

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

FORM S-1
REGISTRATION STATEMENT
UNDER
THE SECURITIES ACT OF 1933



REDWIRE CORPORATION

(Exact name of registrant as specified in its charter)

Delaware (State or other jurisdiction of incorporation or organization) **3760** (Primary Standard Industrial Classification Code Number) **98-1550429** (I.R.S. Employer Identification No.)

8226 Philips Highway, Suite 101
Jacksonville, Florida 32256
(650) 701-7722

(Address, including zip code, and telephone number, including area code, of registrant's principal executive offices)

Peter Cannito
Chief Executive Officer and Chairman
8226 Philips Highway, Suite 101
Jacksonville, Florida 32256
(650) 701-7722

(Name, address, including zip code, and telephone number, including area code, of agent for service)

Copies to:

Robert M. Hayward, P.C.
Alexander M. Schwartz
Kirkland & Ellis LLP
300 North LaSalle Street
Chicago, Illinois 60654
(312) 862-2000

Approximate date of commencement of proposed sale to the public: From time to time after this Registration Statement becomes effective.

If any of the securities being registered on this Form are to be offered on a delayed or continuous basis pursuant to Rule 415 under the Securities Act of 1933, check the following box:

If this Form is filed to registered additional securities for an offering pursuant to Rule 462(b) under the Securities Act, please check the following box and list the Securities Act registration statement number of the earlier effective registration statement for the same offering.

If this Form is a post-effective amendment filed pursuant to Rule 462(c) under the Securities Act, check the following box and list the Securities Act registration statement number of the earlier effective registration statement for the same offering.

If this Form is a post-effective amendment filed pursuant to Rule 462(d) under the Securities Act, check the following box and list the Securities Act registration statement number of the earlier effective registration statement for the same offering.

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

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

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 7(a)(2)(B) of the Securities Act.

The registrant hereby amends this Registration statement on such date or dates as may be necessary to delay its effective date until the registrant shall file a further amendment which specifically states that this Registration Statement shall thereafter become effective in accordance with Section 8(a) of the Securities act of 1933 or until this Registration Statement shall become effective on such date as the Securities and Exchange Commission, acting pursuant to said Section 8(a), may determine.

EXPLANATORY NOTE

This Registration Statement registers 1,750,000 of common stock, par value \$0.0001 per share, (“Common Stock”) of Redwire Corporation (the “Company”) to be offered for resale by certain selling shareholders (each a “Selling Shareholder” and collectively, the “Selling Shareholders”) and their assignees. The Selling Shareholders acquired their Common Stock in connection with the Company’s acquisition of Techshot, Inc., an Indiana corporation (“Techshot”), pursuant to the Agreement and Plan of Merger (the “Techshot Merger Agreement”), dated as of November 1, 2021, by and among the Company, Project Tin Man Merger Sub, Inc., a Delaware corporation (“Tin Man Merger Sub”), Techshot, John C. Vellinger and Mark S. Deuser as sellers (the “Sellers”), and Mark S. Deuser, as representative for the Sellers (“Sellers’ Representative”).

THE INFORMATION IN THIS PROSPECTUS IS NOT COMPLETE AND MAY BE CHANGED. WE MAY NOT SELL THESE SECURITIES UNTIL THE REGISTRATION STATEMENT FILED WITH THE SECURITIES AND EXCHANGE COMMISSION IS EFFECTIVE. THE PROSPECTUS IS NOT AN OFFER TO SELL THESE SECURITIES NOR A SOLICITATION OF AN OFFER TO BUY THESE SECURITIES IN ANY JURISDICTION WHERE THE OFFER AND SALE IS NOT PERMITTED.

Subject to Completion, Dated June 15, 2022

PRELIMINARY PROSPECTUS

1,750,000 Shares of Common Stock by the Selling Shareholders

This prospectus relates to the offering for resale of up to 1,750,000 shares of Common Stock by the Selling Shareholders. The Common Stock may be offered from time to time by the Selling Shareholders on any stock exchange, market or trading facility on which our shares are traded or in private transactions, at fixed or negotiated prices, through one or more methods or means as described in the section entitled “Plan of Distribution” beginning on page 111 of this prospectus. We will not receive any proceeds from the sale of Common Stock by the Selling Shareholders, but we may incur certain expenses in connection with any offering. We will bear all costs, expenses and fees in connection with the registration of the Common Stock. The Selling Shareholders will bear all commissions and discounts, if any, attributable to their respective sales of the Common Stock.

Our Common Stock is listed on The New York Stock Exchange (“NYSE”) under the symbol “RDW.” On June 8, 2022, the closing sale price of our Common Stock was \$4.22.

We are an “emerging growth company” as defined under U.S. federal securities laws and, as such, have elected to comply with reduced public company reporting requirements. This prospectus complies with the requirements that apply to an issuer that is an emerging growth company. We are incorporated in Delaware.

Investing in our securities involves a high degree of risks. You should review carefully the risks and uncertainties described in the section titled “Risk Factors” beginning on page 10 of this prospectus, and under similar headings in any amendments or supplements to this prospectus.

Neither the Securities and Exchange Commission nor any state securities commission has approved or disapproved of these securities, or passed upon the accuracy or adequacy of this prospectus. Any representation to the contrary is a criminal offense.

