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

FORM 10-Q

(Mark One)

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

For the quarterly period ended September 30, 2025

or

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

For the transition period from to

Commission File Number 001-38267

RIBBON COMMUNICATIONS INC.
(Exact name of Registrant as specified in its charter)

Delaware	**82-1669692**
(State or other jurisdiction of incorporation or organization)	(I.R.S. Employer Identification No.)
6500 Chase Oaks Boulevard, Suite 100, Plano, Texas	**75023**
(Address of principal executive offices)	(Zip code)

(978) 614-8100
(Registrant's telephone number, including area code)

N/A
(Former name, former address and former fiscal year, if changed since last report)

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

Title of each class	Trading Symbol(s)	Name of each exchange on which registered
Common Stock, par value $0.0001	RBBN	The Nasdaq Global Select Market

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

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

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

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

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

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

As of October 20, 2025, there were 176,599,590 shares of the registrant's common stock, $0.0001 par value per share, outstanding.

RIBBON COMMUNICATIONS INC.
FORM 10-Q
QUARTERLY PERIOD ENDED SEPTEMBER 30, 2025
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Cautionary Note Regarding Forward-Looking Statements

This Quarterly Report on Form 10-Q contains “forward-looking statements” within the meaning of the U.S. Private Securities Litigation Reform Act of 1995, which are subject to a number of risks and uncertainties. All statements other than statements of historical facts contained in this report, including statements regarding the effect of U.S. tariffs and the responses from other countries, future expenses and restructuring activities and the anticipated benefits thereof, results of operations and financial position, future revenue growth of the Company, expected sales growth in segments or regions, the impacts from the U.S. government shutdown, the effect of the Company’s recent cybersecurity incident, capital structure, impacts from the wars in Israel and Ukraine, financial sanctions and trade restrictions, beliefs about our business strategy, availability of components for the manufacturing of our products, ongoing litigation, plans and objectives of management for future operations and manufacturing are forward-looking statements. Without limiting the foregoing, the words “anticipates”, “believes”, “could”, “estimates”, “expects”, “intends”, “may”, “plans”, “seeks” and other similar language, whether in the negative or affirmative, are intended to identify forward-looking statements, although not all forward-looking statements contain these identifying words. Forward-looking statements are based on our current expectations and assumptions regarding our business, the economy and other future conditions. Because forward-looking statements relate to the future, they are subject to inherent uncertainties, risks and changes in circumstances that are unknown and/or difficult to predict and that may cause our actual results, performance or achievements to be materially different from those expressed or implied by the forward-looking statements. Such risks and uncertainties include, but are not limited to, unpredictable fluctuations in quarterly revenue and operating results; the impact of restructuring and cost-containment activities; delayed purchases by U.S. federal customers as a result of the U.S. government shutdown; increases in tariffs, trade restrictions or taxes on our products; supply chain disruptions resulting from component availability and/or geopolitical instabilities and disputes (including those related to the wars in Israel and Ukraine); the impact of military call-ups of our employees in Israel; material litigation; the impact of fluctuations in interest rates; material cybersecurity and data intrusion incidents, including any security breaches resulting in the theft, transfer, or unauthorized disclosure of customer, employee, or company information; our ability to comply with applicable domestic and foreign information security and privacy laws, regulations and technology platform rules or other obligations related to data privacy and security; failure to compete successfully against telecommunications equipment and networking companies; failure to grow our customer base or generate recurring business from our existing customers; credit risks; the timing of customer purchasing decisions and our recognition of revenues; macroeconomic conditions, including inflation; our ability to adapt to rapid technological and market changes; our ability to generate positive returns on our research and development; our ability to protect our intellectual property rights and obtain necessary licenses; our ability to maintain partner, reseller, distribution and vendor support and supply relationships; the potential for defects in our products; risks related to the terms of our credit agreement; higher risks in international operations and markets; currency fluctuations; unanticipated adverse changes in legal, regulatory or tax laws; future accounting pronouncements or changes in our accounting policies; and/or failure or circumvention of our controls and procedures. We therefore caution you against relying on any of these forward-looking statements. Additional important factors that could cause actual results to differ materially from those in these forward-looking statements are also discussed in Part I, Item 2, "Management’s Discussion and Analysis of Financial Condition and Results of Operations" and Part I, Item 1A and Part II, Item 7A, "Risk Factors" and "Quantitative and Qualitative Disclosures About Market Risk," respectively, of our Annual Report on Form 10-K for the year ended December 31, 2024. Any forward-looking statement made by us in this report speaks only as of the date on which this report was first filed. We undertake no obligation to publicly update any forward-looking statement, whether as a result of new information, future developments or otherwise, except as required by law.

PART I FINANCIAL INFORMATION

Item 1. Financial Statements

RIBBON COMMUNICATIONS INC.
Condensed Consolidated Balance Sheets
(in thousands, except share and per share data)
(unaudited)

	September 30, 2025	December 31, 2024
Assets		
Current assets:		
Cash and cash equivalents	$ 74,799	$ 87,770
Restricted cash	1,968	2,709
Accounts receivable, net	218,312	254,718
Inventory	80,007	79,179
Other current assets	43,341	39,286
Total current assets	418,427	463,662
Property and equipment, net	66,427	60,364
Intangible assets, net	153,752	187,537
Goodwill	300,892	300,892
Deferred income taxes	91,117	88,982
Operating lease right-of-use assets	48,204	34,544
Other assets	26,415	26,573
	$ 1,105,234	$ 1,162,554
Liabilities and Stockholders' Equity		
Current liabilities:		
Current portion of term debt	$ 8,750	$ 6,125
Accounts payable	76,743	87,759
Accrued expenses and other	88,069	106,251
Operating lease liabilities	11,615	9,443
Deferred revenue	106,697	119,295
Total current liabilities	291,874	328,873
Long-term debt, net of current	326,075	330,726
Warrant liability	5,103	8,064
Operating lease liabilities, net of current	61,806	37,376
Deferred revenue, net of current	29,748	20,991
Deferred income taxes	5,941	5,941
Other long-term liabilities	24,635	25,962
Total liabilities	745,182	757,933
Commitments and contingencies (Note 20)		
Stockholders' equity:		
Common stock, $0.0001 par value per share; 390,000,000 shares authorized at September 30, 2025; 240,000,000 shares authorized at December 31, 2024; 176,476,492 shares issued and outstanding at September 30, 2025; 175,599,250 shares issued and outstanding at December 31, 2024	18	18
Additional paid-in capital	1,975,925	1,970,708
Accumulated deficit	(1,623,614)	(1,574,185)
Accumulated other comprehensive income	7,723	8,080
Total stockholders' equity	360,052	404,621
	$ 1,105,234	$ 1,162,554

See notes to the unaudited condensed consolidated financial statements.

RIBBON COMMUNICATIONS INC.
Condensed Consolidated Statements of Operations
(in thousands, except per share data)
(unaudited)

	Three months ended		Nine months ended	
	September 30, 2025	September 30, 2024	September 30, 2025	September 30, 2024
Revenue:				
Product	$ 109,979	$ 112,151	$ 307,027	$ 298,894
Service	105,392	98,087	310,206	283,628
Total revenue	215,371	210,238	617,233	582,522
Cost of revenue:				
Product	62,037	59,405	186,676	160,044
Service	40,311	34,893	115,192	103,633
Amortization of acquired technology	5,057	6,323	15,722	19,406
Total cost of revenue	107,405	100,621	317,590	283,083
Gross profit	107,966	109,617	299,643	299,439
Operating expenses:				
Research and development	45,894	45,645	134,158	134,897
Sales and marketing	33,063	33,060	97,387	100,760
General and administrative	16,368	21,588	48,126	51,680
Amortization of acquired intangible assets	5,933	6,457	18,063	19,671
Acquisition-, disposal- and integration-related	439	—	4,337	—
Restructuring and related	3,506	3,794	10,193	8,779
Total operating expenses	105,203	110,544	312,264	315,787
Income (loss) from operations	2,763	(927)	(12,621)	(16,348)
Interest expense, net	(11,606)	(11,952)	(33,083)	(21,818)
Other (expense) income, net	(134)	1,056	836	(15,960)
Loss before income taxes	(8,977)	(11,823)	(44,868)	(54,126)
Income tax provision	(3,132)	(1,599)	(4,561)	(6,473)
Net loss	$ (12,109)	$ (13,422)	$ (49,429)	$ (60,599)
Loss per share:				
Basic	$ (0.07)	$ (0.08)	$ (0.28)	$ (0.35)
Diluted	$ (0.07)	$ (0.08)	$ (0.28)	$ (0.35)
Weighted average shares used to compute loss per share:				
Basic	176,620	174,613	176,366	173,615
Diluted	176,620	174,613	176,366	173,615

See notes to the unaudited condensed consolidated financial statements.

RIBBON COMMUNICATIONS INC.
Condensed Consolidated Statements of Comprehensive Loss
(in thousands)
(unaudited)

	Three months ended		Nine months ended	
	September 30, 2025	September 30, 2024	September 30, 2025	September 30, 2024
Net loss	$ (12,109)	$ (13,422)	$ (49,429)	$ (60,599)
Other comprehensive (loss) income, net of tax:				
Unrealized loss on interest rate swap, net of reclassifications and amortization into earnings	—	—	—	(6,019)
Foreign currency translation adjustments	(209)	286	(357)	346
Other comprehensive (loss) income, net of tax	(209)	286	(357)	(5,673)
Comprehensive loss, net of tax	$ (12,318)	$ (13,136)	$ (49,786)	$ (66,272)

See notes to the unaudited condensed consolidated financial statements.

RIBBON COMMUNICATIONS INC.
Condensed Consolidated Statements of Stockholders' Equity
(in thousands, except shares)
(unaudited)

Three months ended September 30, 2025

	Common stock Shares	Common stock Amount	Additional paid-in capital	Accumulated deficit	Accumulated other comprehensive (loss) income	Total stockholders' equity
Balances, July 1, 2025	177,156,341	$ 18	$ 1,973,990	$ (1,611,505)	$ 7,932	$ 370,435
Exercise of stock options	300	—	—	—	—	—
Exercise of warrants	—	—	—	—	—	—
Repurchase of common stock	(911,092)	—	(3,478)	—	—	(3,478)
Vesting of restricted stock awards and units	297,586	—	—	—	—	—
Vesting of performance-based stock units	45,926	—	—	—	—	—
Shares of restricted stock returned to the Company under net share settlements to satisfy tax withholding obligations	(112,569)	—	(431)	—	—	(431)
Stock-based compensation expense	—	—	5,844	—	—	5,844
Other comprehensive loss	—	—	—	—	(209)	(209)
Net loss	—	—	—	(12,109)	—	(12,109)
Balances, September 30, 2025	176,476,492	$ 18	$ 1,975,925	$ (1,623,614)	$ 7,723	$ 360,052

Nine months ended September 30, 2025

	Common stock Shares	Common stock Amount	Additional paid-in capital	Accumulated deficit	Accumulated other comprehensive (loss) income	Total stockholders' equity
Balances, January 1, 2025	175,599,250	$ 18	$ 1,970,708	$ (1,574,185)	$ 8,080	$ 404,621
Exercise of stock options	3,997	—	6	—	—	6
Exercise of warrants	32,573	—	150	—	—	150
Repurchase of common stock	(1,483,902)	—	(5,731)	—	—	(5,731)
Vesting of restricted stock awards and units	2,922,214	—	—	—	—	—
Vesting of performance-based stock units	423,677	—	—	—	—	—
Shares of restricted stock returned to the Company under net share settlements to satisfy tax withholding obligations	(1,021,317)	—	(3,827)	—	—	(3,827)
Stock-based compensation expense	—	—	14,619	—	—	14,619
Other comprehensive loss	—	—	—	—	(357)	(357)
Net loss	—	—	—	(49,429)	—	(49,429)
Balances, September 30, 2025	176,476,492	$ 18	$ 1,975,925	$ (1,623,614)	$ 7,723	$ 360,052

See notes to the unaudited condensed consolidated financial statements.

RIBBON COMMUNICATIONS INC.
Condensed Consolidated Statements of Stockholders' Equity
(in thousands, except shares)
(unaudited)

Three months ended September 30, 2024

	Common stock Shares	Common stock Amount	Additional paid-in capital	Accumulated deficit	Accumulated other comprehensive (loss) income	Total stockholders' equity
Balances, July 1, 2024	174,437,242	$ 17	$ 1,964,304	$ (1,567,127)	$ 7,828	$ 405,022
Exercise of stock options	53	—	—	—	—	—
Vesting of restricted stock awards and units	417,633	—	—	—	—	—
Vesting of performance-based stock units	—	—	—	—	—	—
Shares of restricted stock returned to the Company under net share settlements to satisfy tax withholding obligations	(119,130)	—	(397)	—	—	(397)
Stock-based compensation expense	—	—	4,045	—	—	4,045
Other comprehensive income	—	—	—	—	286	286
Net loss	—	—	—	(13,422)	—	(13,422)
Balances, September 30, 2024	174,735,798	$ 17	$ 1,967,952	$ (1,580,549)	$ 8,114	$ 395,534

Nine months ended September 30, 2024

	Common stock Shares	Common stock Amount	Additional paid-in capital	Accumulated deficit	Accumulated other comprehensive (loss) income	Total stockholders' equity
Balances, January 1, 2024	172,083,667	$ 17	$ 1,958,909	$ (1,519,950)	$ 13,787	$ 452,763
Exercise of stock options	8,677	—	17	—	—	17
Vesting of restricted stock awards and units	3,444,670	—	—	—	—	—
Vesting of performance-based stock units	288,672	—	—	—	—	—
Shares of restricted stock returned to the Company under net share settlements to satisfy tax withholding obligations	(1,089,888)	—	(3,035)	—	—	(3,035)
Stock-based compensation expense	—	—	12,061	—	—	12,061
Other comprehensive loss	—	—	—	—	(5,673)	(5,673)
Net loss	—	—	—	(60,599)	—	(60,599)
Balances, September 30, 2024	174,735,798	$ 17	$ 1,967,952	$ (1,580,549)	$ 8,114	$ 395,534

See notes to the unaudited condensed consolidated financial statements.

RIBBON COMMUNICATIONS INC.
Condensed Consolidated Statements of Cash Flows
(in thousands)
(unaudited)

	Nine months ended	
	September 30, 2025	September 30, 2024
Cash flows from operating activities:		
Net loss	$ (49,429)	$ (60,599)
Adjustments to reconcile net loss to cash flows provided by (used in) operating activities:		
Depreciation and amortization of property and equipment	12,182	10,131
Amortization of intangible assets	33,785	39,077
Amortization of debt issuance costs and original issue discount	2,102	4,137
Amortization of accumulated other comprehensive gain related to interest rate swap	—	(8,196)
Stock-based compensation	14,619	12,061
Deferred income taxes	52	(14,614)
Change in fair value of warrant liability	(2,811)	292
Change in fair value of preferred stock liability	—	8,091
Dividends accrued on preferred stock liability	—	2,743
Payment of dividends accrued on preferred stock liability	—	(6,686)
Foreign currency exchange losses	1,698	1,357
Changes in operating assets and liabilities:		
Accounts receivable	34,258	18,896
Inventory	(382)	(1,630)
Other operating assets	822	9,456
Accounts payable	(5,017)	(7,580)
Accrued expenses and other long-term liabilities	(15,880)	1,624
Deferred revenue	(3,840)	(20,087)
Net cash provided by (used in) operating activities	22,159	(11,527)
Cash flows from investing activities:		
Purchases of property and equipment	(23,368)	(14,428)
Purchases of software licenses	—	(462)
Net cash used in investing activities	(23,368)	(14,890)
Cash flows from financing activities:		
Borrowings under revolving line of credit	—	44,106
Principal payments on revolving line of credit	—	(44,106)
Proceeds from issuance of term debt	—	342,300
Principal payments of term debt	(3,938)	(236,270)
Payment of debt issuance costs	—	(5,985)
Payment of preferred stock liability	—	(56,850)
Proceeds from the exercise of stock options	6	17
Payment of tax obligations related to vested stock awards and units	(3,827)	(3,035)
Repurchase of common stock	(5,731)	—
Net cash (used in) provided by financing activities	(13,490)	40,177
Effect of exchange rate changes on cash and cash equivalents	987	(297)
Net (decrease) increase in cash and cash equivalents	(13,712)	13,463
Cash, cash equivalents and restricted cash, beginning of year	90,479	26,630
Cash, cash equivalents and restricted cash, end of period	$ 76,767	$ 40,093

See notes to the unaudited condensed consolidated financial statements.

RIBBON COMMUNICATIONS INC.
Condensed Consolidated Statements of Cash Flows (continued)
(in thousands)
(unaudited)

	Nine months ended	
	September 30, 2025	September 30, 2024
Supplemental disclosure of cash flow information:		
Interest paid	$ 28,797	$ 22,851
Income taxes paid	$ 9,565	$ 12,807
Income tax refunds received	$ 733	$ 1,294
Supplemental disclosure of non-cash investing activities:		
Capital expenditures incurred, but not yet paid	$ 3,642	$ 3,946
Inventory transfers to property and equipment	$ 1,325	$ 1,297
Supplemental disclosure of non-cash financing activities:		
Warrant liability released to additional paid-in-capital	$ 150	$ —
Fair value of vested restricted and performance-based stock grants	$ 12,574	$ 10,454

See notes to the unaudited condensed consolidated financial statements.

RIBBON COMMUNICATIONS INC.
Notes to Condensed Consolidated Financial Statements
(unaudited)

(1) BASIS OF PRESENTATION

Business

Ribbon Communications Inc. ("Ribbon" or the "Company") is a leading global provider of communications technology to service providers and enterprises. The Company provides a broad range of software and high-performance hardware products, network solutions, and services that enable the secure delivery of data and voice communications, and high-bandwidth networking and connectivity for residential consumers and for small, medium, and large enterprises and industry verticals such as finance, education, government, utilities, and transportation. Ribbon's mission is to create a recognized global technology leader providing cloud-centric solutions that enable the secure exchange of information, with unparalleled scale, performance, and elasticity. The Company is headquartered in Plano, Texas, and has a global presence with research and development, or sales and support locations in over thirty countries around the world.

Basis of Presentation

In the opinion of management, the accompanying unaudited condensed consolidated financial statements include all adjustments, consisting only of normal recurring items, necessary for their fair presentation with accounting principles generally accepted in the United States of America ("GAAP") and with the rules and regulations of the U.S. Securities and Exchange Commission ("SEC").

