanding	51,003	51,003
Stock option awards issued and outstanding	889,862	1,040,387
Authorized for grants under the 2016 Equity Incentive Plan	704,750	709,750
Authorized for grants under the 2016 Employee Stock Purchase Plan	100,000	100,000
	1,745,615	1,901,140

Note 9. Stock Options

The following table summarizes the outstanding stock option activity during the periods indicated:

	Number of shares	Weighted average exercise price	Weighted average remaining contractual term
Balance at December 31, 2015	756,692	2.10	7.60
Granted	359,319	2.60	9.40
Exercised	(58,155)	2.36	3.50
Expired/Forefeited	(17,469)	2.13	2.60
Balance at December 31, 2016	1,040,387	2.25	7.80
Granted	4,995	15.85	9.80
Exercised	(155,520)	2.08	6.05
Balance at March 31, 2017	889,862	2.36	7.82
Vested and exercisable at March 31, 2017	494,408	2.07	7.01
Vested and expected to vest at March 31, 2017	889,862	2.36	7.82

The weighted average grant-date fair value of options granted during the three months ended March 31, 2017 and for the year ended December 31, 2016 was $6.21 and $1.23, respectively. For fully vested stock options, the aggregate intrinsic value as of March 31, 2017 and December 31, 2016 was $6,470,698 and $7,770,086, respectively. For stock options expected to vest, the aggregate intrinsic value as of March 31, 2017 and December 31, 2016 was $4,942,466 and $4,569,243, respectively.

During the year ended December 31, 2016, a total of 57,475 shares of restricted common stock with a fair value of $2.00 per share were issued to the Company's Chief Financial Officer and Chief Operating Officer of which 100% of the shares vest six months after the completion of an initial public offering. The shares vested in February 2017. The Company recorded $53,056 and $61,894 in expense associated with these shares during the three months ended March 31, 2017 and the year ended December 31, 2016, respectively.

At March 31, 2017 and December 31, 2016 there was $471,071 and $522,818, respectively, of total unrecognized compensation cost related to unvested stock options and restricted stock granted under the plans. These costs are expected to be recognized over the next three years and is based on the date the options were granted.

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

Note 10. Commitments and Contingencies

Operating Leases

The Company has entered into lease agreements for office space and research facilities in San Diego, California; Rancho Santa Fe, California; Poway, California; Melbourne, Florida; Taipei, Taiwan; Shenzhen and Jiangsu, China; and Cambridgeshire, United Kingdom. Rent expense was $183,615 and $189,862, respectively, for the three months ended March 31, 2017 and 2016. The longest lease expires in June 2020. The Company moved into its facility in San Diego, California during the year ended December 31, 2014. The San Diego facility lease agreement included a tenant improvement allowance which provided for the landlord to pay for tenant improvements on behalf of the Company up to $515,000. Based on the terms of this landlord incentive and involvement of the Company in the construction process, the leasehold improvements purchased under the landlord incentive were determined to be property of the Company.

The future minimum lease payments required under operating leases in effect at March 31, 2017 were as follows:

Year ending:		
2017 (remaining nine months)	$	588,922
2018		571,700
2019		525,297
2020		265,940
	$	1,951,859

Note 11. Concentration of Credit Risk

(a) Concentration of Sales and Accounts Receivable

The following represents customers that accounted for 10% or more of total revenue during the three months ended March 31, 2017 and 2016 and customers that accounted for 10% or more of total trade accounts receivable at March 31, 2017 and 2016.

	Three Months Ended March 31, 2017	2016
Percentage of net revenue		
Customer A	22%	15%
Customer B	14	34
Customer C	13	5
Customer D	8	11

	As of March 31, 2017	2016
Percentage of gross trade accounts receivable		
Customer A	16%	12%
Customer B	14	1
Customer C	14	14
Customer D	11	22
Customer E	6	11

(b) Revenue by Geography

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

	Three Months Ended March 31, 2017	2016
Percentage of net revenue		
China	71%	73%
Other Asia	13	11
North America	10	12
Europe	6	4

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

(c) Concentration of Purchases

During the three months ended March 31, 2017 and 2016, all of the Company's products were manufactured by two vendors in China.

Note 13. Subsequent Events

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

The transaction was completed pursuant to an Asset Purchase Agreement with MCA Financial Group, Ltd., acting as the court-appointed receiver for Antenna Plus. Upon the closing of the transaction, the Company paid to Antenna Plus total consideration of approximately $6.4 million in cash. The purchase price is subject to certain post-closing working capital adjustments. In addition, the Company assumed certain contracts and other liabilities of Antenna Plus, as expressly set forth in the Asset Purchase Agreement.

Given the timing of the acquisition in relation to this filing, the Company has not yet determined the acquisition-date fair value of the total consideration transferred, the acquisition-date fair value of each major class of consideration or the identification and valuation of indemnification assets.

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

The following discussion and analysis and the interim unaudited condensed financial statements included in this quarterly report on Form 10-Q should be read in conjunction with the financial statements and notes thereto for the year ended December 31, 2016 and the related Management's Discussion and Analysis of Financial Condition and Results of Operations, both of which are contained in our Annual Report on Form 10-K for the fiscal year ended December 31, 2016.

Forward-Looking Statements

This quarterly report on Form 10-Q contains forward-looking statements within the meaning of Section 21E of the Securities Exchange Act of 1934, as amended, or the Exchange Act. All statements other than statements of historical fact contained in this quarterly report, including statements regarding our future operating results, financial position and cash flows, our business strategy and plans and our objectives for future operations, are forward-looking statements. These statements involve known and unknown risks, uncertainties and other important factors that may cause our actual results, performance or achievements to be materially different from any future results, performance or achievements expressed or implied by the forward-looking statements. In some cases, you can identify forward-looking statements by terms such as "may," "will," "would," "could," "should," "expect," "plan," "anticipate," "could," "intend," "target," "project," "contemplate," "believe," "estimate," "predict," "potential" or "continue" or the negative of these terms or other similar expressions. The forward-looking statements in this quarterly report are only predictions. We have based these forward-looking statements largely on our current expectations and projections about future events and financial trends that we believe may affect our financial condition, operating results, business strategy, short-term and long-term business operations and objectives. These forward-looking statements speak only as of the date of this quarterly report and are subject to a number of risks, uncertainties and assumptions, including those described in Part II, Item 1A, "Risk Factors." The events and circumstances reflected in our forward-looking statements may not be achieved or occur and actual results could differ materially from those projected in the forward-looking statements. Moreover, we operate in a very competitive and rapidly changing environment. New risk factors and uncertainties may emerge from time to time, and it is not possible for management to predict all risk factors and uncertainties. Except as required by applicable law, we do not plan to publicly update or revise any forward-looking statements contained herein, whether as a result of any new information, future events, changed circumstances or otherwise.

Overview

We are a leading provider of embedded antenna technologies used to enable high performance wireless networking across a broad range of home, enterprise, and industrial devices. Our innovative antenna systems open up exciting new possibilities in wireless services requiring high speed throughput, broad coverage footprint, and carrier grade quality. Our antennas are found in devices deployed in carrier, enterprise, and residential wireless networks and systems, including set top boxes, access points, routers, gateways, media adapters, and digital televisions. Through our pedigree in the design, integration, and testing of high performance embedded antenna technology, we have become a leading provider to the residential wireless local area networking, also known as WLAN or Wi-Fi, antenna market, supplying to leading carriers, Original Equipment Manufacturers, or OEMs, Original Design Manufacturers, or ODMs, and system designers who depend on us to achieve their wireless performance goals. We also develop embedded antenna technology for adjacent markets, including enterprise Wi-Fi systems for on premises and cloud-based services, small cellular applications using Long-Term Evolution, or LTE, and Digital Enhanced Cordless Telecommunications, or DECT, and Internet of Things, or IOT, devices and automotive connectivity applications.