The date of this prospectus is _____, 2022.

TABLE OF CONTENTS

ABOUT THIS PROSPECTUS	ii
SPECIAL NOTE REGARDING FORWARD-LOOKING STATEMENTS	iii
PROSPECTUS SUMMARY	1
RISK FACTORS	10
MARKET AND INDUSTRY DATA	42
USE OF PROCEEDS	43
DETERMINATION OF OFFERING PRICE	44
MARKET INFORMATION FOR SECURITIES AND DIVIDEND POLICY	45
MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS	46
BUSINESS	70
MANAGEMENT	83
EXECUTIVE COMPENSATION	91
CERTAIN RELATIONSHIPS AND RELATED PARTY TRANSACTIONS	97
PRINCIPAL SECURITYHOLDERS	100
SELLING SHAREHOLDERS	102
DESCRIPTION OF OUR SECURITIES	103
PLAN OF DISTRIBUTION	111
LEGAL MATTERS	113
EXPERTS	113
WHERE YOU CAN FIND MORE INFORMATION	113
INDEX TO CONSOLIDATED FINANCIAL STATEMENTS	F-1

ABOUT THIS PROSPECTUS

This prospectus is part of a registration statement on Form S-1 that we filed with the Securities and Exchange Commission (the “SEC”) using the “shelf” registration process. Under this shelf registration process, the Selling Shareholders may, from time to time, sell the securities offered by them described in this prospectus. We will not receive any proceeds from the sale by such Selling Shareholders of the securities offered by them described in this prospectus.

Neither we nor the Selling Shareholders have authorized anyone to provide you with any information or to make any representations other than those contained in this prospectus or any applicable prospectus supplement or any free writing prospectuses prepared by or on behalf of us or to which we have referred you. Neither we nor the Selling Shareholders take responsibility for, and can provide no assurance as to the reliability of, any other information that others may give you. Neither we nor the Selling Shareholders will make an offer to sell these securities in any jurisdiction where the offer or sale is not permitted.

We may also provide a prospectus supplement or post-effective amendment to the registration statement to add information to, or update or change information contained in, this prospectus. You should read both this prospectus and any applicable prospectus supplement or post-effective amendment to the registration statement together with the additional information to which we refer you in the sections of this prospectus entitled “Where You Can Find More Information.”

On September 2, 2021, we consummated the business combination (the “Business Combination”) contemplated by that certain Agreement and Plan of Merger, dated as of March 25, 2021 (as amended, supplemented or otherwise modified from time to time, the “Merger Agreement”), by and among Cosmos Intermediate, LLC, a Delaware limited liability company and direct and wholly owned subsidiary of Holdings (“Cosmos”), Genesis Park Acquisition Corp (“GPAC”), Shepard Merger Sub Corporation, a Delaware corporation (“Merger Sub”), a direct and wholly owned subsidiary of GPAC, and AE Red Holdings, LLC, a Delaware limited liability company (“Holdings”), whereby (a) Merger Sub merged with and into Cosmos (the “First Merger”), with Cosmos as the surviving company in the First Merger, and (b) Cosmos merged with and into GPAC (the “Second Merger” and, together with the First Merger, the “Mergers” or the “Merger” and, together with the other transactions contemplated by the Merger Agreement, the “Transactions”), with GPAC as the surviving entity in the Second Merger. In connection with the closing of the Transactions, GPAC domesticated as a Delaware corporation in accordance with Section 388 of the Delaware General Corporation Law and the Companies Act of the Cayman Islands (the “Domestication”) and on September 2, 2021, GPAC changed its name from Genesis Park Acquisition Corp. to Redwire Corporation. In this prospectus, we refer to the Domestication and the Transactions, collectively, as the “Merger.”

On November 1, 2021, we consummated the acquisition of Techshot, Inc., an Indiana corporation (“Techshot”) by that certain Agreement and Plan of Merger (the “Techshot Merger Agreement”), by and among the Company, Project Tin Man Merger Sub, Inc., a Delaware corporation (“Tin Man Merger Sub”), Techshot, John C. Vellinger and Mark S. Deuser as sellers (the “Sellers”), and Mark S. Deuser, as representative for the Sellers (“Sellers’ Representative”).

Unless the context indicates otherwise, references in this prospectus to the “Company,” “Redwire,” “we,” “us,” “our” and similar terms refer to Redwire Corporation and its consolidated subsidiaries.

SPECIAL NOTE REGARDING FORWARD-LOOKING STATEMENTS

This prospectus contains forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995 that involve substantial risks and uncertainties. The forward-looking statements are contained principally in the sections titled “*Prospectus Summary*” “*Risk Factors*,” “*Management’s Discussion and Analysis of Financial Condition and Results of Operations*,” “*Business*” and elsewhere in this prospectus. In some cases, you can identify forward-looking statements by terms such as “anticipate,” “believe,” “continue,” “could,” “estimate,” “expect,” “intend,” “may,” “might,” “objective,” “ongoing,” “plan,” “potential,” “predict,” “project,” “should,” “will” and “would,” or the negative of these terms or other similar expressions intended to identify statements about the future. These statements speak only as of the date of this prospectus and involve known and unknown risks, uncertainties and other important factors that may cause our actual results, performance or achievements to be materially different from any future results, performance or achievements expressed or implied by the forward-looking statements. We have based these forward-looking statements largely on our current expectations and projections about future events and financial trends that we believe may affect our business, financial condition and results of operations. These forward-looking statements include, without limitation, statements about:

Business and Industry Risks

- our limited operating history makes it difficult to evaluate our future prospects and the risks and challenges we may encounter;
- our ability to grow our business depends on the successful development and continued refinement of many of our proprietary technologies, products, and service offerings;
- competition with existing or new companies could cause downward pressure on prices, fewer customer orders, reduced margins, the inability to take advantage of new business opportunities, and the loss of market share;
- our projections of future financial results are based on a number of assumptions by our management, some or all of which may prove to be incorrect, and actual results may differ materially and adversely from such projections;
- if we are unable to successfully integrate recently completed and future acquisitions or successfully select, execute or integrate future acquisitions into the business, our operations and financial condition could be materially and adversely affected;
- the COVID-19 pandemic could continue to adversely affect our business;
- unsatisfactory performance of our products and services could have a material adverse effect on our business, financial condition and results of operations;
- the market for in-space infrastructure services has not been established with precision, is still emerging and may not achieve the growth potential that we expect or may grow more slowly than expected;
- we may in the future invest significant resources in developing new offerings and exploring the application of our technologies for other uses and those opportunities may never materialize;
- we may not be able to convert our orders in backlog into revenue;
- a portion of our business model is related to the in-space manufacture and robotic assembly of space structures, a technology that is still in development and has not been fully validated through in-space deployment and testing;
- our reliance on third-party launch vehicles to launch our spacecraft and customer payloads into space;
- protecting and defending against intellectual property claims could have a material adverse effect on our business;

- data breaches or incidents involving our technology could damage our business, reputation and brand and substantially harm our business and results of operations;
- we are highly dependent on our senior management team and other highly skilled personnel, and if we are not successful in attracting or retaining highly qualified personnel, we may not be able to successfully implement our business strategy;
- we will incur significant expenses and capital expenditures in the future to execute our business plan and we may be unable to adequately control our expenses;
- our ability to successfully implement our business plan will depend on a number of factors outside of our control;
- we may not be able to successfully develop our technology and services;
- we may not be able to adapt to and satisfy customer demands in a timely and cost-effective manner;
- we may not be able to respond to commercial industry cycles in terms of cost structure, manufacturing capacity, and/or personnel needs;
- any delays in the development, design, engineering and manufacturing of our products and services may adversely affect our business, financial condition and results of operations;
- we may be adversely affected by other economic, business, political and/or competitive factors, including inflationary and supply chain pressures;
- the benefits of the Merger may not be realized to the extent currently anticipated by us, or at all. The ability to recognize any such benefits may be affected by, among other things, competition, the ability of us to grow and manage growth profitably, maintain relationships with customers and suppliers and retain our management and key employees;
- the costs related to the Merger could be significantly higher than currently anticipated;

Government Contract Risks

- we are subject to the requirements of the National Industrial Security Program Operating Manual (“NISPOM”) for our facility security clearance, which is a prerequisite to our ability to perform on classified contracts for the U.S. government;
- the U.S. government’s budget deficit and the national debt, as well as any inability of the U.S. government to complete its budget process for any government fiscal year and consequently having to shut down or operate on funding levels equivalent to its prior fiscal year pursuant to a “continuing resolution,” could have an adverse impact on our business, financial condition, results of operations and cash flows;
- we depend significantly on U.S. government contracts, which often are only partially funded, subject to immediate termination, and heavily regulated and audited;

Regulatory Risks

- we are subject to stringent U.S. economic sanctions, and trade control laws and regulations;
- we have government customers, which subjects us to risks including early termination, audits, investigations, sanctions and penalties;
- if we fail to adequately protect our intellectual property rights, our competitive position could be impaired and our intellectual property applications for registration may not be issued or registered;

Public Company Risks

- our management team has limited experience managing a public company;
- we have identified material weaknesses in our internal control over financial reporting that, if not remediated, may not allow us to report our financial condition or results of operations accurately or timely. Additionally, if we were to identify additional material weaknesses or other deficiencies, or otherwise fail to maintain effective internal control over financial reporting, we may not be able to accurately and timely report our financial results, in which case our business may be harmed and investors may lose confidence in the accuracy and completeness of our financial reports;
- we may be unable to meet or maintain stock exchange listing standards;
- substantial future sales or other issuances of our common stock may adversely affect the market price of our common stock;

Debt Related Risks

- our level of indebtedness and the potential need for substantial funding to finance our operations, which may not be available when we need it, on acceptable terms or at all;
- we may require substantial additional funding to finance our operations, but adequate additional financing may not be available when we need it, on acceptable terms or at all;

General Risks

- our operating results may fluctuate significantly, which makes our future operating results difficult to predict and could cause our operating results to fall below expectations or any guidance that we may provide; and
- other risks and uncertainties set forth in this prospectus in the section titled “Risk Factors” beginning on page [10](#).

The foregoing list of risks is not exhaustive. Other sections of this prospectus may include additional factors that could harm our business and financial performance. Moreover, we operate in an evolving environment. New risk factors and uncertainties may emerge from time to time, and it is not possible for management to predict all risk factors and uncertainties. As a result of these factors, we cannot assure you that the forward-looking statements in this prospectus will prove to be accurate. Except as required by applicable law, we do not plan to publicly update or revise any forward-looking statements contained herein, whether as a result of any new information, future events, changed circumstances or otherwise, except as required by law.