Interim results are not necessarily indicative of results for a full year or any future interim period. The information included in this Quarterly Report on Form 10-Q should be read in conjunction with the Company's Annual Report on Form 10-K for the year ended December 31, 2024 (the "Annual Report"), which was filed with the SEC on February 27, 2025.

Operating Segments

The Company's chief operating decision maker (the "CODM") is its president and chief executive officer. The CODM assesses the Company's performance based on the performance of two separate organizations within Ribbon: the Cloud and Edge segment ("Cloud and Edge") and the IP Optical Networks segment ("IP Optical Networks").

Significant Accounting Policies

The Company's significant accounting policies are disclosed in Note 2 to the Consolidated Financial Statements included in the Annual Report. There were no material changes to the Company's significant accounting policies during the nine months ended September 30, 2025.

Principles of Consolidation

The condensed consolidated financial statements include the accounts of Ribbon and its wholly-owned subsidiaries. Intercompany transactions and balances have been eliminated in consolidation.

Use of Estimates and Judgments

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 revenue and expenses during the reporting periods. Significant estimates and judgments relied upon in preparing these condensed consolidated financial statements include revenue recognition for arrangements that contain multiple performance obligations, inventory valuations, assumptions used to determine the fair value of stock-based compensation and the Preferred Stock and Warrants, intangible asset and

RIBBON COMMUNICATIONS INC.
Notes to Condensed Consolidated Financial Statements (Continued)
(unaudited)

goodwill valuations, including impairments, warranty accruals, legal contingencies and recoverability of Ribbon's net deferred tax assets and the related valuation allowances. Ribbon regularly assesses these estimates and records changes in estimates in the period in which they become known. Ribbon bases its estimates on historical experience and various other assumptions that it believes to be reasonable under the circumstances. Actual results could differ from those estimates.

Transfers of Financial Assets

The Company's IP Optical Networks segment maintains customer receivables factoring agreements with a number of financial institutions. Under the terms of these agreements, the Company may transfer receivables to the financial institutions, on a non-recourse basis, provided that the financial institutions approve the receivables in advance. The Company maintains credit insurance policies from major insurance providers or obtains letters of credit from the customers for a majority of its factored trade receivables. The Company accounts for the factoring of its financial assets as a sale of the assets and records the factoring fees, when incurred, as a component of interest expense in the condensed consolidated statements of operations, and the proceeds from the sales of receivables are included in cash from operating activities in the condensed consolidated statements of cash flows.

Factoring of accounts receivable and associated fees for the three and nine months ended September 30, 2025 and 2024 were as follows (in thousands):

	Three months ended		Nine months ended	
	September 30, 2025	September 30, 2024	September 30, 2025	September 30, 2024
Accounts receivable sold	$ 40,567	$ 26,635	$ 95,290	$ 73,597
Less factoring fees	(723)	(532)	(1,773)	(1,466)
Net cash proceeds	$ 39,844	$ 26,103	$ 93,517	$ 72,131

Recent Accounting Pronouncements

In September 2025, the Financial Accounting Standards Board (the "FASB") issued ASU 2025-06, *Intangibles-Goodwill and Other- Internal-Use Software (Subtopic 350-40): Targeted Improvements to the Accounting for Internal-Use Software* ("ASU 2025-06"). To clarify how the accounting guidance applies to both linear and nonlinear software development, this standard removes all references to "developments stages" from ASC 350-40. ASU 2025-06 will be effective for the Company beginning with its 2028 interim and annual financial statements, with early adoption permitted as of the beginning of an annual reporting period. The Company is currently evaluating the impact of this accounting standard on its consolidated financial statements and related disclosures.

In July 2025, the FASB issued ASU 2025-05, *Financial Instruments-Credit Losses (Topic 326): Measurement of Credit Losses for Accounts Receivable and Contract Assets* ("ASU 2025-05"), which provides a practical expedient related to the estimation of expected credit losses for current accounts receivable and current contract assets that arise from transactions accounted for under ASC 606. In developing reasonable and supportable forecasts as part of estimating expected credit losses, all entities may elect a practical expedient that assumes that current conditions as of the balance sheet date do not change for the remaining life of the asset. ASU 2025-06 will be effective for the Company beginning with its 2026 interim and annual financial statements, with early adoption permitted. The Company believes this ASU will have no material impact on its consolidated financial statements.

In November 2024, the FASB issued ASU 2024-03, *Income Statement, Reporting Comprehensive Income: Expense Disaggregation Disclosures (Subtopic 220-40)* ("ASU 2024-03"), which requires disaggregation of certain expense captions into specified categories in disclosures within the footnotes to the financial statements. The objective of this standard is to provide investors with information to better understand a public entity's performance and prospects for future cash flows, and to compare its performance over time with that of other entities. ASU 2024-03 will be effective for the Company beginning with our 2027 annual financial statements and interim financial statements thereafter, with early adoption permitted. The adoption of ASU 2024-03 will require the Company to provide new footnote disclosure about the types of expenses that are included in certain captions on its Statements of Operations, such as Cost of revenue, Research and development, Sales and marketing, and General and administrative.

In December 2023, the FASB issued ASU 2023-09, *Income Taxes (Topic 740): Improvements to Income Tax Disclosures* ("ASU 2023-09"), which increases the disclosure requirements around rate reconciliation information and certain types of income taxes companies are required to pay. ASU 2023-09 will be effective for the Company beginning with its 2025 annual financial statements. The Company expects the adoption of the standard will require certain additional income tax disclosure.

(2) EARNINGS (LOSS) PER SHARE

Basic earnings (loss) per share is computed by dividing net income (loss) by the weighted average number of shares outstanding during the period. For periods in which the Company reports net income, diluted net earnings per share is determined by using the weighted average number of common and dilutive common equivalent shares outstanding during the period, unless the effect is antidilutive.

The shares used to compute loss per share were as follows (in thousands):

	Three months ended		Nine months ended	
	September 30, 2025	September 30, 2024	September 30, 2025	September 30, 2024
Weighted average shares outstanding—basic	176,620	174,613	176,366	173,615
Potential dilutive common shares	—	—	—	—
Weighted average shares outstanding—diluted	176,620	174,613	176,366	173,615

Options to purchase the Company's common stock and unvested restricted and performance-based stock units aggregating 14.0 million and 8.1 million shares were excluded from the computation of diluted loss per share for the three and nine months ended September 30, 2025 and 2024, respectively, because their effect would have been antidilutive.

On March 28, 2023, the Company issued 55,000 shares of newly designated Series A Preferred Stock (the "Preferred Stock") to investors in a private placement offering at a price of $970 per share, along with 4.9 million warrants (the "Warrants") to purchase shares of the Company's common stock, par value $0.0001 per share (the "Private Placement"), at the exercise price of $3.77 per share. The proceeds from the Private Placement were approximately $53.4 million, including approximately $10 million from existing related party stockholders (See Note 11).

On June 25, 2024, the Company redeemed the Preferred Stock with a portion of the proceeds from its refinancing of the 2020 Credit Facility at a rate of 103% for a total of approximately $63.5 million. During the nine months ended September 30, 2025, 0.2 million Warrants were exercised. The remaining Warrants outstanding continue without modification. See Note 9 for a description of the refinancing of the 2020 Credit Facility.

As of September 30, 2025 and 2024, the potential number of dilutive shares from the Warrants outstanding totaled 4.7 million and 4.9 million shares, respectively. For the three and nine months ended September 30, 2025, 0.2 million of Warrants would have been included in the calculation of diluted loss per share, but had no impact due to the Company's net loss position. There was no impact on weighted average shares outstanding from these Warrants for three and nine

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months ended September 30, 2024 as the average market price of the Company's common stock was below the exercise price of $3.77 per share and their effect would have been antidilutive.

Dividends accrued on the Preferred Stock were not an adjustment to net income (loss) used for the calculation of diluted earnings (loss) per share as these dividends were included in the fair value adjustment of the Preferred Stock which was reflected in Other income (expense), net until the redemption of the Preferred Stock on June 25, 2024.

(3) INVENTORY

Inventory at September 30, 2025 and December 31, 2024 consisted of the following (in thousands):

	September 30, 2025	December 31, 2024
On-hand assemblies and finished goods inventories	$ 94,204	$ 95,366
Deferred cost of goods sold	2,649	2,430
	96,853	97,796
Less noncurrent portion (included in Other assets)	(16,846)	(18,617)
Current portion	$ 80,007	$ 79,179

(4) INTANGIBLE ASSETS AND GOODWILL

The Company's intangible assets at September 30, 2025 and December 31, 2024 consisted of the following (in thousands):

September 30, 2025	Weighted average amortization period (years)	Cost	Accumulated amortization	Net carrying value
Developed technology	7.84	$ 340,380	$ 276,492	$ 63,888
Customer relationships	11.86	268,140	178,676	89,464
Trade names	3.88	5,000	5,000	—
Software licenses	3.00	5,748	5,348	400
		$ 619,268	$ 465,516	$ 153,752

December 31, 2024	Weighted average amortization period (years)	Cost	Accumulated amortization	Net carrying value
Developed technology	7.84	$ 340,380	$ 262,085	$ 78,295
Customer relationships	11.86	268,140	160,635	107,505
Trade names	3.88	5,000	4,978	22
Software licenses	3.00	5,748	4,033	1,715
		$ 619,268	$ 431,731	$ 187,537

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Estimated future amortization expense for the Company's intangible assets at September 30, 2025 was as follows (in thousands):

Years ending December 31,	
Remainder of 2025	$ 10,407
2026	39,143
2027	33,979
2028	23,400
2029	18,379
2030	7,722
Thereafter	20,722
	$ 153,752

There were no changes to the carrying value of the Company's goodwill in the nine months ended September 30, 2025 and 2024. The components of goodwill at both September 30, 2025 and 2024 were as follows (in thousands):

	Cloud and Edge	IP Optical Networks	Total
Goodwill	$ 392,302	$ 191,996	$ 584,298
Accumulated impairment losses	(167,406)	(116,000)	(283,406)
	$ 224,896	$ 75,996	$ 300,892

(5) FAIR VALUE HIERARCHY

The carrying amounts of the Company's cash equivalents, accounts receivable, accounts payable and borrowings under a revolving credit facility in the condensed consolidated balance sheets approximate fair value due to the immediate or short-term nature of these financial instruments. Ribbon's term debt balance as of September 30, 2025 and December 31, 2024 of $344.3 million and $348.3 million, respectively, had a fair value of approximately $348.6 million and $350.4 million, respectively. The Company's Warrant liability had a fair value of $5.1 million and $8.1 million as of September 30, 2025 and December 31, 2024, respectively.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants. As such, fair value is a market-based measurement that should be determined based on assumptions that market participants would use in pricing an asset or a liability. The three-tier fair value hierarchy is based on the level of independent, objective evidence surrounding the inputs used to measure fair value. A financial instrument's categorization within the fair value hierarchy is based upon the lowest level of input that is significant to the fair value measurement. The fair value hierarchy is as follows:

- Level 1 applies to assets or liabilities for which there are quoted prices in active markets for identical assets or liabilities. The Company had no assets or liabilities fair valued using Level 1 input at September 30, 2025 or December 31, 2024.

- Level 2 applies to assets or liabilities for which there are inputs that are directly or indirectly observable in the marketplace, such as quoted prices for similar assets or liabilities in active markets or quoted prices for identical assets or liabilities in markets with insufficient volume or infrequent transactions (less active markets). At December 31, 2024, the Company determined the fair value of its defined benefit plans' assets using Level 2 input. There were no significant changes to the Company's defined benefit plans' assets during the nine months ended September 30, 2025 that required the calculation of their fair value as of September 30, 2025.

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- Level 3 applies to assets or liabilities for which there are unobservable inputs to the valuation methodology that are significant to the measurement of the fair value of the assets or liabilities. Level 3 input was used to determine the fair value of the Company's Warrants at September 30, 2025 and December 31, 2024.

The Company had no transfers between Level 2 and Level 3 fair value measurements during the three and nine months ended September 30, 2025 or 2024.

(6) ACCRUED EXPENSES AND OTHER

Accrued expenses at September 30, 2025 and December 31, 2024 consisted of the following (in thousands):

	September 30, 2025	December 31, 2024
Employee compensation and related costs	$ 34,601	$ 44,948
Professional fees	17,966	16,339
Taxes payable	6,597	6,364
Other	28,905	38,600
	$ 88,069	$ 106,251

(7) WARRANTY

The changes in the Company's warranty accrual balance in the nine months ended September 30, 2025 were as follows (in thousands):

Balance at January 1, 2025	$ 12,300
Current period provisions	4,640
Settlements	(3,989)
Balance at September 30, 2025	$ 12,951

At September 30, 2025, the Company's accrual for product warranties was reflected in its condensed consolidated balance sheet as a current liability in Accrued expenses and other of $5.5 million, and as a long-term liability in Other long-term liabilities of $7.5 million.

(8) RESTRUCTURING AND FACILITIES CONSOLIDATION INITIATIVES

The Company recorded restructuring and related expense aggregating $3.5 million and $3.8 million in the three months ended September 30, 2025 and 2024, respectively, and $10.2 million and $8.8 million in the nine months ended September 30, 2025 and 2024, respectively. Restructuring and related expense includes restructuring expense (primarily severance and related costs), estimated future variable and other lease costs for vacated properties with no intent or ability to sublease, and accelerated rent amortization expense.

For restructuring events that involve lease assets and liabilities, the Company applies lease reassessment and modification guidance and evaluates the right-of-use assets for potential impairment. If the Company plans to exit all or distinct portions of a facility and does not have the ability or intent to sublease, the Company will accelerate the amortization of each of those lease components through the vacate date. The accelerated amortization is recorded as a component of Restructuring and related expense in the Company's condensed consolidated statements of operations. Related variable lease expenses will continue to be expensed as incurred through the vacate date, at which time the

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Company will reassess the liability balance to ensure it appropriately reflects the remaining liability associated with the premises and record a liability for the estimated future variable lease costs.

Accelerated amortization of lease assets is recognized from the date that the Company commences the plan to fully or partially vacate a facility, for which there is no intent or ability to enter into a sublease, through the final vacate date. Amounts of accelerated rent amortization that are included as a component of restructuring and related expense are excluded from the tables below, as the liability for lease payments for each respective facility is included as a component of Operating lease liabilities in the Company's condensed consolidated balance sheets at September 30, 2025 and December 31, 2024 (see Note 17). The Company may incur additional future expense if it is unable to sublease other locations included in the facilities initiative.

The components of restructuring and related expense for the three and nine months ended September 30, 2025 and 2024 were as follows (in thousands):

	Three months ended		Nine months ended	
	September 30, 2025	September 30, 2024	September 30, 2025	September 30, 2024
Severance and related costs	$ 2,583	$ 2,289	$ 4,996	$ 4,264
Variable and other facilities-related costs	923	1,505	5,197	4,515
	$ 3,506	$ 3,794	$ 10,193	$ 8,779

2025 Restructuring Plan

During the first quarter of 2025, the Company's President and CEO approved a strategic restructuring program (as subsequently amended, the "2025 Restructuring Plan") that consists of workforce reductions in certain of the Company's operating locations to correspond with current sales levels in those areas. The 2025 Restructuring Plan was amended in the third quarter of 2025 to reflect an increase in the scope of the proposed reductions. Any potential positions eliminated in countries outside the United States are subject to local law and consultation requirements. In connection with the 2025 Restructuring Plan, the Company recorded restructuring and related expense of $2.5 million and $5.1 million in the three and nine months ended September 30, 2025, respectively, with cash payments of $3.1 million in the nine months ended September 30, 2025.

2023 Restructuring Plan

On February 22, 2023, the Company's Board of Directors approved a strategic restructuring program (the "2023 Restructuring Plan") to streamline the Company's operations in order to support the Company's investment in critical growth areas. The 2023 Restructuring Plan includes, among other things, charges related to a workforce reduction. Any potential positions eliminated in countries outside the United States are subject to local law and consultation requirements.

The Company recorded restructuring and related expense of $0.1 million in the three and nine months ended September 30, 2025 related to the 2023 Restructuring Plan. The Company recorded restructuring and related expense, consisting entirely of severance related costs, of $0.1 million and $2.1 million in the three and nine months ended September 30, 2024, respectively. Changes to accrued restructuring during the nine months ended September 30, 2025 and the accrued restructuring balance as of September 30, 2025 related to the 2023 Restructuring Plan were nominal.

2022 Restructuring Plan

On February 14, 2022, the Company's Board of Directors approved a strategic restructuring program (the "2022 Restructuring Plan") to streamline the Company's operations in order to support the Company's investment in critical growth areas. The 2022 Restructuring Plan includes, among other things, charges related to a consolidation of facilities and a workforce reduction. Any positions eliminated in countries outside the United States are subject to local law and consultation requirements.

In connection with the 2022 Restructuring Plan, the Company recorded restructuring and related expense for variable and other facilities-related costs of $0.9 million and $1.5 million in the three months ended September 30, 2025 and 2024, respectively, and $5.2 million and $4.5 million in the nine months ended September 30, 2025 and 2024, respectively. A summary of the 2022 Restructuring Plan accrual activity for the nine months ended September 30, 2025 is as follows (in thousands):

	Balance at January 1, 2025	Initiatives charged to expense	Cash payments	Balance at September 30, 2025
Variable and other facilities-related costs	$ 347	5,197	(5,195)	$ 349

Balance Sheet Classification

The current portions of accrued restructuring were $2.3 million and $1.4 million at September 30, 2025 and December 31, 2024, respectively, and are included as components of Accrued expenses in the condensed consolidated balance sheets. The long-term portions of accrued restructuring are included as components of Other long-term liabilities in the condensed consolidated balance sheets. The long-term portions of accrued restructuring were $0.6 million and $0.8 million at September 30, 2025 and December 31, 2024, respectively.

(9) DEBT

2024 Credit Facility

On June 21, 2024, the Company entered into a Senior Secured Credit Facilities Credit Agreement (the “2024 Credit Facility” or “Credit Agreement”) as guarantor, with the Company’s wholly-owned subsidiary, Ribbon Communications Operating Company, Inc., as the borrower (the “Borrower”), HPS Investment Partners, LLC ("HPS"), as administrative agent, and HPS and WhiteHorse Capital Management, LLC ("WhiteHorse" and, together with HPS, the "Lenders"), pursuant to which the Lenders provided the Company with a $385 million Credit Agreement comprised of (i) a $350 million term loan (the “2024 Term Loan”) and (ii) a $35 million revolving credit facility (the “2024 Revolver”), including a $20 million sublimit for letters of credit. The proceeds received from the 2024 Term Loan were used to (a) repay 100% of the amounts outstanding under the 2020 Credit Facility, (b) redeem in full the Preferred Stock and (c) pay fees and expenses related to the 2024 Credit Facility. The excess proceeds are being used by the Company for working capital and other general corporate purposes.