We shipped approximately 159 million antenna products worldwide in 2016 used in approximately 54 million devices. For the three months ended March 31, 2017, we shipped approximately 40 million antenna products worldwide used in approximately 13 million devices. Our products are found in a broad range of devices that generally enable Wi-Fi connectivity for data and video coverage. We sell our products to OEMs and ODMs. These companies compete based on product performance, product features, price, and other factors. While our products are found in devices manufactured by global OEMs and ODMs, the products end up primarily in the end-user devices that are deployed in carrier, enterprise, and residential wireless networks including WLAN, access points, routers, residential gateways, set-top boxes, media adapters, and digital televisions. Our global sales force works with telecommunications and broadband carriers and retail-focused customers who seek high performance, reliable wireless solutions. By working with these end-user carriers and retail-focused customers, we seek to have service providers influence OEMs and ODMs to specify our antennas for the products they provide to their end-user customers. Our direct sales team works directly with customers, and also works with indirect channel partners who pursue sales opportunities that are based in the United States, Europe, and Asia.

Our sales cycle can be short or lengthy depending upon the specific situation; however, the majority of our revenues are derived from device designs with life-cycles of over 12 months. For some recurring customers, we are able to design and produce antenna systems for volume production in less than one calendar quarter. In situations where we are selling to a new customer, it may take 12 to 18 months from initial meeting to achieve a design win. Competition generally lengthens the sales process, but our past performance and ability to provide high throughput, highly reliable antenna solutions can shorten the process. We intend to continue investing for long-term growth. We have invested and expect to continue to invest heavily in our product development efforts to address customer needs, and enable solutions that can address new end markets, such as alternative wireless connectivity technologies. In addition, we expect to continue to expand our sales force and engineering organizations and to make additional capital expenditures to further penetrate markets both in the United States and internationally, and to continue to expand our research and development for new product offerings and technology solutions.

Although our sales cycle can be lengthy depending on the specific situation, the majority of our revenues are derived from device designs with life-cycles of over a year. In 2016, 43% of our product revenues were from devices in the marketplace for over two years, 37% for devices in the marketplace for one to two years and 20% for devices in the marketplace for less than one year. For the three months ended March 31, 2017, 24% of our product revenues were from devices in the marketplace for over two years, 47% for devices in the marketplace for one to two years and 29% for devices in the marketplace for less than one year.

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

Recent Developments

On April 17, 2017, we completed the acquisition of substantially all of the assets of Antenna Plus, LLC, or Antenna Plus. Antenna Plus is a privately-held supplier of antenna-based solutions for mobile and automotive fleet applications for government, public safety, and Industrial IOT markets. We believe the acquisition provides leverage for our existing products into several new markets, including the fast-growing automotive fleet and industrial IOT space.

The transaction was completed pursuant to an Asset Purchase Agreement with MCA Financial Group, Ltd., acting as the court-appointed receiver for Antenna Plus. Upon the closing of the transaction, we paid to Antenna Plus total consideration of approximately $6.4 million in cash. The purchase price is subject to certain post-closing working capital adjustments. In addition, we assumed certain contracts and other liabilities of Antenna Plus, as expressly set forth in the Asset Purchase Agreement.

Factors Affecting Our Operating Results

We believe that our performance and future success depend upon several factors, including the average selling price of our products per device, the number of antennas per device, manufacturing costs, investments in our growth, and our ability to diversify the number of devices that incorporate our antenna products. Our customers are extremely price conscious, and our operating results are affected by pricing pressure which may force us to lower prices below our established list prices. In addition, a few end customer devices which incorporate our antenna products comprise a significant amount of our sales, and the discontinuation or modification of such devices may materially and adversely affect our sales and results of operations. We have seen the number of devices increase 23% and number of antennas per device increase 5% for the three months ended March 31, 2017 when compared to the three months ended March 31, 2016. Our ability to maintain or increase our sales depends on new and existing end customers selecting our antenna solutions for their devices and depends on investments in our growth to address customer needs, target new end markets, develop our product offerings and technology solutions and expand internationally, as well as successfully integrating acquisitions such as Antenna Plus. While each of these areas presents significant opportunities for us, they also pose significant risks and challenges we must successfully address. See the section entitled “Risk Factors.”

Seasonality

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

Key Components of Our Results of Operations and Financial Condition

Sales

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

Cost of Goods Sold

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

Operating Expenses

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

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

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

General and administrative. General and administrative expenses primarily consist of personnel and facility-related costs for our executive, finance, and administrative personnel, including stock-based compensation, as well as legal, accounting, and other professional services fees, depreciation, and other corporate expenses. Although our general and administrative expense may fluctuate as a percentage of total sales, we expect general and administrative expense to increase in absolute dollars due to additional legal fees and accounting, insurance, investor relations, and other costs associated with being a public company, as well as, due to costs associated with growing our business.

Interest and Other Expense (Income)

Interest Income. Interest income consists of interest from our cash and cash equivalents.

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

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

Provision for Income Taxes

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

Results of Operations

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

	Three Months Ended March 31,	
	2017	2016
	(calculated as a percentage of associated sales)	
Statement of Operations Data:		
Sales	100.0%	100.0%
Cost of goods sold	53.0%	56.8%
Gross profit	47.0%	43.2%
Operating expenses:		
Research and development	14.2%	15.5%
Sales and marketing	14.5%	14.6%
General and administrative	14.6%	11.7%
Total operating expenses	43.3%	41.8%
Income from operations	3.7%	1.4%
Other income	(0.1)%	(0.3)%
Income before income taxes	3.8%	1.7%
Provision for income taxes	0.4%	0.0%
Net income	3.4%	1.7%

Comparison of the three months ended March 31, 2017 and 2016

Sales

	Three Months Ended March 31,			
	2017	2016	Increase/(Decrease)	% Change
Sales	$ 11,252,417	$ 8,512,305	$ 2,740,112	32.2%

The increase in sales of $2.7 million is primarily driven by an increase in product sales. Total devices increased by 2.4 million devices to 12.9 million devices for the three months ended March 31, 2017 when compared to the three months ended March 31, 2016. The average number of antennas per device increased from 2.96 antennas per device for the three months ended March 31, 2016 to 3.12 antennas per device for the three months ended March 31, 2017. The average selling price per device for the three months ended March 31, 2017 increased to $0.86 as compared to $0.80 for the three months ended March 31, 2016. Additionally, overall demand in the set-top-box and carrier gateway/router markets and the incorporation of our antennas in new devices outpaced products reaching the end of their lifecycle, which contributed to the increase in sales for the three months ended March 31, 2017 when compared to the three months ended March 31, 2016.

Cost of Goods Sold

	Three Months Ended March 31,			
	2017	2016	Increase/(Decrease)	% Change
Cost of goods sold	$ 5,963,959	$ 4,834,681	$ 1,129,278	23.4%

The increase in cost of goods sold for the three months ended March 31, 2017 is primarily due to an increase in product sales.

Gross Profit

	Three Months Ended March 31,			
	2017	2016	Increase/(Decrease)	% Change
Gross profit	$ 5,288,458	$ 3,677,624	$ 1,610,834	43.8%
Gross profit (percentage of sales)	47.0%	43.2%		3.8%

Gross profit as a percentage of sales increased for the three months ended March 31, 2017 as compared to the three months ended March 31, 2016. The increase in gross profit percentage is primarily driven by a shift in the sales mix to higher margin set-top boxes and carrier gateways routers in the three months ended March 31, 2017 as compared to the three months ended March 31, 2016.

Operating Expenses

	Three Months Ended March 31,			
	2017	2016	Increase/(Decrease)	% Change
Operating Expenses				
Research and development	$ 1,596,799	$ 1,321,686	$ 275,113	20.8%
Sales and marketing	1,628,141	1,241,104	387,037	31.2%
General and administrative	1,638,039	998,040	639,999	64.1%
Total	$ 4,862,979	$ 3,560,830	$ 1,302,149	36.6%

Research and Development

Research and development expense increased for the three months ended March 31, 2017 compared to the three months ended March 31, 2016, primarily due to a $0.2 million increase in product development expenses due to increases in revenue and a $0.1 million increase in personnel expenses associated with headcount increases.

Sales and Marketing

Sales and marketing expense increased for the three months ended March 31, 2017 compared to the three months ended March 31, 2016, primarily due to a $0.3 million increase in personnel expenses associated with headcount increases and a $0.1 million increase in third party commission costs associated due to increases in revenues.