Because forward-looking statements are inherently subject to risks and uncertainties, some of which cannot be predicted or quantified and some of which are beyond our control, you should not rely on these forward-looking statements as predictions of future events. Although we believe that we have a reasonable basis for each forward-looking statement contained in this prospectus, the events and circumstances reflected in our forward-looking statements may not be achieved or occur and actual results could differ materially from those projected in the forward-looking statements. You should refer to the section titled “Risk Factors” for a discussion of important factors that may cause our actual results to differ materially from those expressed or implied by our forward-looking statements.

You should read this prospectus and the documents that we reference in this prospectus and have filed as exhibits to the registration statement, of which this prospectus is a part, completely and with the understanding that our actual future results may be materially different from what we expect. We qualify all of our forward-looking statements by these cautionary statements.

In addition, statements that “we believe” and similar statements reflect our beliefs and opinions on the relevant subject. These statements are based upon information available to us as of the date of this prospectus and while we

believe such information forms a reasonable basis for such statements, such information may be limited or incomplete, and such statements should not be read to indicate that we have conducted an exhaustive inquiry into, or review of, all potentially available relevant information. These statements are inherently uncertain and investors are cautioned not to unduly rely upon these statements.

PROSPECTUS SUMMARY

This summary highlights information contained elsewhere in this prospectus and does not contain all of the information that you should consider in making your investment decision. Before investing in our securities, you should carefully read this entire prospectus, including our consolidated financial statements and the related notes thereto and the information set forth in the sections titled "Risk Factors" and "Management's Discussion and Analysis of Financial Condition and Results of Operations."

Overview

Our mission is to accelerate humanity's expansion into space by delivering reliable, economical and sustainable infrastructure for future generations. We offer a broad array of foundational products and services, many of which have been enabling space missions since the 1960s and have been flight-proven on over 160 satellite missions, including high-priority missions and constellations such as the GPS constellation, the International Space Station ("ISS") and Mars Perseverance. We are a leading provider of innovative technologies with the potential to help transform the economics of space and create new markets for its exploration, commercialization and security. One example of this is our patented suite of in-space manufacturing and robotic assembly technologies (referred to herein as on-orbit servicing, assembly and manufacturing, or "OSAM"), which is revolutionizing the approximately \$23 billion satellite manufacturing market in the same way that reusable launch vehicles revolutionized the approximately \$10 billion launch market, per Research and Markets and Allied Market Research, respectively.

We believe the space economy is at an inflection point. The reduction of launch costs by approximately 95% over the last decade has eliminated the single largest economic barrier to entry for the expanded utilization of space, and the increasing cadence of launches provides more flexible, reliable access. This lower cost access has resulted in both the expansion and modernization of traditional national security and civil uses of space and has enticed new commercial entrants to invest substantial capital to develop new space-based business models. Our goal is to provide a full suite of infrastructure solutions, including mission-critical components, services and systems that will contribute to a dramatic expansion of the space-based economy. We believe that our products and services are the foundational building blocks essential to the growth of the space civil, commercial and national security ecosystem now and into the future.

Business Strategy

On-Orbit Servicing, Assembly & Manufacturing

We anticipate that one of the most dramatic disruptions in the space industry will come from OSAM of satellites and other spacecraft. The ability to manufacture in space significantly expands a satellite's capabilities and reduces costs relative to the conventional method of manufacturing and assembling prior to launch. Space infrastructure such as satellite assets manufactured on Earth are designed to survive the acoustic vibrations and acceleration forces that accompany launch and are inherently limited by these design requirements. Space infrastructure manufactured in space may be optimized for the operational environment in orbit and are never exposed to launch conditions. Design optimization for in-space operation allows for improved performance, such as increased power generation via larger solar arrays or higher gain via large-scale antennas than those that can be economically deployed using conventional manufacturing methods.

By mitigating spacecraft volume limitations imposed by launch vehicles, manufacturing in space can also help to significantly reduce the costs of launch. Launch costs depend in part on the mass and volume of the spacecraft. The manufacturing and assembly of large spacecraft structures in orbit reduces spacecraft volume at launch, resulting in decreased launch costs and increased flexibility in launch provider selection, including utilization of smaller launch providers and rideshare programs.

Current OSAM applications include government-funded programs to enable increased small satellite power generation via large deployable solar arrays attached to booms that are 3D printed on-orbit.

Commercial adoption of this technology could be a significant catalyst for growth in the overall space economy, enabling users to put more capability on orbit than state of the art approaches. We believe that OSAM represents a

technological sea change that has the potential to upend traditional space operations. With sustainable in-space solutions, we believe OSAM will enable the next generation of growth in the space industry. Redwire's additive manufacturing intellectual property that is critical to our OSAM solution has been proven in operation on the ISS since 2014 and is protected by our numerous patents.

Additionally, Redwire is developing a robotic arm for space applications. This scalable robotic arm system is expected to meet growing demand for space-capable robotic solutions in mission profiles ranging from lunar surface activities to on-orbit satellite servicing and beyond.