The 2024 Term Loan and the 2024 Revolver bear interest, at the Borrower’s option, at either the Alternate Base Rate (“ABR”) or Term Secured Overnight Financing Rate ("SOFR") with an Applicable Margin for each (all as defined in the 2024 Credit Facility). Margins for the first six months were 5.25% per annum for ABR Loans and 6.25% per annum for SOFR Loans. Thereafter, margins vary based on the Company’s Consolidated Net Leverage Ratio, ranging from 4.75% to 5.25% per annum for ABR Loans and 5.75% to 6.25% per annum for SOFR Loans. The 2024 Term Loan and the 2024 Revolver will both mature on June 21, 2029. The 2024 Term Loan is being repaid in equal quarterly installments: approximately $0.9 million beginning with the third quarter of 2024 through the second quarter of 2025; approximately $2.2 million beginning with the third quarter of 2025 and ending with the second quarter of 2027; and approximately $4.4 million quarterly thereafter, with the remaining principal balance of approximately $298.4 million due on the maturity date of June 21, 2029. In connection with the establishment of the 2024 Credit Facility, $7.7 million of original issue discount was withheld by the Lenders, and the Company incurred $6.3 million of debt issuance costs for a total of $14.0 million that is being amortized to Interest expense, net over the term of the 2024 Credit Facility.

The 2024 Credit Facility requires compliance with a Maximum Consolidated Net Leverage Ratio (the "Financial Covenant"), as defined in the 2024 Credit Facility, which is tested on a quarterly basis. The Company was in compliance with the Financial Covenant as of September 30, 2025 and December 31, 2024.

The indebtedness and other obligations under the 2024 Credit Facility are irrevocably and unconditionally guaranteed on a joint and several basis by the Company and its subsidiaries (together, the "Guarantors"). The 2024 Credit Facility is secured on a first-priority basis by liens on substantially all assets of the Borrower and the Guarantors.

2020 Credit Facility

On June 21, 2024, the Company used the proceeds from the 2024 Credit Facility to, among other things, repay all amounts outstanding under its Senior Secured Credit Facilities Credit Agreement, dated March 3, 2020 (as amended, the "2020 Credit Facility"), by and among the Company, as a guarantor, Ribbon Communications Operating Company, Inc., as the borrower (the "Borrower"), Citizens Bank, N.A., Santander Bank, N.A., and others as lenders ("2020 Credit Facility Lenders"). The Company wrote off $2.0 million of debt issuance costs in conjunction with the early extinguishment of the 2020 Credit Facility.

The 2020 Credit Facility had a maturity date of March 2025 and originally provided for $500 million of commitments from the 2020 Credit Facility Lenders to the Borrower, comprised of $400 million in term loans (the "2020 Term Loan Facility") and a $100 million facility available for revolving loans (the "2020 Revolving Credit Facility"). Under the 2020 Revolving Credit Facility, a $30 million sublimit was originally available for letters of credit and a $20 million sublimit was available for swingline loans.

The Company entered into the Sixth Amendment to the 2020 Credit Facility (the “Sixth Amendment”) effective March 30, 2023. Among other things, the Sixth Amendment reduced the maximum borrowings allowed under the 2020 Revolving Credit Facility from $100 million to $75 million and the sublimit available for letters of credit was reduced from $30 million to $20 million. Also, the Sixth Amendment replaced LIBOR with SOFR as the alternative rate available to the Company for calculating interest owed under the 2020 Credit Facility with the margin fixed at 4.5%. Debt issuance costs associated with the Sixth Amendment totaled $1.7 million and were being amortized on a straight-line basis over the remaining life of the 2020 Credit Facility and were written off in conjunction with the early extinguishment of the 2020 Credit Facility on June 21, 2024.

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The Company had the following outstanding borrowings, unamortized debt issuance costs and original issue discount, letters of credit, interest rates, and remaining borrowing capacity under the 2024 Credit Facility as of September 30, 2025 and December 31, 2024:

	September 30, 2025	December 31, 2024
Current portion of Term Debt	$ 8,750	$ 6,125
Long-term Debt, net of Current:		
Long-term Debt, net of Current (Face Amount)	$ 335,562	$ 342,125
Original Issue Discount	(5,211)	(6,261)
Unamortized Debt Issuance Costs - Contra-Liability	(4,276)	(5,138)
Long-term Debt, net of Current	$ 326,075	$ 330,726
Total Face Amount of Borrowings	$ 344,312	$ 348,250
Unamortized Original Issue Discount and Debt Issuance Costs:		
Other Assets	$ 944	$ 1,134
Long-Term Debt - Contra Liability	9,487	11,399
Total Unamortized Original Issue Discount and Debt Issuance Costs	$ 10,431	$ 12,533
Remaining Borrowing Capacity	$ 35,000	$ 35,000
Average Interest Rates:		
Term Loan	10.6 %	10.6 %

The Company's debt maturities as of September 30, 2025 were as follows:

Years ending December 31,	
Remainder of 2025	$ 2,187
2026	8,750
2027	13,125
2028	17,500
2029	302,750
	$ 344,312

Letters of Credit and Other Guarantees

In the course of its business, the Company uses letters of credit, bank guarantees, and surety bonds (collectively, "Guarantees"). The Company had $11.1 million and $10.9 million of Guarantees under various uncommitted facilities as of September 30, 2025 and December 31, 2024, respectively. The Company had no letters of credit outstanding under the 2024 Credit Facility as of September 30, 2025 or December 31, 2024. At September 30, 2025 and December 31, 2024, the Company had cash collateral of $2.0 million and $2.7 million supporting the Guarantees, respectively, which are reported as Restricted cash in the Company's condensed consolidated balance sheets.

(10) DERIVATIVE INSTRUMENTS AND HEDGING ACTIVITIES

The Company is exposed to financial market risk related to foreign currency fluctuations and changes in interest rates. These exposures are actively monitored by management. To manage the volatility related to the exposure to changes in interest rates, the Company may enter into derivative financial instruments. Management's objective has been to reduce, where it is deemed appropriate to do so, fluctuations in earnings and cash flows associated with changes in interest rates. Ribbon’s policies and practices are to use derivative financial instruments only to the extent necessary to manage exposures. Ribbon does not hold or issue derivative financial instruments for trading or speculative purposes.

The Company records derivatives on the balance sheet at fair value. The accounting for changes in the fair value of derivatives depends on the intended use of the derivative, whether the Company has elected to designate a derivative in a hedging relationship and apply hedge accounting and whether the hedging relationship has satisfied the criteria necessary to apply hedge accounting. Derivatives designated and qualifying as a hedge of the exposure to changes in the fair value of an asset, liability, or firm commitment attributable to a specific risk, such as interest rate risk, are considered fair value hedges. Derivatives designated and qualifying as a hedge of the exposure to variability in expected future cash flows, or other types of forecasted transactions, are considered cash flow hedges. Derivatives may also be designated as hedges of the foreign currency exposure of a net investment in a foreign operation. Hedge accounting generally provides for the matching of the timing of gain or loss recognition on the hedging instrument with the recognition of the changes in the fair value of the hedged asset or liability that are attributable to the hedged risk in a fair value hedge, or the earnings effect of the hedged forecasted transactions in a cash flow hedge. The Company may enter into derivative contracts that are intended to economically hedge certain of its risk even though hedge accounting does not apply or the Company elects not to apply hedge accounting.

Cash Flow Hedge of Interest Rate Risk

The 2024 Term Loan Facility had outstanding balances of $344.3 million and $348.3 million at September 30, 2025 and December 31, 2024, respectively. The 2024 Revolving Credit Facility was undrawn at September 30, 2025 and December 31, 2024. Borrowings under the 2024 Credit Facility and the 2020 Credit Facility have variable interest rates based on SOFR (see Note 9).

As a result of exposure to interest rate movements, the Company entered into an interest rate swap arrangement in March 2020 which effectively converted its $400 million term loan with its variable interest rate based upon one-month LIBOR to an aggregate fixed rate of 0.904%, plus a leverage-based margin as defined in the 2020 Credit Facility.

In two separate transactions during 2022, the Company sold a total of $60 million of the notional amount of its interest rate swap back to its counterparty for $3.1 million, reducing the notional amount of this swap to $340 million. The gain in Accumulated other comprehensive (loss) income related to these sales totaled $3.1 million and was being released into earnings on a straight-line basis over the remaining term of the 2020 Credit Facility as a decrease to interest expense, the amortization of which totaled $0.2 million and $0.4 million in three and nine months ended September 30, 2024, respectively. The remaining unamortized gain in Accumulated other comprehensive (loss) income of approximately $0.5 million was written off to interest expense in conjunction with the refinancing of the 2020 Credit Facility on June 21, 2024.

In two separate transactions in 2023, the Company received a total of $19.2 million, consisting of $0.8 million of interest and $18.4 million for the sale of the remaining $340 million notional amount of its swap. The portion of the gain in Accumulated other comprehensive (loss) income related to the term loan debt prepaid on the date of the final sale of the swap totaled $7.3 million and was released into earnings immediately as Other expense, net. The portion of the gain in Accumulated other comprehensive (loss) income related to the remaining term loan debt balance totaled $12.0 million and was being released into earnings on a straight-line basis over the remaining term of the 2020 Credit Facility as a decrease to interest expense beginning in the second quarter of 2023, the amortization of which was $1.4 million and $3.0 million for three and nine months ended September 30, 2024, respectively. The remaining unamortized gain in Accumulated other comprehensive (loss) income of $4.4 million was written off to interest expense in conjunction with the refinancing of the 2020 Credit Facility on June 21, 2024.

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The Company's objectives in using interest rate derivatives have been to add stability to interest expense and to manage its exposure to interest rate movements. To accomplish these objectives, the Company has used an interest rate swap as part of its interest rate risk management strategy. Interest rate swaps designated as cash flow hedges involve the receipt of variable amounts from a counterparty in exchange for the Company making fixed-rate payments over the life of the related agreements without exchange of the underlying notional amount.

The effective portion of changes in the fair value of designated derivatives that qualify as cash flow hedges is recorded in Accumulated other comprehensive income in the condensed consolidated balance sheet and is subsequently reclassified into earnings in the period that the hedged forecasted transactions affect earnings. Any ineffective portion of the change in the fair value of the derivative would have been recognized directly in earnings. However, there was no hedge ineffectiveness recorded over the life of the swap.

Amounts reported in Accumulated other comprehensive income related to the Company's derivative are reclassified to interest expense as interest is accrued on the Company's variable-rate debt. The impact of the Company's derivative financial instrument on its condensed consolidated statements of comprehensive (loss) income for the nine months ended September 30, 2024 was a reclassification of $6.0 million to increase interest expense. The Company had no derivative assets or liabilities at September 30, 2025 or December 31, 2024.

(11) PREFERRED STOCK AND WARRANTS

On March 28, 2023, the Company issued 55,000 shares of Preferred Stock to investors in the Private Placement at a price of $970 per share, along with 4,858,090 Warrants with an exercise price of $3.77 per share.

On June 25, 2024, the Company redeemed the Preferred Stock with a portion of the proceeds from the refinancing of the 2020 Credit Facility at a rate of 103% for a total of approximately $63.5 million. During the nine months ended September 30, 2025, 0.2 million Warrants were exercised. The remaining Warrants outstanding continue without modification. See Note 9 for a description of the refinancing of the 2020 Credit Facility.

The Company accounted for the Preferred Stock until it was redeemed and continues to account for the remaining Warrants as liability-classified instruments based on an assessment of their specific terms in accordance with ASC Topic 480, *Distinguishing Liabilities from Equity*. The fair value option was elected for the Preferred Stock, as the Company considered fair value to best reflect its expected future economic value. These liabilities are remeasured to fair value at each reporting date using the same valuation methodology applied upon issuance using current input assumptions.

The value of the Preferred Stock was calculated quarterly through March 31, 2024 using the Black-Derman-Toy (BDT) stochastic yield lattice model to capture the optimal timing of repayment, increasing dividend rate and other features and the value of the Warrants is calculated quarterly using the Black-Scholes Pricing Model.

Changes in the fair value of the Preferred Stock and the Warrants are reported as Other expense, net in the Company's condensed consolidated statements of operations.

The Company determined the fair value of the Warrants using Level 3 input. The key assumptions into the model utilized were as follows as of September 30, 2025 and December 31, 2024:

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	September 30, 2025	December 31, 2024
Stock price	$ 3.80	$ 4.16
Strike price	$ 3.77	$ 3.77
Risk-free rate	3.64 %	4.21 %
Volatility	55.1 %	57.5 %
Dividend yield	0.0 %	0.0 %
Time to expiration (years)	1.5	2.2
Fair value of Warrant per share	$ 1.09	$ 1.66

The changes in the Company's Preferred Stock liabilities for the nine months ended September 30, 2024 were as follows (in thousands):

	Preferred stock liability
Balance at January 1, 2024	$ 53,337
Payable in-kind dividends	2,743
Reversal of fair value adjustments	5,605
Call premium (3%)	1,851
Redemption (June 25, 2024)	(63,536)
Balance at September 30, 2024	$ —

The changes in the Company's Warrant liabilities for the nine months ended September 30, 2025 and 2024 were as follows (in thousands):

	Nine months ended September 30,	
	2025	2024
Balance at beginning of year	$ 8,064	$ 5,295
Exercise of warrants	(150)	—
Fair value change	(2,811)	292
Balance at end of period	$ 5,103	$ 5,587

The Preferred Stock, redeemed on June 25, 2024, was subordinate to the Company's indebtedness and senior to the Company's common stock or other equity. Holders of the Preferred Stock were entitled to cumulative dividends that accrued quarterly. Dividends were payable in-kind during the first year at a rate of 9.25%. At the Company's option, the dividends were payable in-kind or in cash during the second year at a rate of 9.75%. Dividends thereafter were to be payable in cash at a rate of 12.00%. The proceeds from the Preferred Stock issuance were approximately $53.4 million, including $10.0 million from existing related party stockholders. Offering costs paid by the Company of approximately $3.5 million were recorded in Other expense, net in the year ended December 31, 2023. The net proceeds from the Private Placement were used for the repayment of debt. The Preferred Stock was redeemable on or after the first and second anniversaries of the closing date at a rate of 103% and 102%, respectively.

The Warrants are immediately exercisable and upon an event such as a merger, consolidation, asset sale or similar change of control, the Warrants may be exercised and the holders may vote the underlying shares of common stock. In connection with the Private Placement, the Company provided the investors with certain registration rights relating to the Preferred Stock, the Warrants and the shares of the Company's common stock underlying the Warrants, that required the Company to file a registration statement on Form S-3 with the SEC within 30 days following the closing date of the Private Placement. The registration requirement was completed on May 19, 2023.

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During the nine months ended September 30, 2025, 176,658 of the Warrants were exercised in cashless exercises, resulting in the issuance of 32,573 of the Company's common stock at a weighted average fair value of $4.62 per share. There were 4,681,432 remaining Warrants outstanding as of September 30, 2025.

(12) REVENUE RECOGNITION

The Company derives revenue from two primary sources: products and services. Product revenue includes: 1) the Company's proprietary hardware and software that function together to deliver the products' essential functionality and 2) the Company's software only solutions that can be used on either the Company's hardware or third-party hardware. Both proprietary hardware and software only solutions are also sold on a standalone basis.

Services include customer support (software updates, upgrades and technical support), consulting, design services, installation services and training. Generally, contracts with customers contain multiple performance obligations, consisting of products and services. For these contracts, the Company accounts for individual performance obligations separately if they are considered distinct.

When an arrangement contains more than one performance obligation, the Company will allocate the transaction price to each performance obligation on a relative standalone selling price basis. The Company utilizes the observable price of goods and services, including when they are sold separately to similar customers, in order to estimate standalone selling price ("SSP").

The Company's software licenses typically provide a perpetual right to use the Company's software. However, the Company also sells term-based software licenses that expire and Software-as-a-Service ("SaaS")-based software which are referred to as subscription arrangements. The Company does not customize its software nor are installation services required, as the customer has a right to utilize internal resources or a third-party service company. The software and hardware are delivered before related services are provided and are functional without professional services or customer support. The Company has concluded that its software licenses are functional intellectual property that are distinct, as the user can benefit from the software on its own.

Product revenue from sales of the Company's perpetual and term-based software licenses is typically recognized when the software is made available for download, as this is the point the user of the software can direct the use of and obtain substantially all of the remaining benefits from the functional intellectual property. The Company begins to recognize software revenue related to the renewal of term-based software licenses at the start of the renewal period. Revenue related to sales of SaaS-based software is recognized ratably over the service period as the customer does not take possession of the software or have the ability to take possession of the software.

The Company offers warranties on its products. Certain of the Company's warranties are considered to be assurance-type in nature, ensuring the product is functioning as intended. Assurance-type warranties do not represent separate performance obligations. The Company also sells separately-priced maintenance service contracts which qualify as service-type warranties and represent separate performance obligations. The Company does not allow and has no history of accepting product returns.

Service revenue includes revenue from customer support and other professional services. Customer support includes software updates on a when-and-if-available basis, telephone support, integrated web-based support and bug fixes or patches. The Company sells its customer support contracts at a percentage of list or net product price. Customer support revenue is recognized ratably over the term of the customer support agreement, which is typically one year.

The Company's professional services include consulting, technical support, resident engineer services, design services and installation services. Because control transfers over time, revenue is recognized based on progress toward completion of the performance obligation. The method to measure progress toward completion requires judgment and is based on the nature of the products or services to be provided.

The Company generally uses the input method to measure progress for its contracts and to recognize revenue because it believes such method, in general, best depicts the transfer of assets to its customers. The input method measures costs the Company has incurred in the period for its contracts. In some infrequent instances, the Company may engage a third-party to perform services on its behalf and in those cases the output method is used to recognize revenue because it best depicts the transfer of assets to its customers. Under the output method, there is a cost-to-cost measure of progress. The progress toward completion is measured based on the ratio of costs incurred to date to the total estimated costs at completion of the performance obligation. When the measure of progress is based upon expended labor, progress toward completion is measured as the ratio of labor time expended to date versus the total estimated labor time required to complete the performance obligation. Revenue is recorded proportionally as costs are incurred or as labor is expended. Costs to fulfill these obligations can include internal labor as well as subcontractor costs.