General and Administrative

General and administrative expense increased for the three months ended March 31, 2017 compared to the three months ended March 31, 2016 primarily due to a $0.4 million increase in certain general and administrative expenses related to the cost of being a publically traded company and a $0.2 million increase in personnel expenses associated with bonus and board compensation.

Other Expense (Income)

	Three Months Ended March 31,			
	2017	2016	(Increase)/Decrease	% Change
Other expense (income):				
Interest income	$ (37,201)	$ —	$ (37,201)	100.0%
Interest expense	30,764	52,475	(21,711)	-41.4%
Fair market value adjustment, warrants	—	(78,834)	78,834	-100.0%
Total	$ (6,437)	$ (26,359)	$ 19,922	-75.6%

Other income decreased for the three months ended March 31, 2017 as compared to the three months ended March 31, 2016 primarily due to the decrease in the fair market value adjustment of the warrants due to the conversion of the warrants in May 2016, offset by an increase in interest income and a decrease in interest expense on our outstanding loans.

Liquidity and Capital Resources

We had cash and cash equivalents of $41.9 million at March 31, 2017. In April 2017, we paid approximately $6.4 million in cash in connection with the acquisition of the Antenna Plus assets. Cash and cash equivalents consist of cash. We did not have any short-term or long-term investments. In August 2016, we completed our IPO and received net proceeds of approximately $11.0 million, including the sale of shares pursuant to the exercise of the underwriters' overallotment option and after deducting underwriting discounts and commissions and estimated offering-related transaction costs. In December 2016, we completed our public offering of common stock and received net proceeds of approximately $26.0 million, including the sale of shares pursuant to the exercise of the underwriters' over-allotment option and after deducting underwriting discounts and commissions and estimated offering-related transaction costs.

Before 2013, we had incurred net losses in each year since our inception. As a result, we had an accumulated deficit of $43.2 million at March 31, 2017.

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

As of March 31, 2017, we had approximately $2.3 million outstanding under a term loan pursuant to our amended and restated loan and security agreement with Silicon Valley Bank. In addition, under our amended and restated loan and security agreement with Silicon Valley Bank, we have a revolving line of credit for $3.0 million. As of March 31, 2017, there was no balance owed on the line of credit.

In December 2013, we amended our amended and restated loan and security agreement with Silicon Valley Bank to provide for growth capital term loans of $750,000. The growth capital term loan required interest only payments through June 30, 2014 at which time it was to be repaid in 32 equal monthly installments of interest and principal. The growth capital term loan matures on February 1, 2017, at which time all unpaid principal and accrued and unpaid interest was paid. The growth capital term loan interest rate is 6.5%. We must maintain a liquidity ratio of cash and cash equivalents plus accounts receivable to outstanding debt under the loan and security agreement of 1.00 to 1.00 or greater. The line of credit is available as long as we maintain a liquidity ratio of cash and cash equivalents plus accounts receivable to outstanding debt under the loan and security agreement of 1.25 to 1.00. If this liquidity ratio is not met, the line of credit will only allow for maximum advances of 80% of the aggregate face amount of all eligible receivables. The line of credit bears interest at the U.S. prime rate (4.0% as of March 31, 2017) plus 1.25%, and matures in April 2018, subject to certain minimum EBITDA requirements in each of September 2016, December 2016 and March 2017. The lender has a first security interest in all our assets, excluding intellectual property, for which the lender has received a negative pledge. The amended and restated loan and security agreement contains customary affirmative and negative covenants and events of default applicable to us and any subsidiaries.

In December 2015, we further amended our amended and restated loan and security agreement with Silicon Valley Bank to include an additional term loan up to $4.0 million. The additional term loan requires 36 monthly installments of interest and principal and matures on December 1, 2018. The amended and restated loan and security agreement requires that we maintain a liquidity ratio of 1.25 to 1.00 as of the last day of each month and a minimum EBITDA, measured as the last day of each fiscal quarter for the previous six-month period (for March 31, 2017 the minimum EBITDA is $750,000). The interest rate of the additional term loan is 5.0%. As of March 31, 2017, $2.3 million was outstanding on this additional term loan. We are in compliance with all of the financial covenants in the amended and restated loan and security agreement pertaining to the revolving credit line, growth capital term loan and the additional term loan as of March 31, 2017.

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

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

	Three Months Ended March 31,	
	2017	2016
Net cash used in operating activities	$ (3,118,662)	$ (853,056)
Net cash used in investing activities	(119,312)	(41,030)
Net cash used in financing activities	(64,131)	(404,469)
Net decrease in cash and cash equivalents	$ (3,302,105)	$ (1,298,555)

Net cash used in operating activities. Net cash used in operating activities was $3.1 million for the three months ended March 31, 2017. This was primarily driven by our net income of $0.4 million, net non-cash operating expenses of $0.3 million offset by $3.8 million change in operating assets and liabilities

Net cash used in investing activities. Net cash used in investing activities was $0.1 million for the three months ended March 31, 2017 and consisted primarily of the purchase of property and equipment.

Net cash used in financing activities. Net cash used in financing activities was $0.1 million for the three months ended March 31, 2017 and consisted of proceeds from the exercise of stock options in the amount of $0.3 million offset by the repayment of notes payable in the amount of $0.4 million.

Contractual Obligations and Commitments

As of March 31, 2017, there were no material changes to the contractual obligations and commitments as disclosed in our Annual Report on Form 10-K for the fiscal year ended December 31, 2016, other than those made in the ordinary course of business and except for those disclosed in the notes to the unaudited condensed financial statements.

Off-Balance Sheet Arrangements

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

Critical Accounting Policies and Significant Judgments and Estimates

Our management's discussion and analysis of financial condition and operating results is based on our unaudited condensed financial statements, which have been prepared in accordance with GAAP. The preparation of these financial statements requires us to make estimates and assumptions that affect the reported amounts of assets and liabilities and the disclosure of contingent assets and liabilities at the date of the financial statements, as well as the reported sales and expenses during the reporting periods. These items are monitored and analyzed by us for changes in facts and circumstances, and material changes in these estimates could occur in the future. We base our estimates on historical experience and on various other factors that we believe are reasonable under the circumstances, the results of which form the basis for making judgments about the carrying value of assets and liabilities that are not readily apparent from other sources. Changes in estimates are reflected in reported results for the period in which they become known. Actual results may differ materially from these estimates under different assumptions or conditions.

There have been no material changes to our critical accounting policies and estimates as compared to the critical accounting policies and estimates described in our Annual Report on Form 10-K for the fiscal year ended December 31, 2016, other than as set forth in note 2 to the unaudited condensed financial statements included in this quarterly report.

Recent Accounting Pronouncements

Refer to note 2 within the unaudited condensed financial statements.

ITEM 3. QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK

Interest Rate Sensitivity

Our cash and cash equivalents as of March 31, 2017 consisted of cash and, therefore, we believe we are not exposed to interest rate risk.

Our long-term debt bears interest at a fixed rate and therefore has minimal exposure to changes in interest rates. Our undrawn revolving credit facility under our loan and security agreement with Silicon Valley Bank bears interest at the U.S. prime rate (4.0% as of March 31, 2017) plus 1.25%. If we draw funds from our revolving credit facility, we will be exposed to interest rate sensitivity, which is affected by changes in the U.S. prime rate.

Foreign Currency Risk

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

ITEM 4. CONTROLS AND PROCEDURES

Disclosure Controls and Procedures

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

Our management, with the participation of our principal executive officer and principal financial officer, has evaluated the effectiveness of our disclosure controls and procedures as defined in Rules 13a-15(e) and 15d-15(e) under the Securities Exchange Act of 1934, as amended, or the Exchange Act, as of the end of the period covered by this quarterly report on Form 10-Q. Based on such evaluation, our principal executive officer and principal financial officer have concluded that as of such date, our disclosure controls and procedures were effective at the reasonable assurance level.

Changes in Internal Control Over Financial Reporting

No change in our internal control over financial reporting (as defined in Rules 13a-15(f) and 15d-15(f) under the Exchange Act) occurred during the three months ended March 31, 2017 that has materially affected, or is reasonably likely to materially affect, our internal control over financial reporting.