Advanced Sensors & Components

Our technology has been at the forefront of space exploration for decades, providing satellite components that are integral to the mission success of hundreds of low Earth orbit ("LEO"), geosynchronous ("GEO") and interplanetary spacecraft. These are foundational components that are critical to almost every spacecraft deployment. We are combining our new and innovative space technologies with our proven spaceflight heritage to meet the complexity and demands of today's growing and evolving space industry.

Our sensor and component capabilities include the design and manufacture of mission-critical, high reliability technologies serving a wide variety of functions on the spacecraft. Our offerings include solar arrays, composite booms, radio frequency ("RF") antennas, payload adapters, space-qualified camera systems, star trackers and sun sensors.

Space Domain Awareness & Resiliency

The U.S. national security community is increasingly viewing space as a warfighting domain, as evidenced by significant space-based military infrastructure investment such as the National Defense Space Architecture ("NDSA") and the creation of the U.S. Space Force. Advances in potentially adversarial capabilities in space have highlighted the need to improve both the physical and cyber resiliency of U.S. and allied space assets, as well as monitoring of all assets, friendly and potentially hostile, on orbit. In our Space Domain Awareness and Resiliency ("SDA&R") strategic focus area, our core competencies and products support the national security community's space resiliency and situational awareness missions.

Our key offerings in this area include sensor systems for on-orbit monitoring, advanced modeling & simulation, cyber resiliency, asset hardening, robotics, and full satellite solutions leveraging our OSAM capabilities. Our SDA&R portfolio contains a variety of optical instruments that perform situational awareness functions and can be adapted to act as space situational awareness cameras as a primary or secondary payload.

Digitally-Engineered Spacecraft

Digitally-engineered spacecraft are systems that are designed, developed and manufactured on a digital foundation. Model-based engineering and high fidelity digital engineering tools reduce assembly hours by utilizing an end-to-end virtual environment that is capable of producing a near perfect virtual replica of a physical space system, before a physical instance is created. This capability significantly reduces the cost and schedule required to design, develop and deploy spacecraft while also reducing the risk of deployment and the cost of operations and maintenance. Additionally, "digital twins" of individual components, spacecraft and constellations are used to improve cyber resiliency, health and monitoring, operations and maintenance of deployed space assets.

We believe that the U.S. Department of Defense ("DoD") and U.S. Space Force have embraced digital engineering as a foundational technology for the rapid, cost-effective development of their future space architectures. Digital engineering enables the modeling and simulation of future space architectures to provide high fidelity trade analysis, operational concepts and testing. Cyber resiliency is an increasing challenge for deployed space assets. This capability is critical to ensuring future civil, commercial and national security space assets are protected from cyber-based attacks.

Redwire has a proprietary enterprise software suite that enables advanced digital engineering and generation of high fidelity, interactive modeling and simulations of individual components, entire spacecraft and full constellations in a cloud-based Software as a Service (SaaS) business model.

Low-Earth Orbit Commercialization

Our LEO commercialization strategic focus area is developing next-generation capabilities with a goal of developing efficient, commercial services for the ISS and other current and future human spaceflight programs. This focus area includes in-space additive manufacturing, space-based biotechnology applications, space plant and animal science, in-space advanced material manufacturing and support of human exploration, habitation and commercial activities in space.

We created the first permanent commercial manufacturing platform to operate in LEO, the Additive Manufacturing Facility (“AMF”). AMF was developed based on a desire for on-demand local manufacturing that is expected to become a mainstay for mission planning to address critical needs in space. This technology increases the reliability of long-duration missions and makes human spaceflight missions safer by providing crews with additional flexibility in responding to situations that may threaten a mission. The ability for tools to be manufactured on-site, on-demand, allows mission planners to reduce the amount of specialized equipment that must be included during launch, providing maximum flexibility and contingency while reducing costs. Beginning with a small ratchet created on the ISS, we have now manufactured 200+ parts in- space over the past six years and are the only company currently providing commercial 3D printing on the ISS.

Additionally, our in-space manufacturing capabilities and space biotechnology solutions provide the building blocks for a robust commercial space economy building products and solutions for use on Earth. Production of advanced industrial materials and biological materials in microgravity offer performance advantages over comparable products manufactured on Earth. The microgravity environment enables certain space-based products to be created with properties superior to their terrestrial analogue. By identifying advanced manufacturing processes, product development and biotechnology research and development which can leverage the microgravity environment to manufacture high performance materials and groundbreaking biomedical solutions that meet specific industrial and commercial use cases, we believe our approach to space commercialization advances the creation of a space-Earth value chain to spur economic development. We have demonstrated the ability to 3D print biological materials, to manufacture advanced ceramics, fiber optics, crystals and other industrial materials in microgravity.

Products and Solutions

Antennas

Our antenna systems enable space-to-space and space-to-Earth communications. Some form of communications antenna is required for nearly all satellites that are put into orbit. We offer a wide variety of antennas to meet a range of satellite mission requirements. Our Link-16 antenna can be used to facilitate the exchange of tactical imagery from space in near-real time between military aircraft, ships and ground forces. Our antennas also enable the exchange of encrypted messages, imagery data and multiple channels of digital voice communication. We believe this will enable reliable and efficient space-based tactical communications in environments in which it has historically been difficult to conduct communications-intensive operations.