Customer training includes courses offered by the Company. The related revenue is typically recognized as the training services are performed, typically over a period of one to five days.

Payment terms for the Company’s contracts with its customers typically range from 30 to 60 days from the invoice date. In certain cases, the Company may offer extended payment terms, which are assessed on a case-by-case basis.

The Company does not generally offer significant financing components in its contracts with customers. However, if a contract includes a significant financing component, the transaction price is adjusted for the time value of money. For the three and nine months ended September 30, 2025, the impact of financing components was immaterial.

Amounts billed to customers for sales and other taxes are excluded from the transaction price. Revenue is recognized net of any taxes collected from customers, which are subsequently remitted to government authorities.

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The Company's typical performance obligations include the following:

Performance Obligation	When Performance Obligation is Typically Satisfied	When Payment is Typically Due
Software and Product Revenue		
Software licenses (perpetual or term)	For perpetual licenses, typically when made available for download (point in time); for term-based licenses, at the beginning of the specified term (point in time)	Generally, within 30-60 days of invoicing, except for term licenses which may be paid for over time
Software licenses (subscription)	Upon activation of hosted site (over time)	Generally, within 30-60 days of invoicing
Hardware	When control of the hardware passes to the customer; typically, upon delivery (point in time)	Generally, within 30-60 days of invoicing
Software upgrades	Upon transfer of control; typically, when made available for download (point in time)	Generally, within 30-60 days of invoicing
Customer Support Revenue		
Customer support	Ratably over the course of the support contract (over time)	Generally, within 30-60 days of invoicing
Professional Services		
Other professional services (excluding training services)	As work is performed (over time), typically on the input method based on hours incurred	Generally, within 30-60 days of invoicing (upon completion of services)
Training	As the training is delivered (over time), typically one to five days	Generally, within 30-60 days of services being performed

Significant Judgments

The Company's contracts with customers often include promises to transfer multiple products and services to the customer. Determining whether products and services are considered distinct performance obligations that should be accounted for separately versus together may require significant judgment.

Judgment is required to determine the SSP for each distinct performance obligation. The Company typically has more than one SSP for individual products and services due to the stratification of those products and services by customers and circumstances. In these instances, the Company may use information such as the size of the customer and geographic region in determining the SSP.

Deferred Revenue

Deferred revenue is a contract liability representing amounts collected from or invoiced to customers in excess of revenue recognized. This results primarily from the billing of annual customer support agreements where the revenue is recognized over the term of the agreement. The value of deferred revenue will increase or decrease based on the timing of invoices and recognition of revenue.

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Disaggregation of Revenue

The Company disaggregates its revenue from contracts with customers based on the nature of the products and services and the geographic regions in which each customer is domiciled. The Company’s total revenue for three and nine months ended September 30, 2025 and 2024 was disaggregated geographically as follows:

Three months ended September 30, 2025	Product revenue	Service revenue (maintenance)	Service revenue (professional services)	Total revenue
United States	$ 39,515	$ 35,191	$ 21,967	$ 96,673
Europe, Middle East and Africa	35,765	18,045	9,082	62,892
Asia Pacific	30,337	9,723	3,191	43,251
Other	4,362	6,556	1,637	12,555
	$ 109,979	$ 69,515	$ 35,877	$ 215,371

Three months ended September 30, 2024	Product revenue	Service revenue (maintenance)	Service revenue (professional services)	Total revenue
United States	$ 58,198	$ 33,670	$ 17,690	$ 109,558
Europe, Middle East and Africa	24,708	17,918	7,141	49,767
Asia Pacific	25,590	10,262	2,388	38,240
Other	3,655	7,169	1,849	12,673
	$ 112,151	$ 69,019	$ 29,068	$ 210,238

Nine months ended September 30, 2025	Product revenue	Service revenue (maintenance)	Service revenue (professional services)	Total revenue
United States	$ 127,957	$ 102,061	$ 65,572	$ 295,590
Europe, Middle East and Africa	80,759	53,790	25,955	160,504
Asia Pacific	89,342	28,831	10,009	128,182
Other	8,969	19,552	4,436	32,957
	$ 307,027	$ 204,234	$ 105,972	$ 617,233

Nine months ended September 30, 2024	Product revenue	Service revenue (maintenance)	Service revenue (professional services)	Total revenue
United States	$ 120,173	$ 99,156	$ 42,812	$ 262,141
Europe, Middle East and Africa	99,636	53,105	23,027	175,768
Asia Pacific	68,304	30,262	7,912	106,478
Other	10,781	22,397	4,957	38,135
	$ 298,894	$ 204,920	$ 78,708	$ 582,522

The Company’s product revenue from its direct sales program and from indirect sales through its channel partner program for the three and nine months ended September 30, 2025 and 2024 was as follows (in thousands):

	Three months ended		Nine months ended	
	September 30, 2025	September 30, 2024	September 30, 2025	September 30, 2024
Indirect sales through channel partner program	$ 28,488	$ 38,000	$ 90,211	$ 114,958
Direct sales	81,491	74,151	216,816	183,936
	$ 109,979	$ 112,151	$ 307,027	$ 298,894

The Company's product revenue from sales to enterprise customers and from sales to service provider customers for the three and nine months ended September 30, 2025 and 2024 was as follows (in thousands):

	Three months ended		Nine months ended	
	September 30, 2025	September 30, 2024	September 30, 2025	September 30, 2024
Sales to enterprise customers	$ 37,467	$ 40,002	$ 99,751	$ 115,912
Sales to service provider customers	72,512	72,149	207,276	182,982
	$ 109,979	$ 112,151	$ 307,027	$ 298,894

The Company's product revenue and service revenue components by segment for the three and nine months ended September 30, 2025 and 2024 were as follows (in thousands):

	Three months ended		Nine months ended	
	September 30, 2025	September 30, 2024	September 30, 2025	September 30, 2024
Product revenue:				
Cloud and Edge	$ 46,097	$ 53,455	$ 134,070	$ 124,554
IP Optical Networks	63,882	58,696	172,957	174,340
Total product revenue	$ 109,979	$ 112,151	$ 307,027	$ 298,894
Service revenue:				
Maintenance:				
Cloud and Edge	$ 52,315	$ 53,595	$ 154,899	$ 159,454
IP Optical Networks	17,200	15,424	49,335	45,466
Total maintenance revenue	69,515	69,019	204,234	204,920
Professional services:				
Cloud and Edge	26,026	21,028	80,108	56,294
IP Optical Networks	9,851	8,040	25,864	22,414
Total professional services revenue	35,877	29,068	105,972	78,708
Total service revenue	$ 105,392	$ 98,087	$ 310,206	$ 283,628

Revenue Contract Balances

The timing of revenue recognition, billings and cash collections results in billed accounts receivable, unbilled receivables, which are contract assets, and customer advances and deposits, which are contract liabilities, in the Company's condensed consolidated balance sheets. Amounts are billed as work progresses in accordance with agreed-upon contractual terms, either at periodic intervals or upon achievement of contractual milestones. Billing may occur subsequent to revenue recognition, resulting in contract assets. The Company may receive advances or deposits from its customers before revenue is recognized, resulting in contract liabilities which are classified as deferred revenue. These assets and liabilities are reported in the Company's condensed consolidated balance sheets on a contract-by-contract basis as of the end of each reporting period. Changes in the contract asset and liability balances during the nine months ended September 30, 2025 were not materially impacted by any factors other than billing and revenue recognition. Nearly all of the Company's deferred revenue balance is related to services revenue, primarily customer support contracts. Unbilled receivables stem primarily from engagements where services have been performed; however, billing cannot occur until services are completed.

In some arrangements, the Company allows customers to pay for term-based software licenses and products over the term of the software license. The Company also sells SaaS-based software under subscription arrangements, with payment terms over the term of the SaaS agreement. Amounts recognized as revenue in excess of amounts billed are recorded as unbilled receivables. Unbilled receivables that are anticipated to be invoiced in the next twelve months are included in Accounts receivable on the Company’s condensed consolidated balance sheets. The changes in the Company’s accounts receivable, unbilled receivables and deferred revenue balances for the nine months ended September 30, 2025 were as follows (in thousands):

	Accounts receivable	Unbilled accounts receivable	Deferred revenue (current)	Deferred revenue (long-term)
Balance at January 1, 2025	$ 176,575	$ 78,143	$ 119,295	$ 20,991
Increase (decrease), net	(22,861)	(13,545)	(12,598)	8,757
Balance at September 30, 2025	$ 153,714	$ 64,598	$ 106,697	$ 29,748

The Company recognized approximately $96 million of revenue in the nine months ended September 30, 2025 that was recorded as deferred revenue at December 31, 2024 and approximately $95 million of revenue in the nine months ended September 30, 2024 that was recorded as deferred revenue at December 31, 2023. Of the Company’s deferred revenue reported as long-term in its condensed consolidated balance sheet at September 30, 2025, the Company expects that approximately $10 million will be recognized as revenue in 2026, approximately $8 million will be recognized as revenue in 2027 and approximately $12 million will be recognized as revenue in 2028 and beyond.

The Company applies the optional exemption of not disclosing the transaction price allocated to the remaining performance obligation for its contracts with an original duration of less than one year. In 2024, the Company entered into a contract with an existing customer that has revenue allocated to remaining performance obligations, which includes unearned revenue and amounts that will be invoiced and recognized as revenue in future periods of approximately $204 million and $285 million as of September 30, 2025 and December 31, 2024, respectively. At this time, the Company expects to recognize the majority of the revenue related to this contract in the years 2025 through 2028.

All freight-related customer invoicing is recorded as revenue, while the shipping and handling costs that occur after control of the promised goods or services transfer to the customer are reported as fulfillment costs, a component of Cost of revenue - product in the Company’s condensed consolidated statements of operations.

Deferred Commissions Cost

Sales commissions earned by the Company’s employees are considered incremental and recoverable costs of obtaining a contract with a customer. These costs have been deferred on our condensed consolidated balance sheet and are being amortized over the expected life of the customer contract, which is generally five years. At September 30, 2025 and December 31, 2024, the Company had $2.1 million and $2.8 million of deferred sales commissions capitalized, respectively.

(13) OPERATING SEGMENT INFORMATION

The Company has two operating and reportable segments, Cloud and Edge and IP Optical Networks, that align with the way the business is managed. The Company’s CODM, its President and Chief Executive Officer, makes key operating decisions and assesses performance based upon these reportable segments.

The Cloud and Edge segment provides secure and reliable software and hardware products, solutions and services for enabling Voice over Internet Protocol ("VoIP") communications, Voice over Long-Term Evolution ("VoLTE") and Voice Over 5G ("VoNR") communications, and Unified Communications and Collaboration ("UC&C") within service provider and enterprise networks and from the cloud. The Cloud and Edge products are increasingly software-centric and

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cloud-native for deployment on private, public or hybrid cloud infrastructures, in data centers, on enterprise premises and within service provider networks. Ribbon's Cloud and Edge product portfolio consists primarily of its Session Border Controller ("SBC") products and its Network Transformation products.

The IP Optical Networks segment provides high-performance, secure solutions for IP networking and optical transport, supporting wireless networks including 5G, metro and edge aggregation, core networking, data center interconnect, legacy transformation and transport solutions for wholesale carriers. This portfolio is offered to service provider, enterprise and industry verticals with critical transport network infrastructures including utilities, government, defense, transportation, and education and research.

The Company does not provide segment asset information as such information is not provided to the CODM and accordingly, asset information is not used in assessing segment performance. Segment revenue and expenses included in the tables below represent direct revenue and expense attributable to each segment. Please see Note 10 for information regarding the allocation of goodwill between segments.

The CODM utilizes adjusted gross profit to evaluate each segment's performance. The Company calculates adjusted gross profit by excluding from cost of revenue both amortization of acquired technology and stock-based compensation and may also exclude other items in future periods that the Company believes are not part of the Company's core business. The Company uses adjusted gross profit to develop its annual budget and quarterly forecasts. The CODM analyzes adjusted gross profit compared to the annual budget and quarterly forecasts to allocate resources. Ribbon's calculation of adjusted gross profit may not be comparable to similarly titled measures used by other companies. See below for a reconciliation of segment adjusted gross profit to gross profit and loss before income taxes.

The tables below present significant segment expenses regularly reviewed by the CODM for the three and nine months ended September 30, 2025 and 2024 (in thousands):

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	Three months ended		Nine months ended	
	September 30, 2025	September 30, 2024	September 30, 2025	September 30, 2024
Segment revenue:				
Cloud and Edge	$ 124,438	$ 128,078	$ 369,077	$ 340,302
IP Optical Networks	90,933	82,160	248,156	242,220
Revenue	$ 215,371	$ 210,238	$ 617,233	$ 582,522

	Three months ended		Nine months ended	
	September 30, 2025	September 30, 2024	September 30, 2025	September 30, 2024
Segment adjusted gross profit:				
Cloud and Edge	$ 77,387	$ 86,661	$ 229,537	$ 226,726
IP Optical Networks	35,805	29,634	86,580	93,390
Total segment adjusted gross profit	113,192	116,295	316,117	320,116
Reconciliation of segment adjusted gross profit to gross profit and loss before income taxes				
Stock-based compensation expense	(169)	(355)	(752)	(1,271)
Amortization of acquired technology	(5,057)	(6,323)	(15,722)	(19,406)
Gross profit	107,966	109,617	299,643	299,439
Research and development expense	45,894	45,645	134,158	134,897
Sales and marketing expense	33,063	33,060	97,387	100,760
General and administrative expense	16,368	21,588	48,126	51,680
Amortization of acquired intangible assets	5,933	6,457	18,063	19,671
Acquisition-, disposal- and integration-related expense	439	—	4,337	—
Restructuring and related expense	3,506	3,794	10,193	8,779
Interest expense, net	11,606	11,952	33,083	21,818
Other expense (income), net	134	(1,056)	(836)	15,960
Loss before income taxes	$ (8,977)	$ (11,823)	$ (44,868)	$ (54,126)

	Three months ended		Nine months ended	
	September 30, 2025	September 30, 2024	September 30, 2025	September 30, 2024
Segment depreciation expense:				
Cloud and Edge	$ 2,399	$ 2,324	$ 7,151	$ 6,981
IP Optical Networks	2,026	1,037	5,031	3,150
Depreciation expense	$ 4,425	$ 3,361	$ 12,182	$ 10,131

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(14) MAJOR CUSTOMERS

The following customers contributed 10% or more of the Company's revenue in the three and nine months ended September 30, 2025 and 2024:

	Three months ended		Nine months ended	
	September 30, 2025	September 30, 2024	September 30, 2025	September 30, 2024
Verizon Communications Inc.	18 %	15 %	18 %	13 %
Bharti Telecom Limited	10 %	*	*	*

* Less than 10% of total revenue

At September 30, 2025 and December 31, 2024, no customer accounted for 10% or more of the Company's accounts receivable balance. The Company performs ongoing credit evaluations of its customers and generally does not require collateral on accounts receivable. The Company maintains an allowance for doubtful accounts and such losses have historically been within management's expectations.

(15) COMMON STOCK REPURCHASES

In the second quarter of 2025, the Company's Board of Directors approved a program to repurchase up to $50 million of the Company's common stock (the "2025 Repurchase Program" or the "Repurchase Program"). Commencing on June 5, 2025 and continuing through December 31, 2027, the Repurchase Program is being funded with cash on hand or cash generated from operations. During the three and nine months ended September 30, 2025, the Company used $3.5 million and $5.7 million, respectively, including transaction fees, to repurchase and retire 0.9 million and 1.5 million shares of its common stock, respectively, under the Repurchase Program, with $44.3 million remaining for future repurchases as of September 30, 2025.

(16) STOCK-BASED COMPENSATION PLANS

The Company grants stock-based compensation to employees, officers and non-employee directors, as well as consultants and advisors of the Company and its subsidiaries under its 2025 Incentive Award Plan (the "2025 Plan") which provides for the award of stock options, stock appreciation rights ("SARs"), restricted stock awards ("RSAs"), performance-based stock awards ("PSAs"), restricted stock units ("RSUs"), performance-based stock units ("PSUs") and other stock- or cash-based awards. The 2025 Plan, approved by the Company's stockholders at the annual meeting held on May 28, 2025 (the "2025 Annual Meeting"), permits the Company to grant awards of up to (i) 14 million new shares of its common stock, plus (ii) 2,180,307 shares of its common stock previously reserved for issuance by the Company's Amended and Restated 2019 Incentive Award Plan plus that number of shares of its common stock subject to awards granted under certain prior plans which become available for grant under the 2025 Plan.

At the 2025 Annual Meeting, the Company's stockholders also approved an amendment to the Company's Restated Certificate of Incorporation, as amended, to increase the number of authorized shares of its common stock by 150 million shares to a total of 390 million shares.

Executive Equity Arrangements

Performance-Based Stock Grants

In addition to granting RSAs and RSUs to its executives and certain of its employees, the Company also grants PSUs to certain of its executives and certain other employees. Vesting periods for RSAs, RSUs, and PSUs granted range from one to three years. PSUs granted consist of 60% that have both performance and service conditions (the "Performance PSUs") and 40% that have both market and service conditions (the "Market PSUs"). Each Performance PSU is comprised of three consecutive fiscal year performance periods beginning in the year of grant, with one-third of the Performance PSUs attributable to each fiscal year performance period. The Market PSUs have one three-year performance period, beginning January 1 in the year of grant and ending on December 31, three years thereafter. The number of shares of common stock underlying the PSUs that can be earned will not exceed 200% of the Performance or Market PSUs. Shares subject to PSUs that fail to be earned will be forfeited.

Restricted Stock Units

The activity related to the Company's RSUs for the nine months ended September 30, 2025 was as follows:

	Shares	Weighted Average Grant Date Fair Value
Unvested balance at January 1, 2025	3,997,108	$ 3.04
Granted	8,304,705	$ 3.67
Vested	(2,922,214)	$ 3.09
Forfeited	(205,197)	$ 3.49
Unvested balance at September 30, 2025	9,174,402	$ 3.58

The total grant date fair value of shares of restricted stock underlying RSUs that vested during the nine months ended September 30, 2025 was $9.0 million.