PART II. OTHER INFORMATION

ITEM 1. LEGAL PROCEEDINGS

We are not currently party to any material legal proceedings.

ITEM 1A. RISK FACTORS

A description of the risk factors associated with our business is included in the Item 1A of our Annual Report on Form 10-K for the year ended December 31, 2016. There have been no material changes to such risk factors as previously reported.

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

Unregistered Sales of Equity Securities

None.

ITEM 3. DEFAULTS UPON SENIOR SECURITIES

None.

ITEM 4. MINE SAFETY DISCLOSURES

None.

ITEM 5. OTHER INFORMATION

None.

ITEM 6. EXHIBITS

A list of exhibits is set forth on the Exhibit Index immediately following the signature page of this quarterly report on Form 10-Q, and is incorporated herein by reference.

SIGNATURES

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

AIRGAIN, INC.

Date: May 12, 2017

/s/ Charles Myers
Charles Myers
President and Chief Executive Officer
(principal executive officer)

Date: May 12, 2017

/s/ Leo Johnson
Leo Johnson
Chief Financial Officer and Secretary
(principal financial and accounting officer)

INDEX TO EXHIBITS

Exhibit Number	Description
3.1(1)	Amended and Restated Certificate of Incorporation
3.2(1)	Amended and Restated Bylaws
4.1(2)	Specimen stock certificate evidencing the shares of common stock
4.2(3)	Fourth Amended and Restated Investors' Rights Agreement, dated May 7, 2008
4.3(2)	Form of Warrant issued to Northland Securities, Inc. in connection with the initial public offering of our common stock.
10.1	Asset Purchase Agreement, dated as of April 7, 2017, by and between the Registrant and MCA Financial Group, Inc. acting as the appointed receiver for Antenna Plus, LLC.
31.1	Certification of Chief Executive Officer pursuant to Rules 13a-14 and 15d-14 promulgated pursuant to the Securities Exchange Act of 1934, as amended
31.2	Certification of Chief Financial Officer pursuant to Rules 13a-14 and 15d-14 promulgated pursuant to the Securities Exchange Act of 1934, as amended
32.1*	Certification of Chief Executive Officer pursuant to Section 906 of the Sarbanes-Oxley Act of 2002
32.2*	Certification of Chief Financial Officer pursuant to Section 906 of the Sarbanes-Oxley Act of 2002
101.INS	XBRL Instance Document
101.SCH	XBRL Taxonomy Extension Schema Document
101.CAL	XBRL Taxonomy Extension Calculation Linkbase Document
101.DEF	XBRL Taxonomy Extension Definition Linkbase Document
101.LAB	XBRL Taxonomy Extension Label Linkbase Document
101.PRE	XBRL Taxonomy Extension Presentation Linkbase Document

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

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

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

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

Exhibit 10.1

ASSET PURCHASE AGREEMENT

This Asset Purchase Agreement (this "**Agreement**"), dated as of April 7, 2017, is entered into by and between MCA Financial Group, Ltd., as the appointed receiver for Antenna Plus, LLC ("**Seller**"), and Airgain, Inc., a Delaware corporation ("**Buyer**").

RECITALS

WHEREAS, Seller wishes to sell and assign to Buyer, and Buyer wishes to purchase and assume from Seller, the rights and obligations of Seller to the Purchased Assets and the Assumed Liabilities (as defined herein), subject to the terms and conditions set forth herein;

NOW, THEREFORE, in consideration of the mutual covenants and agreements hereinafter set forth and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties hereto agree as follows:

ARTICLE I
PURCHASE AND SALE

Section 1.01 Purchase and Sale of Assets. Subject to the terms and conditions set forth herein, Seller shall sell, assign, transfer, convey and deliver to Buyer, and Buyer shall purchase from Seller, free and clear of any mortgage, pledge, lien, charge, security interest, claim or other encumbrance ("**Encumbrances**"), other than Permitted Encumbrances (as defined below), all of Seller's right, title and interest in and to all of the assets of Seller, wherever located and whether now existing or hereafter acquired (other than the Excluded Assets) (collectively, the "**Purchased Assets**"), including, without limitation, the assets set forth on Schedules 1.01a-f attached hereto. As used herein, "**Permitted Encumbrances**" means, collectively: (i) any Encumbrance arising in connection with the Assumed Liabilities (as defined below); (ii) any Encumbrance arising in connection with that certain Ruling on Ownership of New Antenna Design issued by Judge Roger E. Brodman with respect to the matter captioned William J. Liimatainen v. Kevin M. Thill, et al., Maricopa County Superior Court Case No. CV2016-000743 (the "**Ruling**") or any appeal thereof or any of the matters set forth therein; or (iii) any Encumbrance with respect to which, as of the Closing Date and after reasonable investigation (which reasonable investigation shall be satisfied upon review of UCC lien searches, federal and state tax lien searches and judgment searches conducted in Maricopa County, Arizona and Lafayette County, Wisconsin within sixty (60) days prior to the Closing Date), the Seller, Stacie Witten and/or Karrilyn M. Thomas have no actual knowledge.

Section 1.02 Excluded Assets. Notwithstanding the foregoing, the Purchased Assets shall not include: (i) all cash and cash equivalents, bank accounts and securities of Seller; (ii) the organizational documents, minute books, tax returns, books of account or other records having to do with the organization of Seller; (iii) the rights which accrue or will accrue to Seller under this Agreement and the other agreements, instruments and documents required to be delivered hereunder; and (iv) any structures or non-movable assets of Seller located on the Thill's Concho Valley, Arizona property (collectively, the "**Excluded Assets**").

Section 1.03 Assumption of Liabilities. Subject to the terms and conditions set forth herein, Buyer shall assume and agrees to pay, perform and discharge those liabilities and obligations set forth on (i) Schedule 1.03a attached hereto which are not past-due as of the Effective Time, and (ii) Schedule 1.03b attached hereto to the extent relating to circumstances or events occurring after the Closing Date which are not based on or do not result from any liability, obligation or delinquency arising on or before the Closing Date. (collectively, the "**Assumed Liabilities**"). Other than the Assumed Liabilities, Buyer shall not assume any liabilities or obligations of Seller of any kind, whether known or unknown, contingent, matured or otherwise, whether currently existing or hereinafter created.

Section 1.04 Purchase Price. The aggregate purchase price for the Purchased Assets shall be $$6,383,500.00 (the "**Purchase Price**"), plus the assumption of the Assumed Liabilities. Buyer shall pay the Purchase Price to Seller at the Closing in cash, by wire transfer of immediately available funds in accordance with the wire transfer instructions set forth in writing by Seller to Buyer.

Section 1.05 Purchase Price Adjustment.

(a) Defined Terms. As used in this Section 1.05, the following terms shall have the meanings set forth below.

(i) "**Closing Working Capital**" means (x) the Current Assets of Seller less (y) the Current Liabilities of Seller, in each case, determined as of the Effective Time.

(ii) "**Current Assets**" means inventory and current accounts receivable of Seller included in the Purchased Assets.

(iii) "**Current Liabilities**" means accounts payable and any other current liabilities of Seller included in the Assumed Liabilities.

(iv) "**Target Working Capital**" means $931,737.04, which amount is calculated and based upon the Seller's unaudited balance sheet as at February 6, 2017 ("**Balance Sheet**").

(b) Post-Closing Adjustment. Within thirty (30) days after the Closing Date, Buyer shall prepare and deliver to Seller a statement setting forth its calculation of Closing Working Capital (the "**Closing Working Capital Statement**") using the same principles, policies and practices which were used in the Balance Sheet. The post-closing adjustment shall be an amount equal to the Closing Working Capital minus the Target Working Capital (the "**Post-Closing Adjustment**").

(c) Examination and Review.

(i) After receipt of the Closing Working Capital Statement, Seller shall have fifteen (15) days (the "**Review Period**") to review the Closing Working Capital Statement. During the Review Period, Seller and its accountants shall have full access to the relevant books and records of Buyer, the personnel of, and work papers prepared by, Buyer and/or its accountants to the extent that they relate to the Closing Working Capital Statement and to such historical financial information (to the extent in Buyer's possession) relating to the Closing Working Capital Statement as Seller may reasonably request for the purpose of reviewing the Closing Working Capital Statement and to prepare a Statement of Objections; provided, that such access shall be in a manner that does not interfere with the normal business operations of Buyer.