Space-Qualified Sensors

We have a deep heritage in manufacturing space-qualified sensors. Every satellite that goes into orbit requires at least one star tracker, sun sensor and avionics package and we have developed advanced capabilities in these critical subsectors of the space supply chain. We also provide narrow and wide-field-of-view camera systems, in addition to camera systems that are rated for human space flight, to our customers across civil, national security and commercial space.

Structures & Deployables

We provide a variety of deployable space structure offerings to help meet our customers' mission requirements. We believe that our instrument booms are instrumental to the DoD goal of achieving space domain awareness. Our composite instrument booms can allow small satellites ("Smallsats") to deploy high- power solar arrays, large antennas for high data rate communications and large drag augmentation devices for rapid end-of-life deorbiting. We have provided our Roll Out Solar Arrays ("ROSA") technology to the National Aeronautics and Space Administration ("NASA") to upgrade the ISS's solar arrays since 2021. We have also developed rigid solar panels that we expect PlanetQ to use for its HD GPS-RO weather satellite constellation. We also develop cost- effective composite booms that deploy antennas and instruments from Smallsats, enabling a new generation of satellite constellations to provide science measurements and communications from space.

Space-enabled Manufacturing Payloads

Space-enabled manufacturing is a form of in-space manufacturing that leverages microgravity to produce materials with superior performance and broader applications when compared to comparable terrestrial materials. We have a suite of space-enabled manufacturing payloads configured for installation and operation aboard the ISS for demonstrating a variety of advanced manufacturing techniques and facilities with broad applications. We offer payloads capable of additive manufacturing, optical fiber manufacturing, ceramic turbine blisk manufacturing, industrial crystal manufacturing, hybrid metal / polymer manufacturing and more. These techniques may one day have the potential to transform the LEO commercial environment by providing solutions in space for space and in space for Earth.

Space-enabled Biotechnology Payloads

Redwire develops advanced space biotechnology payloads for the purpose of pharmaceutical and medical research and development and human space flight operations and sustainment. For example, the 3D BioFabrication Facility (BFF) and the ADvanced Space Experiment Processor (ADSEP), together comprise the first-ever system capable of manufacturing human tissue in the microgravity condition of space. Utilizing adult human cells (such as pluripotent or stem cells), the system can create viable tissue in space through technology that enables it to precisely place and build ultra-fine layers of bioink — layers that may be several times smaller than the width of a human hair — involving the smallest print tips in existence.

Additionally, we have developed critical biotechnology payloads for the research of musculoskeletal disease, osteoarthritis, regenerative medicine, and space plant/food production.

Cloud-enabled Digital Engineering Enterprise Software Platform

Redwire sells a proprietary enterprise software suite that enables advanced digital engineering and generation of high fidelity, interactive modeling and simulations of individual components, entire spacecraft and full constellations in a cloud-based Software as a Service (SaaS) business model. This software suite supports spacecraft and constellation developers in the design, development, deployment, management, maintenance and cyber protection of their space assets.

Engineering, Support Services, Testing and Operation Solutions

We are a one-stop-shop for mechanism design and manufacturing, power supply design and analysis, project planning and management, control processes, structural and thermal analysis, and system engineering solutions for space-based products and applications. We provide our engineering services at any stage of the design process for our customers, whether it be final testing or initial project schematics. This service offering allows us to introduce customers to our capabilities and demonstrate our ability to help optimize and enable the success of their missions.

Customers and Strategic Partnerships / Relationships

Our product and solution offerings are designed to meet the needs of a wide variety of public and private entities operating in space. We have formalized contracts and strategic partnerships with numerous customers, and we plan to continue pursuing additional agreements and partnerships.

Civil Space Community Relationships

Civilian space agencies currently make up the largest portion of our current revenue base. Projects for these customers are typically meant to gather data for the public's use, advance research objectives, further the exploration and utilization of space, and/or develop new scientific and commercial applications and uses of the space domain. Contracts are primarily fielded by governmental entities that are not funded by defense budgets. Many of these contracts will have a research and demonstration phase which may later convert to full-scale production contracts or commercial opportunities.

NASA

NASA is one of our largest and most long-standing customers. We participate in numerous large, high-profile contracts, our largest by revenue currently being the Archinaut One program, also known as OSAM-2. Our Archinaut One program includes the design, manufacture, test, integration and operation of the first satellite to construct a portion of its own structure on-orbit. The Archinaut One satellite combines our additive manufacturing and robotic assembly capabilities for the construction of large, complex structures in space. We have provided services and products supporting a number of other NASA missions, including sun sensors and star trackers for exploration missions like Perseverance, thermal control solutions for technology demonstrators, camera systems for upcoming human spaceflight missions, and development of various additive manufacturing methods on the ISS.

Luxembourg Space Agency and European Space Agency

We are working with the Luxembourg Space Agency and the European Space Agency to develop a robotic arm for space applications. This scalable robotic arm system is expected to meet growing demand for space-capable robotic solutions in mission profiles ranging from lunar surface activities to on-orbit satellite servicing and beyond.

National Security Community Relationships

We supply a wide variety of technologies and solutions supporting the U.S. and allied countries' national security objectives in space. As space becomes an increasingly contested domain and near peer threats continue to emerge, the DoD has articulated a need for significant investment in both improving the resiliency of existing space assets and the deployment of new, next-generation capabilities.