Performance-Based Stock Units

The activity related to the Company's PSUs for the nine months ended September 30, 2025 was as follows:

	Shares	Weighted Average Grant Date Fair Value
Unvested balance at January 1, 2025	3,605,892	$ 3.75
Granted	2,118,290	$ 4.02
Vested	(423,677)	$ 3.52
Forfeited	(461,794)	$ 3.53
Unvested balance at September 30, 2025	4,838,711	$ 3.91

The total grant date fair value of shares of restricted stock underlying PSUs that vested during the nine months ended September 30, 2025 was $1.5 million.

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Stock-Based Compensation

The condensed consolidated statements of operations include stock-based compensation for the three and nine months ended September 30, 2025 and 2024 as follows (in thousands):

	Three months ended		Nine months ended	
	September 30, 2025	September 30, 2024	September 30, 2025	September 30, 2024
Product cost of revenue	$ 17	$ 64	$ 116	$ 234
Service cost of revenue	152	291	636	1,037
Research and development	398	745	1,578	2,429
Sales and marketing	1,493	1,108	3,732	3,219
General and administrative	3,784	1,837	8,557	5,142
	$ 5,844	$ 4,045	$ 14,619	$ 12,061

At September 30, 2025, there was $32.8 million, net of expected forfeitures, of unrecognized stock-based compensation expense related to unvested RSUs and PSUs. This expense is expected to be recognized over a weighted average period of approximately two years.

(17) LEASES

The Company has operating leases for corporate offices and research and development facilities. Operating leases are reported separately in the Company's condensed consolidated balance sheets.

The Company determines if an arrangement is a lease at inception. A contract is determined to contain a lease component if the arrangement provides the Company with a right to control the use of an identified asset. Lease agreements may include lease and non-lease components. In such instances for all classes of underlying assets, the Company does not separate lease and non-lease components but rather, accounts for the entire arrangement under leasing guidance. Leases with an initial term of 12 months or less are not recorded on the balance sheet and lease expense for these leases is recognized on a straight-line basis over the lease term.

Right-of-use assets and lease liabilities are initially measured based on the present value of the future minimum fixed lease payments (i.e., fixed payments in the lease contract) over the lease term at the commencement date. As the Company's existing leases do not have a readily determinable implicit rate, the Company uses its incremental borrowing rate based on the information available at the commencement date in determining the present value of future minimum fixed lease payments. The Company calculates its incremental borrowing rate to reflect the interest rate that it would have to pay to borrow on a collateralized basis an amount equal to the lease payments in a similar economic environment over a similar term and considers its historical borrowing activities and market data from entities with comparable credit ratings in this determination. The measurement of the right-of-use asset also includes any lease payments made prior to the commencement date (excluding any lease incentives) and initial direct costs incurred. The Company assessed its right-of-use assets for impairment as of September 30, 2025 and December 31, 2024 and determined no impairment has occurred.

Lease terms may include options to extend or terminate the lease and the Company incorporates such options in the lease term when it has the unilateral right to make such an election and it is reasonably certain that the Company will exercise that option. In making this determination, the Company considers its prior renewal and termination history and planned usage of the assets under lease, incorporating expected market conditions.

For operating leases, lease expense for minimum fixed lease payments is recognized on a straight-line basis over the lease term. Lease contracts may contain variable lease costs, such as common area maintenance, utilities and tax

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reimbursements that vary over the term of the contract. Variable lease costs are not included in minimum fixed lease payments and as a result, are excluded from the measurement of the right-of-use assets and lease liabilities. The Company expenses all variable lease costs as incurred.

Certain leased facilities are being partially or fully vacated as part of the 2022 Restructuring Plan and for some of those facilities, the Company has no plans to enter into sublease agreements. Accordingly, the Company may accelerate the amortization of those lease assets through the planned cease-use date of each facility, resulting in additional amortization expense. No such accelerated amortization was recorded in the three and nine months ended September 30, 2025 or 2024. The Company did not record estimated future variable lease costs in the three and nine months ended September 30, 2025 or 2024 related to the 2022 Restructuring Plan.

All incremental accelerated amortization and accruals for estimated future variable costs are included in Restructuring and related expense in the Company's condensed consolidated statements of operations. At September 30, 2025 and December 31, 2024, the Company had accruals of $0.9 million and $1.1 million, respectively, for all future anticipated variable lease costs related to these facilities. The Company may incur additional future expense if it is unable to sublease other locations included in the facilities initiative.

The Company leases its corporate offices and other facilities under operating leases, which expire at various times through 2036.

The Company's right-of-use lease assets and lease liabilities at September 30, 2025 and December 31, 2024 were as follows (in thousands):

	Classification	September 30, 2025	December 31, 2024
Assets:			
Operating lease assets	Operating lease right-of-use assets	$ 48,204	$ 34,544
Liabilities:			
Current Operating	Operating lease liabilities	$ 11,615	$ 9,443
Non-Current Operating	Operating lease liabilities, net of current	61,806	37,376
Total Operating lease liabilities		$ 73,421	$ 46,819

The components of lease expense for the three and nine months ended September 30, 2025 and 2024 were as follows (in thousands):

	Three months ended		Nine months ended	
	September 30, 2025	September 30, 2024	September 30, 2025	September 30, 2024
Operating lease cost*	$ 3,742	$ 4,165	$ 10,564	$ 12,471
Short-term lease cost	3,499	3,362	10,579	10,216
Variable lease costs (costs excluded from minimum fixed lease payments)**	1,620	814	3,359	2,497
Sublease income	(29)	(209)	(245)	(686)
Net lease cost	$ 8,832	$ 8,132	$ 24,257	$ 24,498

* No accelerated amortization was recorded in the three and nine months ended September 30, 2025 or 2024.

** No variable lease costs were expensed in the three and nine months ended September 30, 2025 or 2024 for future estimated variable expenses related to certain assets partially or fully vacated with no intent or ability to sublease.

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Cash flows related to the Company's leases included in the measurement of operating lease liabilities were classified as operating cash flows and totaled $12.0 million and $14.0 million in the nine months ended September 30, 2025 and 2024, respectively.

The Company's non-cash investing and financing activities in the nine months ended September 30, 2025 and 2024 related to the addition of operating leases resulted in right-of-use assets ("ROUs") obtained in exchange for lease obligations of $20.3 million and $2.1 million, respectively, and operating lease liabilities recorded of $31.0 million and $2.1 million, respectively.

Other information related to the Company's leases as of September 30, 2025 and December 31, 2024 was as follows (in thousands):

	September 30, 2025	December 31, 2024
Weighted average remaining lease term (years):		
Operating leases	7.02	5.35
Weighted average discount rate:		
Operating leases	9.46 %	7.73 %

Future minimum fixed lease payments under noncancelable leases at September 30, 2025 were as follows (in thousands):

	Operating leases
Remainder of 2025	$ 4,565
2026	17,777
2027	16,525
2028	13,729
2029	11,393
2030 and beyond	38,847
Total lease payments	102,836
Less: interest	(29,415)
Present value of lease liabilities	$ 73,421

(18) INCOME TAXES

The Company recorded income tax provisions of $4.6 million and $6.5 million in the nine months ended September 30, 2025 and 2024, respectively. These amounts reflect the Company's estimates of the effective rates expected to be applicable for the respective full years, adjusted for any discrete events, which are recorded in the period in which they occur. These estimates are reevaluated each quarter based on the Company's estimated tax expense for the full fiscal year. The estimated effective tax rate includes the impact of valuation allowances in various jurisdictions. The Company intends to continue to maintain a valuation allowance on its deferred tax assets until there is sufficient evidence to support the reversal of all or some portion of the respective allowances.

The One Big Beautiful Bill Act (the "Act") was signed into law on July 4, 2025. The Act reinstates bonus depreciation, allows for full expensing of R&D expenses, and increases the limitation of interest deductibility for 2025, amongst many other provisions. Since the Act became law during the third quarter of 2025, we accounted for the effects of the Act on our tax provision in the three months ended September 30, 2025. The most significant impact of the Act for us is the ability to deduct the unamortized balance of capitalized R&D costs.

RIBBON COMMUNICATIONS INC.
Notes to Condensed Consolidated Financial Statements (Continued)
(unaudited)

(19) RELATED PARTIES

The Company recognized revenue from its largest stockholder of $1.0 million and $1.4 million in the three months ended September 30, 2025 and 2024, respectively, and $4.0 million and $4.4 million in the nine months ended September 30, 2025 and 2024, respectively. Also, the Company's accounts receivable from its largest stockholder totaled $3.8 million and $5.5 million as of September 30, 2025 and December 31, 2024, respectively. In addition, certain related party stockholders participated in the Private Placement described in Note 11.

(20) COMMITMENTS AND CONTINGENCIES

Contingencies

Liabilities for Royalty Payments to the IIA

Prior to the Company's acquisition of ECI Telecom Group Ltd. ("ECI"), ECI had received research and development grants from the Office of the Innovation Authority of the Israeli Ministry of Economics (the "IIA"). The Company assumed ECI's contract with the IIA, which requires the Company to pay royalties to the IIA on proceeds from the sale of products which the Israeli government has supported by way of research and development grants. The royalties for grants prior to 2017 were calculated at the rates of 1.3% to 5.0% of the aggregated proceeds from the sale of such products developed at certain of the Company's R&D centers, up to an amount not exceeding 100% of such grants plus interest at LIBOR. Effective for grants approved in 2017 and effective through 2023, interest was calculated at the higher of LIBOR plus 1.5% to 2.75%. For grants approved in 2024 and thereafter, interest is calculated based on SOFR. At September 30, 2025, the Company had $2.0 million of unpaid royalties accrued. The Company's maximum possible future royalties commitment at September 30, 2025 of $13.0 million, including interest of $0.9 million, was based upon estimates of future sales of product and services and the grants received from the IIA not yet repaid.

Litigation

The Company is often a party to disputes and legal proceedings that it considers routine and incidental to its business, including those described below. The Company believes that it has meritorious defenses to the allegations made in the pending cases and intends to vigorously defend these lawsuits; however, the Company is currently unable to forecast the ultimate outcome of these or similar matters. Since it is difficult to predict the outcome of legal proceedings, it is possible that the ultimate outcomes could materially and adversely affect the Company's business, financial position, results of operations or cash flows. Accordingly, with respect to these proceedings, the Company is currently unable to reasonably estimate the possible loss or range of possible loss.

Charter Complaint. On September 19, 2022, Charter Communications Operating, LLC ("Charter") filed two complaints against two of our subsidiaries (Sonus Networks, Inc. and Ribbon Communications Operating Company, Inc.) alleging breach of contract with respect to indemnification obligations purportedly owed to Charter in connection with Charter's legal dispute with Sprint Communications Company L.P., which was settled by Charter in March 2022. One complaint was filed in the Supreme Court of the State of New York, in New York County; the second complaint was filed by Charter as well as co-plaintiffs Charter Communications Holding Company, LLC and Bright House Networks, LLC, in the Superior Court of the State of Delaware in and for New Castle County. In both complaints, Charter is seeking monetary damages. The Company filed its answer to the first complaint file in New York on December 7, 2022 and to the second complaint filed in Delaware on January 9, 2023. On May 14, 2025, the Delaware court granted our dispositive motion for summary judgement and denied Charter's motion for partial summary judgement. The Delaware court's ruling ended the case in Delaware at the trial level. Charter has appealed the

Delaware court's ruling and oral argument on the appeals is scheduled for December 10, 2025. Discovery remains on-going in the New York case. No trial date has been set for the case in New York.

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

The following discussion of the financial condition and results of operations of Ribbon Communications Inc. should be read in conjunction with the condensed consolidated financial statements and the related notes thereto included elsewhere in this Quarterly Report on Form 10-Q and the audited financial statements and notes thereto and Management's Discussion and Analysis of Financial Condition and Results of Operations included in our Annual Report on Form 10-K for the year ended December 31, 2024, which was filed with the U.S. Securities and Exchange Commission on February 27, 2025.

Overview

We are a leading global provider of communications technology to service providers and enterprises. We provide a broad range of software and high-performance hardware products, network solutions, and services that enable the secure delivery of data and voice communications, and high-bandwidth networking and connectivity for residential consumers and for small, medium, and large enterprises and industry verticals such as finance, education, government, utilities, and transportation. Our mission is to create a recognized global technology leader providing cloud-centric solutions that enable the secure exchange of information, with unparalleled scale, performance and elasticity. We are headquartered in Plano, Texas, and have a global presence with research and development or sales and support locations in over thirty countries around the world.

Key Trends and Economic Factors Affecting Ribbon

Tariffs. The United States has implemented, or indicated that it may or intends to implement, tariffs on products imported into the United States from numerous countries, including Mexico, Canada, China, Taiwan, Thailand and the European Union, amongst others. Many of these countries have implemented, or have threatened to implement, reciprocal tariffs in response. We maintain a global supply chain with our contract manufacturing partners located outside of the United States in several different countries. While the announced tariffs have not had a material impact on our business to date, the proposed tariffs, including exemptions under existing trade agreements or otherwise are continuing to evolve and could result in additional expenses for products we import into the United States. In addition, the economic uncertainty caused by the tariffs may result in customers delaying planned purchases of products and services.

Supplier Disruptions. Ongoing uncertainty in the global economy due to proposed and enacted tariffs and trade restrictions, inflation, the wars in Israel and Ukraine, national security concerns and other factors, continue to disrupt various manufacturing, commodity and financial markets, increase volatility, and impede global supply chains. Our ability to deliver our solutions as agreed upon with our customers depends in part on the ability of our global contract manufacturers, vendors, licensors and other business partners to deliver products or perform services we have procured from them.

Continued uncertain global economic conditions may cause our customers to restrict spending or delay purchases for an indeterminate period of time and consequently cause our revenues to decline. Further, such factors may negatively impact our operating costs resulting in a reduction in net income. The degree to which the ongoing wars in Israel and Ukraine, the inflationary and high interest rate environment and tariffs impacts our future business, financial position and results of operations will depend on developments beyond our control.

The Ongoing Wars in Israel and Ukraine. The uncertainty resulting from the ongoing wars in Israel and Ukraine, and the threat for expansion of one or both of these wars, could result in some of our customers delaying purchases from us. Further, a number of our employees in Israel are members of the military reserves and subject to immediate call-up in response to the war in Israel. Following the terrorist attacks in Israel in October 2023, a number of our employees have been activated for military duty and we expect that additional employees will also be activated if the war in Israel continues. While we have business continuity plans in place to address the military call-ups, it could affect the timing of projects in the short-term as the work is shifted to other team members both inside and outside of Israel.

The U.S. and other European countries have imposed sanctions and trade restrictions against Russia in connection with the war in Ukraine. These sanctions and restrictions currently prohibit our ability to sell hardware products in Russia or provide any replacement parts in Russia. The sanctions continue to evolve and further changes in the current sanctions or trade restrictions could further limit our ability to sell products and services to customers in Russia, our ability to collect on outstanding accounts receivable from such customers, and our ability to repatriate funds.

Inflation and Interest Rates. We continue to see near-term impacts on our business due to inflation, including ongoing global price pressures resulting in higher energy prices, component costs, freight premiums, and other operating costs above normal rates. Although headline inflation in the United States and Europe appears to be easing, core inflation (excluding food and energy prices) remains elevated and is a source of continued cost pressure on businesses and households. Interest rates remain high as central banks in developed countries attempt to subdue inflation while government deficits and debt remain at high levels in many global markets. However, since its peak in 2024, the Federal Reserve lowered the federal funds rate to its current target range of 4.00% to 4.25% as a result of indicators that inflation had made progress toward the Federal Reserve's objective and labor market conditions had generally eased. Yet, the economic outlook remains uncertain, and the implications of current and future tariffs, higher government deficits and debt, tighter monetary policy, and potentially higher long-term interest rates may drive a higher cost of capital for our business.

Foreign currency. As a portion of our business is conducted outside the United States, we face exposure to adverse movements in foreign currency exchange rates. A weakened U.S. dollar could increase the cost of local operating expenses and procurement of raw materials from sources outside the United States. Therefore, changes in the value of the U.S. dollar against other currencies will affect our revenue, income from operations, net income and the value of balance sheet items originally denominated in other currencies. There is no guarantee that our financial results will not be adversely affected by currency exchange rate fluctuations.

Presentation

Unless otherwise noted, all financial amounts, excluding tabular information, in this Management's Discussion and Analysis of Financial Condition and Results of Operations ("MD&A") are rounded to the nearest million dollar amount, and all percentages, excluding tabular information, are rounded to the nearest percentage point.

Operating Segments

Our Chief Operating Decision Maker ("CODM") assesses our performance based on the performance of two separate organizations within Ribbon: the Cloud and Edge operating segment ("Cloud and Edge") and the IP Optical Networks operating segment ("IP Optical Networks"). For additional details regarding our operating segments, see Note 13 - Operating Segment Information to our condensed consolidated financial statements.

Financial Overview

Financial Results

We reported income from operations of $2.8 million and a loss from operations of $0.9 million for the three months ended September 30, 2025 and 2024, respectively. We reported a loss from operations of $12.6 million and $16.3 million for the nine months ended September 30, 2025 and 2024, respectively.

Our revenue was $215.4 million and $210.2 million in the three months ended September 30, 2025 and 2024, respectively. Our gross profit and gross margin were $108.0 million and 50.1%, respectively, in the three months ended September 30, 2025, and $109.6 million and 52.1%, respectively, in the three months ended September 30, 2024. The higher revenue in the three months ended September 30, 2025 compared to 2024 is due to $8.7 million of higher IP Optical Networks sales, partially offset by $3.6 million of overall lower Cloud and Edge revenue. The IP Optical Networks revenue was higher primarily due to $5.2 million of higher product sales, and higher professional services sales and maintenance revenue of $1.8 million and $1.7 million, respectively. The lower Cloud and Edge revenue was attributable to $7.3 million of lower product sales and $1.3 million of lower maintenance revenue, partially offset by

$5.0 million of higher professional services revenue. Our revenue was $617.2 million and $582.5 million in the nine months ended September 30, 2025 and 2024, respectively. Our gross profit and gross margin were $299.6 million and 48.5%, respectively, in the nine months ended September 30, 2025, and $299.4 million and 51.4%, respectively, in the nine months ended September 30, 2024. The higher revenue in the nine months ended September 30, 2025 compared to 2024 is due to $28.8 million of higher overall Cloud and Edge revenue and $5.9 million of higher IP Optical Networks sales. The higher Cloud and Edge revenue was attributable to $23.8 million of higher sales of professional services and $9.5 million of higher product sales, partially offset by $4.5 million of lower maintenance revenue. The higher IP Optical Networks revenue was due to $3.9 million of higher maintenance revenue and $3.4 million of higher sales of professional services, partially offset by $1.4 million of lower product revenue.