(ii) On or prior to the last day of the Review Period, Seller may object to the Closing Working Capital Statement by delivering to Buyer a written statement setting forth Seller's objections in reasonable detail, indicating each disputed item or amount and the basis for Seller's disagreement therewith (the "**Statement of Objections**"). If Seller fails to deliver a Statement of Objections before the expiration of the Review Period, then the Closing Working Capital Statement and the Post-Closing Adjustment, as the case may be, reflected in the Closing Working Capital Statement shall be deemed to have been accepted by Seller. If Seller delivers a Statement of Objections before the expiration of the Review Period, then Buyer and Seller shall negotiate in good faith to resolve such objections within fifteen (15) days after the delivery of a Statement of Objections (the "**Resolution Period**"), and, if the same are so resolved within the Resolution Period, then the Post-Closing Adjustment and the Closing Working Capital Statement with such changes as may have been previously agreed in writing by Buyer and Seller, shall be final and binding upon the parties hereto.

(iii) If Seller and Buyer fail to reach an agreement with respect to all of the matters set forth in a Statement of Objections before expiration of the Resolution Period, then any amounts remaining in dispute ("**Disputed Amounts**") shall be submitted for resolution to an impartial recognized firm of independent certified public accountants as mutually agreed upon in writing by Seller and Buyer (the "**Independent Accountant**") who, acting as experts and not arbitrators, shall resolve the Disputed Amounts only and make any adjustments to the Post-Closing Adjustment, as the case may be, and the Closing Working Capital Statement. The parties hereto agree that all adjustments shall be made without regard to materiality. The Independent Accountant shall only decide the specific items under dispute by the parties and their decision for each Disputed Amount must be within the range of values assigned to each such item in the Closing Working Capital Statement and the Statement of Objections, respectively.

(iv) The fees and expenses of the Independent Accountant shall be paid by Seller and Buyer based upon the percentage that the amount actually contested but not awarded to Seller or Buyer, respectively, bears to the aggregate amount actually contested by Seller and Buyer.

(v) The Independent Accountant shall make a determination as soon as practicable within fifteen (15) days (or such other time as the parties hereto shall agree in writing) after their engagement, and their resolution of the Disputed Amounts and their adjustments to the Closing Working Capital Statement and/or the Post-Closing Adjustment shall be final and binding upon the parties hereto.

(vi) If the Post-Closing Adjustment is a positive number, then Buyer shall pay to Seller an amount equal to the Post-Closing Adjustment by wire transfer of immediately available funds to an account designated in writing by Seller to Buyer. If the Post-Closing Adjustment is a negative number, then Seller shall pay to Buyer an amount equal to the Post-Closing Adjustment by wire transfer of immediately available funds to an account designated in writing by Buyer to Seller. Any payment of the Post-Closing Adjustment shall be due within five (5) days after the final determination of the Closing Working Capital Statement and the Post-Closing Adjustment in accordance with this Section 1.05(c).

(d) Adjustments for Tax Purposes. Any payments made pursuant to this Section 1.05 shall be treated as an adjustment to the Purchase Price by the parties for tax purposes, unless otherwise required by applicable law and shall be allocable to and treated as an adjustment to the Class VI asset allocation on Schedule 1.06 attached hereto except to the extent there is an allocation to Class VII in which case it shall first be treated as an adjustment to the Class VII asset class.

Section 1.06 Allocation of Purchase Price. Seller and Buyer agree to allocate the Purchase Price among the Purchased Assets for all purposes (including tax and financial accounting) as set forth on Schedule 1.06 attached hereto. Buyer and Seller shall file all tax returns (including amended returns and claims for refund) and information reports in a manner consistent with such allocation.

Section 1.07 Withholding Tax. Buyer shall be entitled to deduct and withhold from the Purchase Price all taxes that Buyer may be required to deduct and withhold under any applicable tax law. All such withheld amounts shall be treated as delivered to Seller hereunder.

ARTICLE II
CLOSING

Section 2.01 Closing. The closing of the transactions contemplated by this Agreement (the "**Closing**") shall take place remotely by April 27, 2017, which date is no later than the date specified by the Court in the Order approving the Sale Procedures including such date as may be agreed to by the Seller and Buyer as more specifically set forth in such Order (the "**Closing Date**"). The consummation of the transactions contemplated by this Agreement shall be deemed to occur at 12:00 a.m. on the Closing Date (the "**Effective Time**").

Section 2.02 Closing Deliverables.

(a) At the Closing, Seller shall deliver to Buyer the following:

(i) a bill of sale in the form of Exhibit A attached hereto (the "**Bill of Sale**") and duly executed by Seller, transferring the Purchased Assets to Buyer free and clear of any and all Encumbrances other than Permitted Encumbrances;

(ii) an assignment and assumption agreement in the form of Exhibit B attached hereto (the "**Assignment and Assumption Agreement**") and duly executed by Seller, effecting the assignment to and assumption by Buyer of the Purchased Assets and the Assumed Liabilities;

(iii) an assignment of intellectual property in the form of Exhibit C attached hereto (the "**Intellectual Property Assignment**") and duly executed by Seller, transferring all of Seller's right, title and interest in and to the patents, patent applications and all other intellectual property rights of Seller included in the Purchased Assets to Buyer free and clear of all Encumbrances other than Permitted Encumbrances; and

(iv) the original books and records included in the Purchased Assets (or, to the extent originals are not available, copies), and all other tangible Purchased Assets, and copies of any books and records included in the Excluded Assets, to the extent that such books and records are in Seller's possession.

(b) At the Closing, Buyer shall deliver to Seller the following:

(i) the Purchase Price;

(ii) the Assignment and Assumption Agreement duly executed by Buyer; and

(iii) the Intellectual Property Assignment duly executed by Buyer.

Seller and Buyer further agree that, at Closing, they will execute and deliver any further documents and instruments of transfer reasonably requested by the other party for the purpose of transferring and conveying to Buyer, all property and rights to be transferred and conveyed by this Agreement.

ARTICLE III
COVENANTS

Section 3.01 Further Assurances. Following the Closing, each of the parties hereto shall execute and deliver such additional documents, instruments, conveyances and assurances and take such further actions as may be reasonably required to carry out the provisions hereof and give effect to the transactions contemplated by this Agreement and the documents to be delivered hereunder.

Section 3.02 Bulk Sales Laws. The parties hereby waive compliance with the provisions of any bulk sales, bulk transfer or similar laws of any jurisdiction that may otherwise be applicable with respect to the sale of any or all of the Purchased Assets to Buyer.

Section 3.03 Taxes. All transfer, documentary, sales, use, stamp, registration, value added and other such taxes and fees (including any penalties and interest) incurred in connection with this Agreement and the documents to be delivered hereunder shall be borne and paid by Buyer when due; provided, however, such taxes shall exclude any and all federal and state net income taxes attributable to the net taxable income, gain, loss and items thereof allocable to the Seller and/or its members pursuant to applicable federal and state income tax laws arising from the transactions contemplated by this Agreement. Buyer shall, at its own expense, timely file any tax return or other document with respect to such taxes or fees payable by Buyer. Buyer shall hold Seller harmless from and against any and all taxes assessed or imposed on the Purchased Assets after Closing or as a result of the Buyer's ownership of the Purchased Assets on and after the Closing Date hereof. Upon Buyer's request, the Seller shall reasonably cooperate with Buyer in obtaining a tax clearance certificate for Seller from the Arizona Department of Revenue pursuant to ARS Section 42-1110; provided, however, that if such tax clearance certificate is not received by the Closing Date, then Buyer shall waive any requirement that such tax clearance certificate be obtained.

Section 3.04 Public Announcements. Unless otherwise required by applicable law, neither party hereto shall make any public announcements regarding this Agreement or the transactions contemplated hereby without the prior written consent of the other party (which consent shall not be unreasonably withheld or delayed).