Commercial Community Relationships

Through our numerous strategic partnerships with large and high-profile commercial customers, we believe that our technologies are enabling the commercialization of LEO and potentially beyond. We view the commercial market opportunity as one with significant growth possibilities as launch costs continue to decrease, making industrial and other commercial pursuits increasingly viable and prolific.

Customer Concentration

The majority of the Company's revenues are derived from government contracts. Refer to Note S of the accompanying notes to the audited consolidated financial statements for further information on sales by major customers and location.

Space Economy Overview

We believe that the space industry is at the dawn of a new economic era driven by significant investment. In addition to government contracting, private capital entering the space market has accelerated its growth. Over the last 10 years, there has been approximately \$253 billion of equity investment across 1,694 space companies per Space Capital (2021 Q4 Analysis). This has led to a wave of new companies reimagining parts of the traditional space industry.

Today's space market is primarily driven by satellite technologies and applications but is quickly expanding to include tangential capabilities such as space tourism, in-space manufacturing, LEO commercialization, deep space exploration and space-based resource extraction. The global space economy generated approximately \$420 billion of

total revenue in 2019 and is expected to grow to an estimated \$2 trillion by 2040, per the Space Report (2020 Q2 Analysis). The rapid deployment of satellite constellations coinciding with an increasingly competitive landscape in the launch industry is creating unprecedented access to space.

Government agencies have realized the value of the private commercial space industry and have become increasingly supportive and reliant on private companies to catalyze innovation and advance national space objectives. In the U.S., this has been evidenced by notable policy initiatives and commercial contractors' growing share of federally funded space activity.

Human Capital

We strive to be the employer of choice in the space community. As of March 31, 2022, we had 612 employees, all of whom are based in the United States and Luxembourg.

We have established and experienced human resources team that is leading this effort. Most of our employees fall into one or more of the following categories: (a) graduates from well-regarded engineering universities with a desire to make a long-term impact, (b) experienced engineers from other aerospace companies who are excited about the ongoing innovation and industry transformations that we believe we are driving, and (c) founders and employees from companies we have acquired. Many of these employees are highly accomplished in their fields and earned advanced degrees in concentrations such as aerospace engineering, mechanical engineering, physics, chemistry, robotics and astronomy.

Summary of Risks:

There are a number of risks related to our business and investing in our securities that you should consider before deciding to invest. You should carefully consider all the information presented in the section entitled "Risk Factors" in this prospectus. Some of the principal risks related to our business include the following:

- our limited operating history makes it difficult to evaluate our future prospects and the risks and challenges we may encounter;
- our ability to grow our business depends on the successful development and continued refinement of many of our proprietary technologies, products, and service offerings;
- competition with existing or new companies could cause downward pressure on prices, fewer customer orders, reduced margins, the inability to take advantage of new business opportunities, and the loss of market share;
- if we are unable to successfully integrate our recently completed and pending acquisitions or successfully select, execute or integrate future acquisitions into the business, our operations and financial condition could be materially and adversely affected;
- matters relating to or arising from our Audit Committee investigation, including regulatory investigations and proceedings, litigation matters, and potential additional expenses, may adversely affect our business and results of operations;
- the COVID-19 pandemic could continue to adversely affect our business;
- unsatisfactory performance of our products and services could have a material adverse effect on our business, financial condition and results of operations;
- the market for in-space infrastructure services has not been established with precision, is still emerging and may not achieve the growth potential that we expect or may grow more slowly than expected;
- we may in the future invest significant resources in developing new offerings and exploring the application of our technologies for other uses and those opportunities may never materialize;
- we may not be able to convert our orders in backlog into revenue;

- a portion of our business model is related to the in-space manufacture and robotic assembly of space structures, a technology that is still in development and has not been fully validated through in- space deployment and testing;
- our reliance on third-party launch vehicles to launch our spacecraft and customer payloads into space;
- we are subject to the requirements of the NISPOM for our facility security clearance, which is a prerequisite to our ability to perform on classified contracts for the U.S. government;
- the U.S. government’s budget deficit and the national debt, as well as any inability of the U.S. government to complete its budget process for any government fiscal year and consequently having to shut down or operate on funding levels equivalent to its prior fiscal year pursuant to a “continuing resolution,” could have an adverse impact on our business, financial condition, results of operations and cash flows;
- we depend significantly on U.S. government contracts, which often are only partially funded, subject to immediate termination, and heavily regulated and audited;
- we are subject to stringent U.S. economic sanctions, and trade control laws and regulations;
- we have government customers, which subjects us to risks including early termination, audits, investigations, sanctions and penalties;
- if we fail to adequately protect our intellectual property rights, our competitive position could be impaired and our intellectual property applications for registration may not be issued or registered;
- our management team has limited experience managing a public company;
- if we were to identify additional material weaknesses or other deficiencies, or otherwise fail to maintain effective internal control over financial reporting, we may not be able to accurately and timely report our financial results, in which case our business may be harmed and investors may lose confidence in the accuracy and completeness of our financial reports;
- our level of indebtedness and the potential need for substantial funding to finance our operations, which may not be available when we need it, on acceptable terms or at all;
- we may require substantial additional funding to finance our operations, but adequate additional financing may not be available when we need it, on acceptable terms or at all; and
- our operating results may fluctuate significantly, which makes our future operating results difficult to predict and could cause our operating results to fall below expectations or any guidance we may provide.