Revenue from our Cloud and Edge segment was $124.5 million and $128.1 million in the three months ended September 30, 2025 and 2024, respectively. Gross profit and gross margin for this segment were $76.5 million and 61.5%, respectively, in the three months ended September 30, 2025, and $84.3 million and 65.9%, respectively, in the three months ended September 30, 2024. Revenue from our Cloud and Edge segment was $369.1 million and $340.3 million in the nine months ended September 30, 2025 and 2024, respectively. Gross profit and gross margin for this segment were $226.3 million and 61.3%, respectively, in the nine months ended September 30, 2025, and $219.2 million and 64.4%, respectively, in the nine months ended September 30, 2024.

Revenue from our IP Optical Networks segment was $90.9 million and $82.2 million in the three months ended September 30, 2025 and 2024, respectively. Gross profit and gross margin for this segment were $31.5 million and 34.6%, respectively, in the three months ended September 30, 2025, and $25.3 million and 30.8%, respectively, in the three months ended September 30, 2024. Revenue from our IP Optical Networks segment was $248.1 million and $242.2 million in the nine months ended September 30, 2025 and 2024, respectively. Gross profit and gross margin for this segment were $73.3 million and 29.5%, respectively, in the nine months ended September 30, 2025, and $80.2 million and 33.1%, respectively, in the nine months ended September 30, 2024.

Our operating expenses were $105.2 million and $110.5 million in the three months ended September 30, 2025 and 2024, respectively, and $312.3 million and $315.8 million in the nine months ended September 30, 2025 and 2024, respectively. The decreased operating expenses are primarily attributable to lower general and administrative expenses. Operating expenses for the three months ended September 30, 2025 included $5.9 million of amortization of acquired intangible assets, $0.4 million of acquisition-, disposal- and integration-related expense, and $3.5 million of restructuring and related expense. Operating expenses for the three months ended September 30, 2024 included $6.5 million of amortization of acquired intangible assets and $3.8 million of restructuring and related expense. Operating expenses for the nine months ended September 30, 2025 included $18.1 million of amortization of acquired intangible assets, $4.3 million of acquisition-, disposal- and integration-related expense, and $10.2 million of restructuring and related expense. Operating expenses for the nine months ended September 30, 2024 included $19.7 million of amortization of acquired intangible assets, and $8.8 million of restructuring and related expense.

We recorded stock-based compensation expense of $5.8 million and $4.0 million in the three months ended September 30, 2025 and 2024, respectively, and $14.6 million and $12.1 million in the nine months ended September 30, 2025 and 2024, respectively. These amounts are included as components of both Cost of revenue and Operating expenses in our condensed consolidated statements of operations.

See "Results of Operations" in this MD&A for a discussion of the changes in our revenue and expenses for three and nine months ended September 30, 2025 compared to three and nine months ended September 30, 2024.

Restructuring and Cost Reduction Initiatives

During the first quarter of 2025, our President and CEO approved a strategic restructuring program (as subsequently amended, the "2025 Restructuring Plan") that consists of workforce reductions in certain of our operating locations to correspond with current sales levels in those areas. The 2025 Restructuring Plan was amended in the third quarter of 2025 to reflect an increase in the scope of the proposed reductions. Any potential positions eliminated in countries outside the United States are subject to local law and consultation requirements. In connection with the 2025 Restructuring Plan, we recorded restructuring and related expense of $2.5 million and $5.1 million in three and nine months ended September 30, 2025. We anticipate that we will record nominal additional expense in 2025 for workforce reductions in connection with the 2025 Restructuring Plan.

In February 2022, our Board of Directors approved a strategic restructuring program (the "2022 Restructuring Plan") to streamline our operations in order to support our investment in critical growth areas. The 2022 Restructuring Plan includes, among other things, charges related to a consolidation of facilities and a workforce reduction. Any positions eliminated in countries outside the United States are subject to local law and consultation requirements. In connection with the 2022 Restructuring Plan, we recorded restructuring and related expense of $0.9 million and $5.2 million in the three and nine months ended September 30, 2025, respectively, for variable and other facilities-related costs. We anticipate that we will record approximately $1 million of expense in the remainder of 2025 related to the 2022 Restructuring Plan.

For facilities that are part of a restructuring plan, for which we have no intent or ability to enter into a sublease, we recognize accelerated rent amortization over the period from the date that we commence the plan to fully or partially vacate a facility through the final vacate date. We did not record accelerated rent amortization in the three and nine months ended September 30, 2025 or 2024. We continue to evaluate our properties included in our restructuring plans for accelerated amortization and/or right-of-use asset impairment. We may incur additional expense in the future if we are unable to sublease other locations included in these initiatives.

Critical Accounting Policies and Estimates

This MD&A is based upon our condensed consolidated financial statements, which have been prepared in accordance with accounting principles generally accepted in the United States of America. The preparation of these financial statements requires us to make estimates and judgments that affect the reported amounts of assets, liabilities, revenues and expenses, and related disclosure of contingent assets and liabilities. We base our estimates and judgments on historical experience, knowledge of current conditions and beliefs of what could occur in the future given available information. We consider certain accounting policies to be both those most important to the portrayal of our financial condition and those that require the most subjective judgment. The significant accounting policies that we believe are the most critical include revenue recognition, the valuation of inventory, warranty accruals, loss contingencies and reserves, stock-based compensation, the Preferred Stock and Warrants, business combinations, goodwill and intangible assets, accounting for leases, and accounting for income taxes. If actual results differ significantly from management’s estimates and projections, there could be a material effect on our condensed consolidated financial statements. There were no significant changes to our critical accounting policies from January 1, 2025 through September 30, 2025. For a further discussion of our critical accounting policies and estimates, please refer to our Annual Report on Form 10-K for the year ended December 31, 2024.

Results of Operations

Three and nine months ended September 30, 2025 and 2024

Revenue. Revenue for three and nine months ended September 30, 2025 and 2024 was as follows (in thousands, except percentages):

	Three months ended		Increase/(decrease) from prior year	
	September 30, 2025	September 30, 2024	$	%
Product	$ 109,979	$ 112,151	$ (2,172)	(1.9)%
Service	105,392	98,087	7,305	7.4 %
Total revenue	$ 215,371	$ 210,238	$ 5,133	2.4 %

	Nine months ended		Increase from prior year	
	September 30, 2025	September 30, 2024	$	%
Product	$ 307,027	$ 298,894	$ 8,133	2.7 %
Service	310,206	283,628	26,578	9.4 %
Total revenue	$ 617,233	$ 582,522	$ 34,711	6.0 %

Segment revenue for the three and nine months ended September 30, 2025 and 2024 was as follows (in thousands):

	Three months ended September 30, 2025			Three months ended September 30, 2024		
	Cloud and Edge	IP Optical Networks	Total	Cloud and Edge	IP Optical Networks	Total
Product	$ 46,097	$ 63,882	$ 109,979	$ 53,455	$ 58,696	$ 112,151
Service	78,341	27,051	105,392	74,623	23,464	98,087
Total revenue	$ 124,438	$ 90,933	$ 215,371	$ 128,078	$ 82,160	$ 210,238

	Nine months ended September 30, 2025			Nine months ended September 30, 2024		
	Cloud and Edge	IP Optical Networks	Total	Cloud and Edge	IP Optical Networks	Total
Product	$ 134,070	$ 172,957	$ 307,027	$ 124,554	$ 174,340	$ 298,894
Service	235,007	75,199	310,206	215,748	67,880	283,628
Total revenue	$ 369,077	$ 248,156	$ 617,233	$ 340,302	$ 242,220	$ 582,522

The decrease in our product revenue in the three months ended September 30, 2025 compared to the three months ended September 30, 2024 was the result of $7 million of lower sales of our Cloud and Edge products, partially offset by $5 million of higher sales of IP Optical Networks products. The increase in our product revenue in the nine months ended September 30, 2025 compared to the nine months ended September 30, 2024 was the result of $9 million of higher sales of our Cloud and Edge products, partially offset by a $1 million decrease in sales of IP Optical Networks products. For the three months ended September 30, 2025 compared to the prior year, the decrease in sales of Cloud and Edge products was primarily attributable to lower sales to enterprise customers, including Federal agencies. The increase in sales of IP Optical Networks products for the three months ended September 30, 2025 compared to the prior year was primarily due to higher sales in India and the region of Europe, the Middle East and Africa ("EMEA"), partially offset by lower sales in the United States. For the nine months ended September 30, 2025 compared to the prior year, the increase in revenue from the sale of Cloud and Edge products was primarily attributable to U.S. service providers and enterprise customers. The increase in sales of IP Optical Networks products for the nine months ended September 30, 2025 compared to the prior year was primarily due to higher sales in India and EMEA, partially offset by lower sales in the United States and Eastern Europe.

Revenue from sales to enterprise customers was 34% and 36% of our product revenue in the three months ended September 30, 2025 and 2024, respectively. These sales were made through both our direct sales team and indirect sales channel partners. Revenue from sales to enterprise customers was 32% and 39% of our product revenue in the nine months ended September 30, 2025 and 2024, respectively. The decrease in enterprise sales primarily reflects lower sales of our products to Federal agencies and other enterprise customers.

Revenue from indirect sales through our channel partner program was 26% and 34% of our product revenue in the three months ended September 30, 2025 and 2024 and 29% and 38% of our product revenue in the nine months ended September 30, 2025 and 2024, respectively. The decrease in channel sales in the nine months ended September 30, 2025 primarily reflects lower sales of products to Federal agencies and other enterprise customers.

The timing of the completion of customer projects and revenue recognition criteria satisfaction may cause our product revenue to fluctuate from one period to the next.

Service revenue is primarily comprised of software and hardware maintenance and support ("maintenance revenue") and network design, installation and other professional services ("professional services revenue").

Service revenue for the three and nine months ended September 30, 2025 and 2024 was comprised of the following (in thousands, except percentages):

	Three months ended		Increase from prior year	
	September 30, 2025	September 30, 2024	$	%
Maintenance	$ 69,515	$ 69,019	$ 496	0.7 %
Professional services	35,877	29,068	6,809	23.4 %
Total service revenue	$ 105,392	$ 98,087	$ 7,305	7.4 %

	Nine months ended		Increase/(decrease) from prior year	
	September 30, 2025	September 30, 2024	$	%
Maintenance	$ 204,234	$ 204,920	$ (686)	(0.3)%
Professional services	105,972	78,708	27,264	34.6 %
Total service revenue	$ 310,206	$ 283,628	$ 26,578	9.4 %

Segment service revenue for the three and nine months ended September 30, 2025 and 2024 was comprised of the following (in thousands):

	Three months ended September 30, 2025			Three months ended September 30, 2024		
	Cloud and Edge	IP Optical Networks	Total	Cloud and Edge	IP Optical Networks	Total
Maintenance	$ 52,315	$ 17,200	$ 69,515	$ 53,595	$ 15,424	$ 69,019
Professional services	26,026	9,851	35,877	21,028	8,040	29,068
Total service revenue	$ 78,341	$ 27,051	$ 105,392	$ 74,623	$ 23,464	$ 98,087

	Nine months ended September 30, 2025			Nine months ended September 30, 2024		
	Cloud and Edge	IP Optical Networks	Total	Cloud and Edge	IP Optical Networks	Total
Maintenance	$ 154,899	$ 49,335	$ 204,234	$ 159,454	$ 45,466	$ 204,920
Professional services	80,108	25,864	105,972	56,294	22,414	78,708
Total service revenue	$ 235,007	$ 75,199	$ 310,206	$ 215,748	$ 67,880	$ 283,628

Total service revenue was higher in the three and nine months ended September 30, 2025 compared to the same periods in 2024 primarily due to increased professional services revenue in both of our segments. Total service revenue for the three months ended September 30, 2025 compared to 2024 increased by $4 million and $3 million in our Cloud and Edge and IP Optical Networks segments, respectively. Total service revenue for the nine months ended September 30, 2025 compared to 2024 increased by $19 million and $7 million in our Cloud and Edge and IP Optical Networks segments, respectively.

Maintenance revenue was relatively flat in the three and nine months ended September 30, 2025 compared to the same periods in 2024 due to lower revenue in our Cloud and Edge segment, partially offset by higher revenue in our IP Optical Networks segment. The decrease in Cloud and Edge maintenance revenue is due to modestly lower renewal rates from decommissioning some older legacy equipment with several customers. The higher maintenance revenue in our IP Optical Networks segment is due to the effect of cumulative growth in product revenues over the years leading to a larger Installed Base that requires our ongoing support primarily in North America and Europe.

Professional services revenue was higher in the three and nine months ended September 30, 2025 compared to the same periods in 2024 due to growth in both of our segments. Our Cloud and Edge segment's growth was due to sales of professional services to U.S. service providers, primarily for voice modernization projects with Verizon. Our IP Optical Networks segment experienced growth of sales of services primarily in EMEA, India, and North America.

The following customers contributed 10% or more of our revenue in the three and nine months ended September 30, 2025 and 2024:

	Three months ended		Nine months ended	
Customer	**September 30, 2025**	**September 30, 2024**	**September 30, 2025**	**September 30, 2024**
Verizon Communications Inc.	18 %	15 %	18 %	13 %
Bharti Telecom Limited	10 %	*	*	*

* Less than 10% of total revenue.

Revenue earned from customers domiciled outside the United States was 55% and 48% in the three months ended September 30, 2025 and 2024, respectively, and 52% and 55% of revenue in the nine months ended September 30, 2025 and 2024, respectively. Our U.S. revenue is increasing due to higher sales into the U.S. market from our Cloud & Edge segment. Due to the timing of project completions, we expect that the domestic and international components as a percentage of our revenue may fluctuate from quarter to quarter and year to year.

Our deferred product revenue was $8 million and $14 million at September 30, 2025 and December 31, 2024, respectively. Our deferred service revenue was $128 million and $126 million at September 30, 2025 and December 31, 2024, respectively. Our deferred revenue balance may fluctuate as a result of the timing of revenue recognition, customer payments, maintenance contract renewals, contractual billing rights and maintenance revenue deferrals included in multiple element arrangements.

We expect that our total revenue in 2025 will increase compared to our revenue in 2024 due to growth in Cloud & Edge segment sales, particularly with the increased purchases from Verizon as part of a voice modernization project, as well as growth in IP Optical segment sales. From a regional perspective, we anticipate continued IP Optical revenue growth in 2025 from EMEA and India. In the Cloud & Edge segment, we expect continued revenue growth from enterprise customers, as well as from higher U.S. service provider spending.

Cost of Revenue/Gross Margin. Our cost of revenue consists primarily of amounts paid to third-party manufacturers for purchased materials and services, royalties, amortization of acquired technology, inventory valuation adjustments, warranty costs, and manufacturing and services personnel and related costs. Our cost of revenue, gross profit and gross margin for the three and nine months ended September 30, 2025 and 2024 were as follows (in thousands, except percentages):

	Three months ended		Increase/(decrease) from prior year	
	September 30, 2025	September 30, 2024	$	%
Cost of revenue:				
Product	$ 62,037	$ 59,405	2,632	4.4 %
Service	40,311	34,893	5,418	15.5 %
Amortization of acquired technology	5,057	6,323	(1,266)	(20.0)%
Total cost of revenue	$ 107,405	$ 100,621	6,784	6.7 %
Gross profit	$ 107,966	$ 109,617	$ (1,651)	(1.5)%
Gross margin	50.1 %	52.1 %		

	Nine months ended		Increase/(decrease) from prior year	
	September 30, 2025	September 30, 2024	$	%
Cost of revenue:				
Product	$ 186,676	$ 160,044	26,632	16.6 %
Service	115,192	103,633	11,559	11.2 %
Amortization of acquired technology	15,722	19,406	(3,684)	(19.0)%
Total cost of revenue	$ 317,590	$ 283,083	34,507	12.2 %
Gross profit	$ 299,643	$ 299,439	$ 204	0.1 %
Gross margin	48.5 %	51.4 %		

Our segment cost of revenue, gross profit and gross margin for the three and nine months ended September 30, 2025 and 2024 were as follows (in thousands, except percentages):

	Three months ended September 30, 2025			Three months ended September 30, 2024		
	Cloud and Edge	IP Optical Networks	Total	Cloud and Edge	IP Optical Networks	Total
Product	$ 19,252	$ 42,785	$ 62,037	$ 18,672	$ 40,733	$ 59,405
Service	27,948	12,363	40,311	23,031	11,862	34,893
Amortization of acquired technology	729	4,328	5,057	2,026	4,297	6,323
Total cost of revenue	$ 47,929	$ 59,476	$ 107,405	$ 43,729	$ 56,892	$ 100,621
Gross profit	$ 76,509	$ 31,457	$ 107,966	$ 84,349	$ 25,268	$ 109,617
Gross margin	61.5 %	34.6 %	50.1 %	65.9 %	30.8 %	52.1 %

	Nine months ended September 30, 2025			Nine months ended September 30, 2024		
	Cloud and Edge	IP Optical Networks	Total	Cloud and Edge	IP Optical Networks	Total
Product	$ 59,628	$ 127,048	$ 186,676	$ 45,854	$ 114,190	$ 160,044
Service	80,481	34,711	115,192	68,740	34,893	103,633
Amortization of acquired technology	2,626	13,096	15,722	6,488	12,918	19,406
Total cost of revenue	$ 142,735	$ 174,855	$ 317,590	$ 121,082	$ 162,001	$ 283,083

Gross profit	$ 226,342	$ 73,301	$ 299,643	$ 219,220	$ 80,219	$ 299,439
Gross margin	61.3 %	29.5 %	48.5 %	64.4 %	33.1 %	51.4 %

Our overall gross margin in 2025 was lower as compared to 2024, with a 200 basis point decline in the three months ended September 30, 2025 and a 290 basis point decline in the nine months ended September 30, 2025.

Gross margin for our IP Optical segment was higher in the three months ended September 30, 2025 as compared to the prior year by 380 basis points due to favorable regional mix. Gross margin for our IP Optical segment in the nine months ended September 30, 2025 compared to 2024 was lower by 360 basis points also due to regional mix primarily related to lower sales in the United States and Eastern Europe and higher sales in India. The lower gross margin in our Cloud and Edge segment for the three and nine months ended September 30, 2025 of 440 and 310 basis points, respectively, was attributable to product mix on sales to service providers and enterprise customers, as well as the effect of higher sales of hardware products and professional services, both of which contribute lower gross margins than our software products.