Section 3.05 Operation of Business. Commencing on the date of this Agreement and continuing until the Closing (the "**Executory Period**"), except as contemplated by this Agreement or in connection with the Ruling, Seller shall not incur any obligation or liability other than in the ordinary course of business, shall continue to operate the business in a manner consistent with past practices, and shall timely and fully discharge all of its debts, obligations and liabilities incurred during the Executory Period as they come due, other than with respect to amounts contested by Seller in good faith.

Section 3.06 Accounts Receivable. After Closing, Seller shall reasonably cooperate with Buyer with respect to Buyer's collection of the accounts receivable of the business which are outstanding as of the Closing Date. To the extent any of such accounts receivable are collected by Seller on or after the Closing Date, Seller shall immediately remit such amounts to Buyer and all of such accounts receivable collected by Seller and/or Buyer after Closing shall be applied to the customer debtor's oldest accounts receivable first.

Section 3.07 Third Party Consents. During the Executory Period, the parties hereto shall cooperate in obtaining all necessary approvals from all applicable governmental authorities and other third parties to the transactions contemplated by this Agreement.

Section 3.08 Seller Employees. As of the Closing Date, Seller shall terminate the employment of all employees of Seller, and, at Buyer's sole discretion, Buyer may offer employment, on an "at will" basis, to any or all of such employees. Seller and Buyer shall reasonably cooperate with each other with respect to the transition of any employees of Seller who are hired by Buyer and the compliance with all applicable laws in connection therewith. Seller will be responsible for, and Buyer shall have no obligations whatsoever for, all wages, benefits and/or other payment obligations, including accrued vacation and sick time, of the Seller's employees. Buyer will be responsible for all wages, benefits and/or other payment obligations, including accrued vacation and sick time, of the employees of Seller hired by Buyer, to the extent arising from and accruing during the period after the Closing Date.

Section 3.09 Access to Information. For a period commencing on the date of this Agreement and continuing until the date that is 120 days after the Closing, Seller shall provide Buyer, at Buyer's sole cost and expense, with reasonable access (for the purpose of examining and copying), during normal business hours and after scheduling such access at least five (5) days in advance, and in a manner that does not unreasonably interfere with Seller's business, to the personnel, books and records of Seller related to the business of Antenna Plus, LLC, the Purchased Assets and the Assumed Liabilities with respect to periods or occurrences prior to or on the Closing Date that the Buyer reasonably needs to comply with reporting, disclosure, filing or other requirements imposed on the Buyer by all applicable governmental authorities having jurisdiction over the Buyer in connection with the transactions contemplated by this Agreement, including, without limitation, any requirement under applicable securities laws to provide audited financial statements of Seller not later than 71 calendar days following the due date of any Form 8-K required to be filed by Buyer in connection with the Closing. Seller shall reasonably cooperate with Buyer and Buyer's independent public accountants, at Buyer's sole cost and expense, in connection with the completion of any audit or review of the historical financial statements of Seller, post-Closing financial statements of Buyer, and/or disclosure document of Buyer in connection with its compliance with applicable securities laws.

Section 3.10 Update to Schedules. At the Closing, Seller shall deliver to Buyer updated Schedules to this Agreement, in such form and substance as Buyer and Seller mutually agree in good faith, that reflect any changes to the Purchased Assets, the Assumed Liabilities and/or the Purchase Price allocation that occur between the date of this Agreement and Closing.

ARTICLE IV
DISCLAIMER OF WARRANTIES; LIMITATION OF LIABILITY

Section 4.01 Disclaimer of Warranties. EXCEPT AS OTHERWISE EXPRESSLY SET FORTH IN THIS AGREEMENT WITH RESPECT TO THE PURCHASED ASSETS BEING FREE AND CLEAR OF ANY AND ALL ENCUMBRANCES OTHER THAN PERMITTED ENCUMBRANCES, SELLER MAKES NO REPRESENTATION OR WARRANTY, EXPRESS OR IMPLIED, AS TO ANY MATTER WHATSOEVER, INCLUDING, BUT NOT LIMITED TO: THE TITLE TO THE PURCHASED ASSETS; THE CONDITION, DESIGN OR QUALITY OF THE PURCHASED ASSETS; THE FITNESS OF THE PURCHASED ASSETS FOR USE OR FOR A PARTICULAR PURPOSE; THE MERCHANTABILITY OF THE PURCHASED ASSETS;

COMPLIANCE OF THE PURCHASED ASSETS WITH THE REQUIREMENTS OF ANY LAWS, RULES, SPECIFICATIONS OR CONTRACTS PERTAINING THERETO; PATENT INFRINGEMENT; LATENT DEFECTS; THE QUALITY OF THE MATERIAL OR WORKMANSHIP OF THE PURCHASED ASSETS OR THE CONFORMITY OF THE PURCHASED ASSETS TO THE PROVISIONS AND SPECIFICATIONS OF ANY PURCHASE ORDER RELATING THERETO; THE OPERATION, USE OR PERFORMANCE OF THE PURCHASED ASSETS; OR ANY OTHER REPRESENTATION OR WARRANTY OF ANY KIND, NATURE OR DESCRIPTION, EXPRESS OR IMPLIED, WITH RESPECT TO THE OWNERSHIP, OPERATION, USE OR PERFORMANCE OF THE PURCHASED ASSETS.

Section 4.02 Limitation of Liability. NONE OF MCA FINANCIAL GROUP, LTD., ANTENNA PLUS, LLC, ANY OF THEIR RESPECTIVE AFFILIATES OR ANY OF THEIR RESPECTIVE CURRENT OR FORMER OFFICERS, DIRECTORS, MEMBERS OR AGENTS SHALL HAVE ANY LIABILITY TO BUYER OR ANY PERSONS WHOMSOEVER (INCLUDING LESSEES OR PURCHASERS OF ALL OR ANY OF THE PURCHASED ASSETS) FOR ANY CLAIM, LOSS, DAMAGE OR EXPENSE (INCLUDING ATTORNEY FEES) OF ANY KIND OR NATURE, WHETHER SPECIAL, CONSEQUENTIAL, ECONOMIC OR OTHERWISE, CAUSED OR ALLEGED TO BE CAUSED DIRECTLY, INDIRECTLY, INCIDENTAL OR CONSEQUENTIALLY BY THIS AGREEMENT, THE PURCHASED ASSETS (INCLUDING ANY PART THEREOF OR PRODUCTS THEREFROM, BY ANY INADEQUACY OF THE PURCHASED ASSETS OR DEFECT OR DEFICIENCY THEREIN) OR THE ASSUMED LIABILITIES, BY ANY INCIDENT WHATSOEVER ARISING IN STRICT LIABILITY OR OTHERWISE FROM ANY PERSON'S NEGLIGENCE OR OTHERWISE, OR FOR ANY LOSS OF BUSINESS OR DAMAGE WHATSOEVER AND HOWSOEVER CAUSED, OR ARISING OUT OF THIS AGREEMENT, THE PURCHASED ASSETS OR THE ASSUMED LIABILITIES. NOTWITHSTANDING ANYTHING TO THE CONTRARY IN THIS AGREEMENT, NOTHING HEREIN SHALL RELEASE, SETTLE, WAIVE, DISCHARGE, SATISFY, IMPAIR OR AFFECT IN ANY WAY THE CLAIMS OR DEFENSES IN THE LITIGATION CAPTIONED *LIIMATAINEN V. THILL*, CASE NO. 2016-000743, CURRENTLY PENDING BEFORE THE MARICOPA COUNTY SUPERIOR COURT.

ARTICLE V
MISCELLANEOUS

Section 5.01 Expenses. All costs and expenses incurred in connection with this Agreement and the transactions contemplated hereby shall be paid by the party incurring such costs and expenses.