We expect our overall consolidated gross margin to decrease slightly for the full year 2025 compared to 2024 due to higher expected sales in our IP Optical segment, which has lower margins due to the higher hardware content in its products, as well as the higher mix of professional services revenue in our Cloud and Edge segment, which generates lower gross margins than product sales.

Research and Development. R&D expenses consist primarily of salaries and related personnel expenses and prototype costs for the design, development, testing, and enhancement of our products. R&D expenses for the three and nine months ended September 30, 2025 and 2024 were as follows (in thousands, except percentages):

	September 30, 2025	September 30, 2024	Increase/(decrease) from prior year	
			$	%
Three months ended	$ 45,894	$ 45,645	$ 249	0.5 %
Nine months ended	$ 134,158	$ 134,897	$ (739)	(0.5)%

Our R&D expenses in the three and nine months ended September 30, 2025 were relatively flat compared to the same periods in 2024 with slight increases in our Cloud and Edge segment and slight decreases in our IP Optical segment.

Our IP Optical Networks R&D investment is focused on expanding our portfolio of IP Routing solutions, adding additional features and capabilities to our Optical Transport portfolio, and supporting features in our next generation SDN management and orchestration platform.

Some aspects of our R&D efforts require significant short-term expenditures, the timing of which may cause variability in our expenses. We believe that rapid technological innovation is critical to our long-term success, and we are tailoring our investments to meet the requirements of our customers and market. We believe that our R&D expenses will increase modestly in 2025 primarily due to higher employee and consulting costs related to modifying certain legacy products and certain of our cloud native solutions.

Sales and Marketing Expenses. Sales and marketing expenses consist primarily of salaries and related personnel costs, commissions, travel and entertainment expenses, promotions, customer trial and evaluations inventory and other marketing and sales support expenses. Sales and marketing expenses for the three and nine months ended September 30, 2025 and 2024 were as follows (in thousands, except percentages):

	September 30, 2025	September 30, 2024	Increase/(decrease) from prior year	
			$	%
Three months ended	$ 33,063	$ 33,060	$ 3	0.0 %
Nine months ended	$ 97,387	$ 100,760	$ (3,373)	(3.3)%

The decrease in sales and marketing expenses in the nine months ended September 30, 2025 as compared to 2024 was primarily due to lower commissions, partially offset by higher travel expenses.

We believe our sales and marketing expenses will be relatively flat in 2025 as compared to 2024.

General and Administrative Expenses. General and administrative expenses consist primarily of salaries and related personnel costs for executive and administrative personnel, and audit, legal and other professional fees. General and administrative expenses for the three and nine months ended September 30, 2025 and 2024 were as follows (in thousands, except percentages):

	September 30, 2025	September 30, 2024	Decrease from prior year	
			$	%
Three months ended	$ 16,368	$ 21,588	$ (5,220)	(24.2)%
Nine months ended	$ 48,126	$ 51,680	$ (3,554)	(6.9)%

The decrease in general and administrative expenses in the three and nine months ended September 30, 2025 compared to the three and nine months ended September 30, 2024 was primarily attributable to lower litigation expenses, partially offset by higher employee related costs.

We believe that our general and administrative expenses in 2025 will decrease slightly compared to our 2024 levels, primarily due to lower litigation expenses, partially offset by higher employee costs related to annual merit increases.

Amortization of Acquired Intangible Assets included in Operating expenses. Amortization of acquired intangible assets included in Operating expenses ("Opex Amortization") for the three and nine months ended September 30, 2025 and 2024 was as follows (in thousands, except percentages):

	September 30, 2025	September 30, 2024	Decrease from prior year	
			$	%
Three months ended	$ 5,933	$ 6,457	$ (524)	(8.1)%
Nine months ended	$ 18,063	$ 19,671	$ (1,608)	(8.2)%

Opex Amortization was lower for the three and nine months ended September 30, 2025 compared to the three and nine months ended September 30, 2024. We record our amortization in relation to expected future cash flows rather than on a straight-line basis. Accordingly, such expense may vary from one period to the next.

Acquisition-, Disposal- and Integration-Related. Acquisition-, disposal- and integration-related expenses include those expenses related to acquisitions and disposals that we would otherwise not have incurred. Acquisition- and disposal-related expenses include professional and services fees, such as legal, audit, consulting, paying agent and other fees. Integration-related expenses represent incremental costs related to combining our systems and processes with those of acquired businesses, such as third-party consulting and other third-party services.

We recorded $0.4 million and $4.3 million of acquisition-, disposal- and integration-related expenses in the three and nine months ended September 30, 2025, respectively, consisting of legal and professional fees associated with contemplated corporate development activities. We recorded no such expenses in 2024.

Restructuring and Related. We have been committed to streamlining our operations and reducing operating costs by closing and consolidating certain facilities and reducing our worldwide workforce. Please see the additional discussion of our restructuring initiatives in the "Restructuring and Cost Reduction Initiatives" section of the Overview of this MD&A.

We recorded restructuring and related expense of $3.5 million and $3.8 million in the three months ended September 30, 2025 and 2024, respectively and $10.2 million and $8.8 million in the nine months ended September 30, 2025 and 2024, respectively. Although we have eliminated positions as part of our restructuring initiatives, we continue to hire in certain areas that we believe are important to our future growth.

Interest Expense, Net. Interest expense and interest income for the three and nine months ended September 30, 2025 and 2024 were as follows (in thousands, except percentages):

	Three months ended		Increase/(decrease) from prior year	
	September 30, 2025	September 30, 2024	$	%
Interest income	$ 190	$ 67	$ 123	183.6 %
Interest expense	(11,796)	(12,019)	$ (223)	(1.9)%
Interest expense, net	$ (11,606)	$ (11,952)	$ (346)	(2.9)%

	Nine months ended		Increase from prior year	
	September 30, 2025	September 30, 2024	$	%
Interest income	$ 770	$ 221	$ 549	248.4 %
Interest expense	(33,853)	(22,039)	$ 11,814	53.6 %
Interest expense, net	$ (33,083)	$ (21,818)	$ 11,265	51.6 %

Interest income increased slightly in 2025 as compared to 2024 due to interest earned on a cash investment account established in late 2024. Our interest expense in the three and nine months ended September 30, 2025 primarily represents interest, and amortization of debt issuance costs and original issue discount. Our interest expense in the three and nine months ended September 30, 2024 primarily represents interest, amortization of debt issuance costs, and the amortization of gains in accumulated other comprehensive (loss) income ("AOCI") from the sales of our interest rate swap. Interest expense in the nine months ended September 30, 2025 was higher than same period in 2024 primarily due to higher margins under our 2024 Term Loan as compared to our 2020 Term Loan, both as defined below, as well as the lack of amortization of gains in AOCI in 2025 from sales of our interest rate swap. These gains in AOCI were fully written off upon the refinancing of the 2020 Term Loan on June 21, 2024.

Other (Expense) Income, Net. We recorded other expense, net of $0.1 million and other income, net of $1.1 million in the three months ended September 30, 2025 and 2024, respectively. We recorded other income, net of $0.8 million, and other expense, net of $16.0 million in the nine months ended September 30, 2025 and 2024, respectively. Other expense, net in the three months ended September 30, 2025 was primarily comprised of $1.2 million of fair value adjustments of our Warrants, partially offset by foreign currency exchange losses of $1.1 million. Other income, net in the nine months ended September 30, 2025 was primarily comprised of $2.8 million of fair value adjustments of our Warrants, partially offset by foreign currency exchange losses of $1.7 million. Other income, net in the three months ended September 30, 2024 was primarily comprised of fair value adjustments of our Warrants and foreign currency exchange gains. Other expense, net in the nine months ended September 30, 2024 was primarily comprised of $6.6 million of fair value adjustments, $2.7 million of accrued dividends, and the $1.8 million call premium on our Preferred Stock that we redeemed on June 25, 2024, and foreign currency exchange losses of $1.4 million.

Income Taxes. We recorded income tax provisions of $3.1 million and $1.6 million in the three months ended September 30, 2025 and 2024, respectively, and $4.6 million and $6.5 million in the nine months ended September 30, 2025 and 2024, respectively. For the nine months ended September 30, 2025, the tax expense included a release of an uncertain tax position of $3.7 million (inclusive of accrued penalties and interest) that was effectively settled upon closure of an audit. These amounts reflect our estimates of the effective rates expected to be applicable for the respective full fiscal years, adjusted for any discrete events, which are recorded in the period that they occur. These estimates are reevaluated each quarter based on our estimated tax rate for the full year. The estimated effective tax rate includes the impact of valuation allowances in various jurisdictions. We intend to continue to maintain a valuation allowance on our deferred tax assets until there is sufficient evidence to support the reversal of all or some portion of the respective allowances.

In October 2021, the Organization for Economic Co-operation and Development (the "OECD") announced the OECD/G20 Inclusive Framework on Base Erosion and Profit Shifting, which agreed to a two-pillar solution to address tax challenges arising from digitalization of the economy. In December 2021, the OECD released Pillar Two Model Rules defining the global minimum tax rules, which contemplate a minimum tax rate of 15% (“Pillar Two”). In addition, the OECD issued administrative guidance providing transition and safe harbor rules that could delay the impact of the minimum tax directive. Certain countries in which we operate have enacted legislation consistent with the OECD model rules effective beginning in 2024. We considered the applicable tax laws in relevant jurisdictions and concluded there was no material effect on our tax provision for the nine months ended September 30, 2025. We will continue to evaluate the potential effect of Pillar Two rules on our future reporting periods, but we do not expect Pillar Two to have a significant impact on our results of operations, financial position, or cash flows.

The One Big Beautiful Bill Act (the "Act") was signed into law on July 4, 2025. The Act reinstates bonus depreciation, allows for full expensing of R&D expenses, and increases the limitation of interest deductibility for 2025, amongst many other provisions. Since the Act became law during the third quarter of 2025, we accounted for the effects of the Act on our tax provision in the three months ended September 30, 2025. The most significant impact of the Act for us is the ability to deduct the unamortized balance of capitalized R&D costs.

Off-Balance Sheet Arrangements

We have no off-balance sheet arrangements that have or are reasonably likely to have a current or future material effect on our financial position, changes in financial position, revenues or expenses, results of operations, liquidity, capital expenditures or capital resources.

Liquidity and Capital Resources

Our condensed consolidated statements of cash flows are summarized as follows (in thousands):

	Nine months ended		
	September 30, 2025	September 30, 2024	Change
Net loss	$ (49,429)	$ (60,599)	$ 11,170
Adjustments to reconcile net loss to cash flows provided by (used in) operating activities	61,627	48,393	13,234
Changes in operating assets and liabilities	9,961	679	9,282
Net cash provided by (used in) operating activities	$ 22,159	$ (11,527)	$ 33,686
Net cash used in investing activities	$ (23,368)	$ (14,890)	$ (8,478)
Net cash (used in) provided by financing activities	$ (13,490)	$ 40,177	$ (53,667)

We had cash, cash equivalents, and restricted cash aggregating $77 million and $90 million at September 30, 2025 and December 31, 2024, respectively. We had cash held by our non-U.S. subsidiaries aggregating $36 million and $18 million at September 30, 2025 and December 31, 2024, respectively. If we elect to repatriate all of the funds held by our non-U.S. subsidiaries as of September 30, 2025, we do not believe that the amounts of potential withholding taxes that would arise from the repatriation would have a material effect on our liquidity.

On June 21, 2024, we entered into a Senior Secured Credit Facilities Credit Agreement (the “2024 Credit Facility” or “2024 Credit Agreement”) as guarantor, with our wholly-owned subsidiary, Ribbon Communications Operating Company, Inc., as the borrower (“Borrower”), HPS Investment Partners, LLC ("HPS"), as administrative agent, and HPS and WhiteHorse Capital Management, LLC ("WhiteHorse" and, together with HPS, the "Lenders"), pursuant to which the Lenders provided us with a $385 million Credit Agreement comprised of (i) a $350 million term loan (the “2024 Term Loan”) and (ii) a $35 million revolving credit facility (the “2024 Revolver”), including a $20 million sublimit for letters of credit. The proceeds received from the 2024 Term Loan were used to (a) repay 100% of the amounts outstanding under the 2020 Credit Facility, (b) redeem in full the Preferred Stock and (c) pay fees and expenses related to the 2024 Credit Facility. Excess proceeds are being used by us for working capital and other general corporate purposes.

The 2024 Term Loan and the 2024 Revolver bear interest, at the Borrower’s option, at either the Alternate Base Rate (“ABR”) or Term Secured Overnight Financing Rate ("SOFR") with an Applicable Margin for each (all as defined in the 2024 Credit Facility). Margins for the first six months were 5.25% per annum for ABR Loans and 6.25% per annum for SOFR Loans. Thereafter, margins vary based on our Consolidated Net Leverage Ratio, ranging from 4.75% to 5.25% per annum for ABR Loans and 5.75% to 6.25% per annum for SOFR Loans. The 2024 Term Loan and the 2024 Revolver will both mature on June 21, 2029. The 2024 Term Loan is being repaid in equal quarterly installments: approximately $0.9 million beginning with the third quarter of 2024 through the second quarter of 2025; approximately $2.2 million beginning with the third quarter of 2025 and ending with the second quarter of 2027; and approximately $4.4 million quarterly thereafter, with the remaining principal balance of approximately $298.4 million due on the maturity date of June 21, 2029. In connection with the establishment of the 2024 Credit Facility, $7.7 million of original issue discount was withheld by the Lenders, and we incurred $6.3 million of debt issuance costs for a total of $14.0 million that is being amortized to Interest expense, net over the term of the agreement.

Our previous credit facility was the Senior Secured Credit Facilities Credit Agreement (as amended, the "2020 Credit Facility"), which we entered into on March 3, 2020, by and among us, as a guarantor, Ribbon Communications Operating Company, Inc., as the borrower (the "Borrower"), Citizens Bank, N.A., Santander Bank, N.A., and others as lenders, ("2020 Credit Facility Lenders"). For additional details regarding the terms of the 2024 Credit Facility and 2020 Credit Facility, see Note 9 to our condensed consolidated financial statements.

We entered into the Sixth Amendment to the 2020 Credit Facility (the “Sixth Amendment”) effective March 30, 2023. Among other things, the Sixth Amendment reduced the maximum borrowings allowed under the 2020 Revolving Credit Facility from $100 million to $75 million and the sublimit available for letters of credit was reduced from $30 million to $20 million. Also, the Sixth Amendment replaced LIBOR with the SOFR as the alternative rate available to us for calculating interest owed under the 2020 Credit Facility with the margin fixed at 4.5%. In conjunction with the Sixth Amendment, we made a $75 million prepayment to our 2020 Credit Facility funded almost entirely from the net proceeds from the Private Placement and the sales of our interest rate swap. Debt issuance costs associated with the Sixth Amendment totaled $1.7 million and were being amortized on a straight-line basis over the remaining life of the 2020 Credit Facility to Interest expense, net and were written off in conjunction with the early extinguishment of the 2020 Credit Facility on June 21, 2024.

Quarterly principal payments were required on the 2020 Term Loan aggregating approximately $5.0 million per quarter through March 31, 2024, and if the refinancing had not occurred, $10.0 million would have been required in each of the three quarters thereafter, with the remaining and final payment due on the maturity date in March 2025.

At September 30, 2025, we had an outstanding balance under the 2024 Term Loan of $344.3 million at an average interest rate of 10.6%, with no revolver balance and no letters of credit outstanding under our 2024 Credit Facility. We were in compliance with all covenants of the 2024 Credit Facility at both September 30, 2025 and December 31, 2024.

In the course of our business, we use letters of credit, bank guarantees, and surety bonds (collectively, "Guarantees"). We had $11.1 million and $10.9 million of Guarantees under various uncommitted facilities as of September 30, 2025 and December 31, 2024, respectively. We had no letters of credit outstanding under the 2024 Credit Facility as of September 30, 2025 or December 31, 2024. At September 30, 2025 and December 31, 2024, we had cash collateral of $2.0 million and $2.7 million supporting the Guarantees, respectively, which are reported as Restricted cash in our condensed consolidated balance sheets.

We are exposed to financial market risk related to foreign currency fluctuations and changes in interest rates. These exposures are actively monitored by management. To manage the volatility related to the exposure to changes in interest rates, we may enter into a derivative financial instrument. Management's objective has been to reduce, where it is deemed appropriate to do so, fluctuations in earnings and cash flows associated with changes in interest rates. Our policies and practices are to use derivative financial instruments only to the extent necessary to manage exposures. We do not hold or issue derivative financial instruments for trading or speculative purposes.

As a result of exposure to interest rate movements, we entered into an interest rate swap arrangement in March 2020 which effectively converted our $400 million term loan with its variable interest rate based upon one-month LIBOR to an aggregate fixed rate of 0.904%, plus a leverage-based margin as defined in the 2020 Credit Facility.

In two separate transactions during 2022, we sold a total of $60 million of the notional amount of our interest rate swap back to our counterparty for $3.1 million, reducing the notional amount of this swap to $340 million. The gain in Accumulated other comprehensive (loss) income related to these sales totaled $3.1 million and was being released into earnings on a straight-line basis over the remaining term of the 2020 Credit Facility as a decrease to interest expense, the amortization of which totaled $0.4 million in the nine months ended September 30, 2024. The remaining unamortized gain in Accumulated other comprehensive (loss) income of approximately $0.5 million was written off to interest expense in conjunction with the refinancing of the 2020 Credit Facility on June 21, 2024.

In two separate transactions in 2023, we received a total of $19.2 million, consisting of $0.8 million of interest and $18.4 million for the sale of the remaining $340 million notional amount of our swap. The portion of the gain in Accumulated other comprehensive (loss) income related to the term loan debt prepaid on the date of the final sale of our swap totaled $7.3 million and was released into earnings immediately as Other expense, net. The portion of the gain in Accumulated other comprehensive (loss) income related to our remaining term loan debt balance totaled $12.0 million and was being released into earnings on a straight-line basis over the remaining term of the 2020 Credit Facility as a decrease to interest expense beginning in the second quarter of 2023, the amortization of which was $3.0 million for the nine months ended September 30, 2024. The remaining unamortized gain in Accumulated other comprehensive (loss) income of $4.4 million was written off to interest expense in conjunction with the refinancing of the 2020 Credit Facility on June 21, 2024.