Section 5.02 Notices. All notices, requests, consents, claims, demands, waivers and other communications hereunder shall be in writing and shall be deemed to have been given: (i) when delivered by hand (with written confirmation of receipt); (ii) when received by the addressee if sent by a nationally recognized overnight courier (receipt requested); (iii) on the date sent by facsimile or e-mail of a PDF document (with confirmation of transmission) if sent during normal business hours of the recipient, and on the next business day if sent after normal business hours of the recipient; or (iv) on the third day after the date mailed, by certified or registered mail, return receipt requested, postage prepaid. Such communications must be sent to the respective parties at the following addresses (or at such other address for a party as shall be specified in a notice given in accordance with this Section 5.02):

If to Seller:

MCA Financial Group, Ltd.,
as the appointed receiver for Antenna Plus, LLC
4909 N. 44th Street
Phoenix, Arizona 85018
Attention: Morrie Aaron
Facsimile: (480) 287-9058
E-mail: maaron@mca-financial.com

with a copy to (which shall not constitute notice):

Quarles & Brady LLP
One Renaissance Square
Two North Central Avenue
Phoenix, Arizona 85004
Attention: W. Scott Jenkins, Jr.
Facsimile: (602) 420-5031
Email: scott.jenkins@quarles.com

If to Buyer:

Airgain, Inc.
3611 Towne Centre Court, Suite 150
San Diego, CA 92130
Attention: Leo Johnson
Facsimile: 760-579-0892
E-mail: LJohnson@airgain.com

with a copy to (which shall not constitute notice):

Latham & Watkins LLP
12670 High Bluff Drive
San Diego, CA 92130
Attention: Matthew T. Bush
Facsimile: 858-523-5450
E-mail: Matt.Bush@lw.com

Section 5.03 Headings. The headings in this Agreement are for reference only and shall not affect the interpretation of this Agreement.

Section 5.04 Severability. If any term or provision of this Agreement is invalid, illegal or unenforceable in any jurisdiction, such invalidity, illegality or unenforceability shall not affect any other term or provision of this Agreement or invalidate or render unenforceable such term or provision in any other jurisdiction.

Section 5.05 Entire Agreement. This Agreement, together with the exhibits and schedules attached hereto and incorporated herein by this reference and the other documents to be delivered hereunder, constitute the sole and entire agreement of the parties to this Agreement with respect to the subject matter contained herein, and supersede all prior and contemporaneous understandings and agreements, both written and oral, with respect to such subject matter. In the event of any inconsistency between the statements in the body of this Agreement and the documents to be delivered hereunder, the statements in the body of this Agreement will control.

Section 5.06 Successors and Assigns. This Agreement shall be binding upon and shall inure to the benefit of the parties hereto and their respective successors and permitted assigns. Neither party may assign its rights or obligations hereunder without the prior written consent of the other party, which consent shall not be unreasonably withheld or delayed; provided, however, that Seller agrees that, prior to Closing, Buyer may assign its rights and obligations under this Agreement to another legal entity of which Buyer is the majority owner. No assignment shall relieve the assigning party of any of its obligations hereunder.

Section 5.07 No Third-party Beneficiaries. This Agreement is for the sole benefit of the parties hereto and their respective successors and permitted assigns and nothing herein, express or implied, is intended to or shall confer upon any other person or entity any legal or equitable right, benefit or remedy of any nature whatsoever under or by reason of this Agreement.

Section 5.08 Amendment and Modification. This Agreement may only be amended, modified or supplemented by an agreement in writing signed by each party hereto.

Section 5.09 Waiver. No waiver by any party of any of the provisions hereof shall be effective unless explicitly set forth in writing and signed by the party so waiving. No waiver by any party shall operate or be construed as a waiver in respect of any failure, breach or default not expressly identified by such written waiver, whether of a similar or different character, and whether occurring before or after that waiver. No failure to exercise, or delay in exercising, any right, remedy, power or privilege arising from this Agreement shall operate or be construed as a waiver thereof; nor shall any single or partial exercise of any right, remedy, power or privilege hereunder preclude any other or further exercise thereof or the exercise of any other right, remedy, power or privilege.

Section 5.10 Governing Law. This Agreement shall be governed by and construed in accordance with the internal laws of the State of Arizona without giving effect to any choice or conflict of law provision or rule (whether of the State of Arizona or any other jurisdiction).

Section 5.11 Submission to Jurisdiction. Any legal suit, action or proceeding arising out of or based upon this Agreement or the transactions contemplated hereby may be instituted in the federal courts of the United States of America or the courts of the State of Arizona in each case located in the County of Maricopa, and each party irrevocably submits to the exclusive jurisdiction of such courts in any such suit, action or proceeding.

Section 5.12 Waiver of Jury Trial. Each party acknowledges and agrees that any controversy which may arise under this Agreement is likely to involve complicated and difficult issues and, therefore, each such party irrevocably and unconditionally waives any right it may have to a trial by jury in respect of any legal action arising out of or relating to this Agreement or the transactions contemplated hereby.

Section 5.13 Specific Performance. The parties agree that irreparable damage would occur if any provision of this Agreement were not performed in accordance with the terms hereof and that the parties shall be entitled to specific performance of the terms hereof, in addition to any other remedy to which they are entitled at law or in equity.

Section 5.14 Counterparts. This Agreement may be executed in two or more counterparts, each of which shall be deemed an original, but all of which together shall be deemed to be one and the same agreement. A signed copy of this Agreement delivered by facsimile, e-mail or other means of electronic transmission shall be deemed to have the same legal effect as delivery of an original signed copy of this Agreement.

(SIGNATURE PAGE(S) FOLLOW)

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be executed as of the date first written above by their respective officers thereunto duly authorized.

MCA FINANCIAL GROUP, LTD., as the appointed receiver for Antenna Plus, LLC

By /s/ Stacie Witten
Name: Stacie Witten
Title: Receiver

AIRGAIN, INC.

By /s/ Charles Myers
Name: Charles Myers
Title: Chief Executive Officer

(Signature Page to Asset Purchase Agreement)

EXHIBIT A

Bill of Sale

THIS BILL OF SALE, dated as of April ___, 2017, is being delivered pursuant to Section 2.02(a)(i) of that certain Asset Purchase Agreement, dated as of April 7, 2017 (the "**Purchase Agreement**"), by and between MCA Financial Group, Ltd., as the appointed receiver for Antenna Plus, LLC, an Arizona limited liability company ("**Seller**"), and Airgain, Inc., a Delaware corporation ("**Buyer**").

For good and valuable consideration, the receipt and adequacy of which are hereby acknowledged, Seller does hereby grant, bargain, transfer, sell, assign, convey and deliver to Buyer all of Seller's right, title and interest in and to the tangible personal property included in the Purchased Assets (as defined in the Purchase Agreement), to have and to hold the same unto Buyer, its successors and assigns, forever.

Buyer acknowledges that Seller makes no representation or warranty with respect to the assets being conveyed hereby except as specifically set forth in the Purchase Agreement.

IN WITNESS WHEREOF, Seller has caused this Bill of Sale to be executed as of the date first written above.

MCA FINANCIAL GROUP, LTD., as the appointed receiver for Antenna Plus, LLC

By ______________________________
Name:
Title:

EXHIBIT B

Assignment and Assumption Agreement

THIS ASSIGNMENT AND ASSUMPTION AGREEMENT (this " **Agreement**"), dated as of April ___, 2017, is entered into by and between MCA Financial Group, Ltd., as the appointed receiver for Antenna Plus, LLC, an Arizona limited liability company ("**Seller**"), and Airgain, Inc., a Delaware corporation ("**Buyer**").

WHEREAS, Seller and Buyer have entered into a certain Asset Purchase Agreement, dated as of April 7, 2017 (the " **Purchase Agreement**"), pursuant to which, among other things, Seller has agreed to assign to Buyer all of Seller's rights, title and interests in and to the intangible assets included in the Purchased Assets (as defined in the Purchase Agreement), and Buyer has agree to accept such assignment, subject to the terms and conditions of the Purchase Agreement;

WHEREAS, pursuant to the Purchase Agreement, Buyer has agreed to assume all of Seller's duties and obligations included in the Assumed Liabilities (as defined in the Purchase Agreement), subject to the terms and conditions of the Purchase Agreement; and

WHEREAS, this Agreement is being entered into pursuant to Section 2.02(a)(ii) of the Purchase Agreement.

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

1. Definitions. All capitalized terms used in this Agreement but not otherwise defined herein are given the meanings set forth in the Purchase Agreement.

2. Assignment. Seller hereby sells, assigns, grants, conveys and transfers to Buyer all of Seller's right, title and interest in and to the intangible assets included in the Purchased Assets, and Buyer hereby accepts such assignment.

3. Assumption. Buyer hereby assumes all of Seller's duties and obligations included in the Assumed Liabilities and agrees to pay, perform and discharge, as and when due, all of the obligations of Seller included in the Assumed Liabilities accruing on and after the Effective Time.

4. Terms of the Purchase Agreement. The terms of the Purchase Agreement, including, but not limited to, the representations, warranties, covenants, agreements and indemnities relating to the Purchased Assets and the Assumed Liabilities are incorporated herein by this reference. The parties hereto acknowledge and agree that the representations, warranties, covenants, agreements and indemnities contained in the Purchase Agreement shall not be superseded hereby but shall remain in full force and effect to the full extent provided therein. In the event of any conflict or inconsistency between the terms of the Purchase Agreement and the terms of this Agreement, the terms of the Purchase Agreement shall govern.

5. Governing Law. This Agreement shall be governed by and construed in accordance with the internal laws of the State of Arizona without giving effect to any choice or conflict of law provision or rule (whether of the State of Arizona or any other jurisdiction).

6. Counterparts. This Agreement may be executed in counterparts, all of which shall be considered one and the same agreement and shall become effective when one or more counterparts have been signed by each party and delivered to each other party. A signed copy of this Agreement delivered by facsimile, e-mail or other means of electronic transmission shall be deemed to have the same legal effect as delivery of an original signed copy of this Agreement.

(SIGNATURE PAGE(S) FOLLOW)

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be executed as of the date first written above by their respective officers or other representatives thereunto duly authorized.

MCA FINANCIAL GROUP, LTD., as the appointed receiver for Antenna Plus, LLC

By __________________________________
Name:
Title:

AIRGAIN, INC.

By __________________________________
Name:
Title:

EXHIBIT C

Intellectual Property Assignment Agreement

THIS INTELLECTUAL PROPERTY ASSIGNMENT AGREEMENT (this " **Agreement**"), dated as of April ___, 2017, is entered into by and between MCA Financial Group, Ltd., as the appointed receiver for Antenna Plus, LLC, an Arizona limited liability company (" **Seller**"), and Airgain, Inc., a Delaware corporation ("**Buyer**").

WHEREAS, Seller and Buyer have entered into a certain Asset Purchase Agreement, dated as of April 7, 2017 (the " **Purchase Agreement**"), pursuant to which, among other things, Seller has agreed to assign to Buyer all of Seller's rights, title and interests in and to certain intellectual property of Seller, and Buyer has agree to accept such assignment, subject to the terms and conditions of the Purchase Agreement; and

WHEREAS, this Agreement is being entered into for recording with the United States Patent and Trademark Office pursuant to Section 2.02(a)(iii) of the Purchase Agreement.

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

1. Assignment. Seller hereby sells, assigns, grants, conveys and transfers to Buyer, and Buyer hereby accepts, all of Seller's worldwide right, title and interest in and to:

(a) the patents and patent applications set forth on Schedule 1 hereto and all issuances, divisions, continuations, continuations-in-part, reissues, extensions, reexaminations, and renewals thereof;

(b) all rights of any kind whatsoever of Seller accruing under any of the foregoing provided by applicable law of any jurisdiction, by international treaties and conventions, and otherwise throughout the world;

(c) any and all royalties, fees, income, payments, and other proceeds now or hereafter due or payable with respect to any and all of the foregoing; and

(d) any and all claims and causes of action, with respect to any of the foregoing, whether accruing before, on, or after the date hereof, including all rights to and claims for damages, restitution, and injunctive and other legal and equitable relief for past, present, and future infringement, dilution, misappropriation, violation, misuse, breach, or default, with the right but no obligation to sue for such legal and equitable relief and to collect, or otherwise recover, any such damages.

2. Recordation. Seller hereby authorizes the Commissioner for Patents in the United States Patent and Trademark Office to record and register this Agreement upon request by Buyer.

3. Terms of the Purchase Agreement . The terms of the Purchase Agreement, including, but not limited to, the representations, warranties, covenants, agreements and indemnities relating to the Purchased Assets and the Assumed Liabilities are incorporated herein by this reference. The parties hereto acknowledge and agree that the representations, warranties, covenants, agreements and indemnities contained in the Purchase Agreement shall not be superseded hereby but shall remain in full force and effect to the full extent provided therein. In the event of any conflict or inconsistency between the terms of the Purchase Agreement and the terms of this Agreement, the terms of the Purchase Agreement shall govern.

4. Governing Law. Except to the extent that federal law preempts state law with respect to the matters covered hereby, this Agreement shall be governed by and construed in accordance with the internal laws of the State of Arizona without giving effect to any choice or conflict of law provision or rule (whether of the State of Arizona or any other jurisdiction).

5. Counterparts. This Agreement may be executed in counterparts, all of which shall be considered one and the same agreement and shall become effective when one or more counterparts have been signed by each party and delivered to each other party. A signed copy of this Agreement delivered by facsimile, e-mail or other means of electronic transmission shall be deemed to have the same legal effect as delivery of an original signed copy of this Agreement.

(SIGNATURE PAGE(S) FOLLOW)

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be executed as of the date first written above by their respective officers thereunto duly authorized.

MCA FINANCIAL GROUP, LTD., as the appointed receiver for Antenna Plus, LLC

By ______________________________________
Name:
Title:

AIRGAIN, INC.

By ______________________________________
Name:
Title:

Exhibit 31.1

CERTIFICATION OF PRINCIPAL EXECUTIVE OFFICER
PURSUANT TO SECTION 302 OF THE SARBANES-OXLEY ACT OF 2002

I, Charles Myers, certify that:

1. I have reviewed this quarterly report on Form 10-Q of Airgain, Inc.;

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

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

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

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

b. [paragraph omitted in accordance with Exchange Act Rule 13a-14(a)];

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

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

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

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

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

Date: May 12, 2017

/s/ Charles Myers
Charles Myers
President and Chief Executive Officer
(principal executive officer)

Exhibit 31.2

CERTIFICATION OF PRINCIPAL FINANCIAL OFFICER
PURSUANT TO SECTION 302 OF THE SARBANES-OXLEY ACT OF 2002

I, Leo Johnson, certify that:

1. I have reviewed this quarterly report on Form 10-Q of Airgain, Inc.;

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

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

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

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

b. [paragraph omitted in accordance with Exchange Act Rule 13a-14(a)];

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

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

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

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

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

Date: May 12, 2017

/s/ Leo Johnson
Leo Johnson
Chief Financial Officer and Secretary
(principal financial and accounting officer)

Exhibit 32.1

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

In connection with the quarterly report of Airgain, Inc. (the "Company") on Form 10-Q for the quarter ended March 31, 2017, as filed with the Securities and Exchange Commission on the date hereof (the "Report"), I, Charles Myers, President and Chief Executive Officer of the Company, certify, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that, to my knowledge:

(1) The Report fully complies with the requirements of Section 13(a) or 15(d), as applicable, of the Securities Exchange Act of 1934, as amended; and

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

Date: May 12, 2017

/s/ Charles Myers
Charles Myers
President and Chief Executive Officer

The foregoing certification is being furnished solely pursuant to 18 U.S.C. Section 1350 and is not being filed as part of the Report or as a separate disclosure document.

Exhibit 32.2

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

In connection with the quarterly report of Airgain, Inc. (the "Company") on Form 10-Q for the quarter ended March 31, 2017, as filed with the Securities and Exchange Commission on the date hereof (the "Report"), I, Leo Johnson, Chief Financial Officer and Secretary of the Company, certify, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that, to my knowledge:

(1) The Report fully complies with the requirements of Section 13(a) or 15(d), as applicable, of the Securities Exchange Act of 1934, as amended; and

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

Date: May 12, 2017

/s/ Leo Johnson
Leo Johnson
Chief Financial Officer and Secretary

The foregoing certification is being furnished solely pursuant to 18 U.S.C. Section 1350 and is not being filed as part of the Report or as a separate disclosure document.