Our objectives in using interest rate derivatives have been to add stability to interest expense and to manage our exposure to interest rate movements. To accomplish these objectives, we have used an interest rate swap as part of our interest rate risk management strategy. Interest rate swaps designated as cash flow hedges involve the receipt of variable amounts from a counterparty in exchange for making fixed-rate payments over the life of an agreement without exchange of the underlying notional amount.

The effective portion of changes in the fair value of designated derivatives that qualify as cash flow hedges is recorded in Accumulated other comprehensive income in the condensed consolidated balance sheet and is subsequently reclassified into earnings in the period that the hedged forecasted transactions affect earnings. Any ineffective portion of the change in the fair value of the derivative would be recognized directly in earnings. However, we recorded no hedge ineffectiveness over the life of our swap. We had no derivative assets or liabilities at September 30, 2025 or December 31, 2024.

In the second quarter of 2025, our Board approved a share repurchase program (the "2025 Repurchase Program" or the "Repurchase Program") pursuant to which we are authorized to repurchase up to $50 million of our common stock prior to December 31, 2027. We repurchased 1.5 million shares in the nine months ended September 30, 2025, using $5.7 million, with $44.3 million remaining for future repurchases as of September 30, 2025.

Cash Flows from Operating Activities

Our primary source of cash from operating activities has been from cash collections from our customers. We expect cash flows from operating activities to be affected by increases and decreases in sales volumes and timing of collections, and by purchases and shipments of inventory. Our primary uses of cash for operating activities have been for personnel costs and investment in our research and development and in our sales and marketing, and general and administrative departments.

Our operating activities provided $22.2 million of cash in the nine months ended September 30, 2025 driven by lower accounts receivable, partially offset by lower accrued expenses and other long-term liabilities, accounts payable and deferred revenue. Our net loss was offset by adjustments for non-cash expenses such as amortization of intangible assets, and stock-based compensation.

Our operating activities used cash of $11.5 million in the nine months ended September 30, 2024, primarily as a result of lower deferred revenue, accounts payable, and our net loss adjusted for non-cash expenses. These amounts were partially offset by lower accounts receivable and other operating assets, and higher accrued expenses and other long-term liabilities. Our net loss was adjusted for non-cash expenses such as amortization of intangible assets, stock-based compensation, and the increase in the fair value of our Preferred Stock liability, partially offset by a $6.7 million one-time payment of accumulated dividends as a result of our redemption of our Preferred Stock liability on June 25, 2024, an $8.2 million adjustment for amortization of an accumulated other comprehensive gain related to our interest rate swap, and $14.6 million for deferred income tax expense.

Cash Flows from Investing Activities

Our investing activities used $23.4 million and $14.9 million of cash to purchase property and equipment in the nine months ended September 30, 2025 and 2024, respectively. The increase is primarily due to our build out of a new facility in Israel.

Cash Flows from Financing Activities

Our financing activities used $13.5 million of cash in the nine months ended September 30, 2025. We paid $3.9 million in principal payments on our 2024 Term Debt, $3.8 million of tax obligations related to the vesting of stock awards and units and $5.7 million for the repurchase and retirement of our common stock under the 2025 Repurchase Program.

Our financing activities provided $40.2 million of cash in the nine months ended September 30, 2024. We received $342.3 million in proceeds, net of $7.7 million of original issue discount, from the issuance of term debt under the 2024 Credit Facility that was established on June 21, 2024 to refinance the 2020 Credit Facility. Also, we had $44.1 million of both borrowings and principal payments under the 2020 Revolving Credit Facility. In conjunction with the establishment of the 2024 Credit Facility, we repaid the 2020 Term Debt amounting to $235.4 million, redeemed all of the outstanding Preferred Stock totaling $56.9 million, and paid $6.0 million in debt issuance costs. Also, we paid $0.9 million in principal payments on our 2024 Term Debt. In addition, we paid $3.0 million of tax obligations related to the vesting of stock awards and units.

The rate at which we consume cash is dependent upon the cash needs of our future operations, including our contractual obligations at September 30, 2025, primarily comprised of our debt principal and interest obligations as described above, and our operating lease and purchase obligations. Our operating lease obligations totaled $102.8 million at September 30, 2025, with payments to be made aggregating $4.6 million in the remainder of 2025, $17.8 million in 2026, $16.5 million in 2027 and $63.9 million thereafter. Estimated payments for purchase obligations for the full year 2025 total approximately $96.2 million. We anticipate devoting substantial capital resources to continue our R&D efforts, to maintain our sales, support and marketing, and for other general corporate activities. We believe that our financial resources, along with managing discretionary expenses, will allow us to manage the ongoing impact of inflation on our business operations. Looking ahead, we have developed contingency plans to reduce costs further if the situation deteriorates.

Based on our current expectations, we believe that our current cash balances and available borrowings under the 2024 Credit Facility will be sufficient to meet our anticipated cash needs for working capital and capital expenditures for at least twelve months from the date of issuance of these financial statements.

Recent Accounting Pronouncements

In September 2025, the Financial Accounting Standards Board (the "FASB") issued ASU 2025-06, *Intangibles-Goodwill and Other- Internal-Use Software (Subtopic 350-40): Targeted Improvements to the Accounting for Internal-Use Software* (“ASU 2025-06”). To clarify how the accounting guidance applies to both linear and nonlinear software development, this standard removes all references to “developments stages” from ASC 350-40. ASU 2025-06 will be effective for us beginning with our 2028 interim and annual financial statements, with early adoption permitted as of the beginning of an annual reporting period. We are currently evaluating the impact of this accounting standard on our consolidated financial statements and related disclosures.

In July 2025, the FASB issued ASU 2025-05, *Financial Instruments-Credit Losses (Topic 326): Measurement of Credit Losses for Accounts Receivable and Contract Assets* (“ASU 2025-05”), which provides a practical expedient related to the estimation of expected credit losses for current accounts receivable and current contract assets that arise from transactions accounted for under ASC 606. In developing reasonable and supportable forecasts as part of estimating expected credit losses, all entities may elect a practical expedient that assumes that current conditions as of the balance sheet date do not change for the remaining life of the asset. ASU 2025-06 will be effective for us beginning with our 2026 interim and annual financial statements, with early adoption permitted. We believe this ASU will have no material impact on our consolidated financial statements.

In November 2024, the FASB issued ASU 2024-03, *Income Statement, Reporting Comprehensive Income: Expense Disaggregation Disclosures (Subtopic 220-40)* (“ASU 2024-03”), which requires disaggregation of certain expense captions into specified categories in disclosures within the footnotes to the financial statements. The objective of this standard is to provide investors with information to better understand a public entity’s performance and prospects for future cash flows, and to compare its performance over time with that of other entities. ASU 2024-03 will be effective for us beginning with our 2027 annual financial statements and interim financial statements thereafter, with early adoption permitted. The adoption of ASU 2024-03 will require us to provide new footnote disclosure about the types of expenses that are included in certain captions on our Statements of Operations, such as Cost of revenue, Research and development, Sales and marketing, and General and administrative.

In December 2023, the FASB issued ASU 2023-09, *Income Taxes (Topic 740): Improvements to Income Tax Disclosures* (“ASU 2023-09”), which increases the disclosure requirements around rate reconciliation information and certain types of income taxes companies are required to pay. ASU 2023-09 will be effective for us beginning with our 2025 annual financial statements. We expect the adoption of the standard will require certain additional income tax disclosure.

Item 3. Quantitative and Qualitative Disclosures About Market Risk

We are exposed to market risk related to changes in interest rates and foreign currency exchange rates. There have been no material changes in market risk from the information provided in Item 7A. Quantitative and Qualitative Disclosures About Market Risk of our Annual Report on Form 10-K, for the year ended December 31, 2024.

Item 4. Controls and Procedures

Disclosure Controls and Procedures

Evaluation of Disclosure Controls and Procedures. Our management, with the participation of our principal executive officer and principal financial officer, evaluated the effectiveness of our disclosure controls and procedures (as defined in Rules 13a-15(e) and 15d-15(e) under the Securities Exchange Act of 1934, as amended (the "Exchange Act")) as of the end of the period covered by this Quarterly Report on Form 10-Q. Based on this evaluation, our principal executive officer and principal financial officer concluded that our disclosure controls and procedures were effective as of September 30, 2025.

Changes in Internal Control over Financial Reporting. There have been no changes in our internal control over financial reporting (as defined in Rules 13a-15(f) and 15d-15(f) under the Exchange Act) during the fiscal quarter ended September 30, 2025 that have materially affected, or are reasonably likely to materially affect, our internal control over financial reporting.

PART II OTHER INFORMATION

Item 1. Legal Proceedings

We are subject to legal proceedings and claims that have not been fully resolved and that have arisen in the ordinary course of business. Our material legal proceedings are described in Part I, Item 1 of this Form 10-Q in the Notes to the Condensed Consolidated Financial Statements in Note 20, "Commitments and Contingencies," under the heading "Contingencies."

The outcome of litigation is inherently uncertain. If one or more legal matters were resolved against the Company in a reporting period for amounts above management's expectations, our financial condition and operating results for that reporting period could be materially adversely affected. We settled certain matters during the nine months ended September 30, 2025 that did not individually or in the aggregate have a material impact on our financial condition or operating results.

Item 1A. Risk Factors

Our business faces significant risks and uncertainties, which may have a material adverse effect on our business prospects, financial condition and results of operations, and you should carefully consider them. There have been no material changes in the nine months ended September 30, 2025 to the risk factors described in Part I, Item 1A. of our Annual Report on Form 10-K for the year ended December 31, 2024.

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

(c) Issuer Purchases of Equity Securities

The following table provides information with respect to the shares of common stock repurchased by us for the periods indicated:

Period	Total Number of Shares Purchased (1)	Average Price Paid per Share	Total Number of Shares Purchased as Part of Publicly Announced Plans or Programs (2)	Approximate Dollar Value of Shares that May Yet be Purchased Under the Plans or Programs (3)
July 1, 2025 to July 31, 2025	7,798	$ 3.94	512,468	$ 45,769,156
August 1, 2025 to August 31, 2025	33,284	$ 3.95	398,624	$ 44,269,368
September 1, 2025 to September 30, 2025	71,487	$ 3.76	—	$ 44,269,368
Total	112,569	$ 3.83	911,092	$ 44,269,368

(1) Upon vesting of restricted stock awards and performance-based stock units, certain of our employees surrender a portion of the newly vested shares of common stock to satisfy the tax withholding obligations that arise in connection with their vesting. During the third quarter of 2025, 112,569 awards and units were surrendered, consisting of 95,847 shares of restricted stock and 16,722 of performance-based stock units.

(2) In June 2025, we announced a stock repurchase program for the period beginning June 5, 2025 through December 31, 2027, under which our Board of Directors authorized the repurchase of up to $50 million of our common stock at management's discretion in the open market, in privately negotiated transactions structured through investment banking institutions, or a combination of the foregoing, (the "2025 Repurchase Program" or the "Repurchase Program"). We used $3.5 million to repurchase 911,092 shares of our common stock under the Repurchase Program during the third quarter of 2025. At September 30, 2025, we had $44.3 million remaining under the Repurchase Program for future repurchases. The amount and timing of repurchases are subject to a variety of factors including liquidity, cash flow, stock price, compliance with our credit facility and general business and market conditions. We may also from time to time, enter into Rule 10b5-1 plans to facilitate repurchases of our shares under this

authorization. The Repurchase Program may be modified, increased, suspended, or discontinued at any time. The Repurchase Program is being funded using cash on hand and cash from operations.

(3) Represents amounts available for repurchases under the Repurchase Program.

Item 5.   Other Information

Cybersecurity Incident Disclosure

In early September 2025, the Company became aware that unauthorized persons, reportedly associated with a nation-state actor, had gained access to the Company's IT network. The Company promptly initiated its incident response plan and began an investigation, containment and remediation effort using multiple third-party cybersecurity experts, including federal law enforcement. While the investigation is ongoing, the Company believes that it has been successful in terminating the unauthorized access by the threat actor.

The Company has preliminarily determined that initial access by the threat actor may have occurred as early as December 2024, with final determinations dependent on completion of the ongoing investigation. As of the date of this quarterly report on Form 10-Q, we are not aware of evidence indicating that the threat actor accessed or exfiltrated any material information. Several customer files saved outside of the main network on two laptops do appear to have been accessed by the threat actor and those customers have been notified by the Company.

As of the date of this quarterly report on Form 10-Q, the Company does not believe that the incident has had a material impact, including on its financial condition or results of operations. As noted above, the Company's investigation into this incident is ongoing and the Company continues to take additional steps to further strengthen its network security. The Company expects to incur additional costs in the fourth quarter of 2025 associated with its continued investigation into this incident, and in network strengthening efforts, however, the Company does not currently expect such costs to be material.

Insider Trading Arrangements

During the three months ended September 30, 2025, none of the Company's directors or officers (as defined in Rule 16a-1(f) of the Securities Exchange Act of 1934) adopted, terminated or modified a Rule 10b5-1 trading arrangement or non-Rule 10b5-1 trading arrangement (as such terms are defined in Item 408 of Regulation S-K of the Securities Act of 1933).

Item 6. Exhibits

Exhibit No.	Description
2.1	Agreement and Plan of Merger, dated as of November 14, 2019, by and among the Registrant, Ribbon Communications Israel Ltd., Eclipse Communications Ltd., ECI Telecom Group Ltd. and ECI Holding (Hungary) Korlátolt Felelősségű Társág (incorporated by reference to Exhibit 2.1 to the Registrant's Current Report on Form 8-K, filed November 14, 2019 with the SEC).
2.2	Amended and Restated Purchase Agreement, dated December 1, 2020, among Ribbon Communications Inc., Ribbon Communications Operating Company, Inc., Ribbon Communications International Limited and American Virtual Cloud Technologies, Inc. (incorporated by reference to Exhibit 2.1 to the Registrant's Current Report on Form 8-K, filed December 7, 2020 with the SEC).
3.1	Restated Certificate of Incorporation of the Registrant (incorporated by reference to Exhibit 3.2 to the Registrant's Current Report on Form 8-K12B, filed October 30, 2017 with the SEC).
3.2	Certificate of Amendment of the Restated Certificate of Incorporation of the Registrant (incorporated by reference to Exhibit 3.1 to the Registrant's Current Report on Form 8-K, filed November 28, 2017 with the SEC).
3.3	Certificate of Designation of Series A Preferred Stock (incorporated by reference to Exhibit 3.1 to the Registrant's Current Report on Form 8-K, filed March 30, 2023 with the SEC).
3.4	Certificate of Amendment of the Restated Certificate of Incorporation of the Registrant (incorporated by reference to Exhibit 3.1 to the Registrant's Current Report on Form 8-K, filed August 4, 2023 with the SEC).
3.5	Certificate of Amendment of the Restated Certificate of Incorporation of the Registrant (incorporated by reference to Exhibit 3.1 to the Registrant's Current Report on Form 8-K, filed May 30, 2025 with the SEC).
3.6	Amended and Restated By-Laws of the Registrant (incorporated by reference to Exhibit 3.3 to the Registrant's Annual Report on Form 10-K, filed March 8, 2018 with the SEC).
4.1	Ribbon Communications Inc. 2025 Incentive Award Plan (incorporated by reference to Appendix C to the Registrant's Definitive Proxy Statement on Schedule 14A, filed April 14, 2025 with the SEC).
4.2	Form of Warrant (incorporated by reference to Exhibit 4.1 to the Registrant's Current Report on Form 8-K, filed March 30, 2023 with the SEC).
31.1*	Certificate of Ribbon Communications Inc. Chief Executive Officer Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.
31.2*	Certificate of Ribbon Communications Inc. Chief Financial Officer Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.
32.1#	Certificate of Ribbon Communications Inc. Chief Executive Officer Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.
32.2#	Certificate of Ribbon Communications Inc. Chief Financial Officer Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.
101.INS*	Inline XBRL Instance Document
101.SCH*	Inline XBRL Taxonomy Extension Schema
101.CAL*	Inline XBRL Taxonomy Extension Calculation Linkbase
101.DEF*	Inline XBRL Taxonomy Extension Definition Linkbase
101.LAB*	Inline XBRL Taxonomy Extension Label Linkbase
101.PRE*	Inline XBRL Taxonomy Extension Presentation Linkbase
104*	Cover Page Interactive Data File (formatted as Inline XBRL and contained in Exhibit 101)

* Filed herewith.

Furnished herewith.

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.

RIBBON COMMUNICATIONS INC.

By: /s/ John Townsend
John Townsend
Executive Vice President and Chief Financial Officer
(Principal Financial Officer)

Date: October 23, 2025

CERTIFICATION

I, Bruce McClelland, certify that:

1. I have reviewed this Quarterly Report on Form 10-Q of Ribbon Communications Inc.;

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

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

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

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

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

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

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

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

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

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

Date: October 23, 2025

/s/ Bruce McClelland
Bruce McClelland
President and Chief Executive Officer
(Principal Executive Officer)

EXHIBIT 31.2

CERTIFICATION

I, John Townsend, certify that:

1. I have reviewed this Quarterly Report on Form 10-Q of Ribbon Communications Inc.;

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

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

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

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

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

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

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

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

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

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

Date: October 23, 2025

/s/ John Townsend

John Townsend
Executive Vice President and Chief Financial Officer
(Principal Financial Officer)

EXHIBIT 32.1

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

In connection with the Quarterly Report on Form 10-Q of Ribbon Communications Inc. (the "Company") for the period ended September 30, 2025 as filed with the Securities and Exchange Commission on the date hereof (the "Report"), the undersigned, Bruce McClelland, President and Chief Executive Officer of the Company, hereby certifies, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that to his knowledge:

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

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

Date: October 23, 2025

/s/ Bruce McClelland
Bruce McClelland
President and Chief Executive Officer
(Principal Executive Officer)

EXHIBIT 32.2

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

In connection with the Quarterly Report on Form 10-Q of Ribbon Communications Inc. (the "Company") for the period ended September 30, 2025 as filed with the Securities and Exchange Commission on the date hereof (the "Report"), the undersigned, John Townsend, Executive Vice President and Chief Financial Officer of the Company, hereby certifies, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that to his knowledge:

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

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

Date: October 23, 2025

/s/ John Townsend
John Townsend
Executive Vice President and Chief Financial Officer
(Principal Financial Officer)