Implications of Being an Emerging Growth Company and Smaller Reporting Company

We are an “emerging growth company” as defined in Section 2(a) of the Securities Act, and have elected to take advantage of the benefits of the extended transition period for new or revised financial accounting standards. We expect to use this extended transition period for complying with new or revised accounting standards that have different effective dates for public and non-public companies until the earlier of the date we (i) are no longer an emerging growth company or (ii) affirmatively and irrevocably opt out of the extended transition period provided in the JOBS Act. This may make it difficult or impossible to compare our financial results with the financial results of another public company that is either not an emerging growth company or is an emerging growth company that has chosen not to take advantage of the extended transition period exemptions because of the potential differences in accounting standards used.

In addition, we intend to rely on the other exemptions and reduced reporting requirements provided by the JOBS Act. Subject to certain conditions set forth in the JOBS Act, if, as an emerging growth company, we intend to rely on such exemptions, we are not required to, among other things: (a) provide an auditor’s attestation report on our system of internal control over financial reporting pursuant to Section 404(b) of the Sarbanes-Oxley Act; (b)

provide all of the compensation disclosure that may be required of non-emerging growth public companies under the Dodd-Frank Wall Street Reform and Consumer Protection Act; (c) comply with any requirement that may be adopted by the Public Company Accounting Oversight Board regarding mandatory audit firm rotation or a supplement to the auditor's report providing additional information about the audit and the consolidated financial statements (auditor discussion and analysis); and (d) disclose certain executive compensation-related items such as the correlation between executive compensation and performance and comparisons of the Chief Executive Officer's compensation to median employee compensation.

We are also a "smaller reporting company" as defined by Rule 12b-2 of the Exchange Act. We may continue to be a smaller reporting company even after we are no longer an emerging growth company. We may take advantage of certain of the scaled disclosures available to smaller reporting companies and will be able to take advantage of these scaled disclosures for so long as the market value of our voting and non-voting Common Stock held by non-affiliates is less than \$250.0 million measured on the last business day of our second fiscal quarter, or our annual revenue is less than \$100.0 million during the most recently completed fiscal year and the market value of our voting and non-voting Common Stock held by non-affiliates is less than \$700.0 million measured on the last business day of our second fiscal quarter.

Corporate Information

Our principal executive offices are located at 8226 Philips Highway, Suite 101, Jacksonville, Florida 32256 and our telephone number is (650) 701-7722. Our corporate website address is www.redwirespace.com/. Information contained on or accessible through our website is not a part of this prospectus, and the inclusion of our website address in this prospectus is an inactive textual reference only.

"Redwire" and our other registered and common law trade names, trademarks and service marks are property of Redwire Corporation. This prospectus contains additional trade names, trademarks and service marks of others, which are the property of their respective owners. Solely for convenience, trademarks and trade names referred to in this prospectus may appear without the ® or ™ symbols.

Recent Developments

On April 14, 2022, Redwire entered into a committed equity facility governed by a Common Stock Purchase Agreement (the "Purchase Agreement") and a Registration Rights Agreement (the "Registration Rights Agreement"), each of which were entered into between Redwire and B. Riley Principal Capital, LLC ("B. Riley"). Pursuant to the Purchase Agreement, the Company has the right to sell to B. Riley, up to the lesser of (i) \$80,000,000 of newly issued shares of Common Stock, and (ii) the Exchange Cap (as defined in the Purchase Agreement) (subject to certain conditions and limitations), from time to time during the term of the Purchase Agreement. Sales of Common Stock pursuant to the Purchase Agreement, and the timing of any sales, are solely at the option of the Company, and the Company is under no obligation to sell any securities to B. Riley under the Purchase Agreement.

THE OFFERING

Shares of Common Stock offered by the Selling Shareholders	Up to 1,750,000 shares
Shares of Common Stock outstanding	63,240,810 shares (as of June 8, 2022).
Use of proceeds	We will not receive any proceeds from the sale of shares of Common Stock by the Selling Shareholders. See the section titled "Use of Proceeds."
Market for Common Stock	Our Common Stock is currently traded on the NYSE under the symbol "RDW"
Risk Factors	See the section titled "Risk Factors" and the other information included in this prospectus for a discussion of factors you should consider carefully before deciding to invest in our Common Stock.

RISK FACTORS

Investing in our Common Stock involves a high degree of risk. Before you make a decision to buy our Common Stock, in addition to the risks and uncertainties discussed above under the section titled “Special Note Regarding Forward-Looking Statements,” you should carefully consider the risks and uncertainties described below together with all of the other information contained in this prospectus, including our financial statements and related notes appearing at the end of this prospectus and in the section titled “Management’s Discussion and Analysis of Financial Condition and Results of Operations,” before deciding to invest in our securities. If any of the events or developments described below were to occur, our business, prospects, operating results and financial condition could suffer materially, the trading price of our Common Stock could decline and you could lose all or part of your investment. The risks and uncertainties described in this prospectus are not the only risks and uncertainties that we face. Additional risks and uncertainties not presently known to us or that we currently believe to be immaterial may also adversely affect our business.

Risks Relating to the Company’s Business and Industry

Our limited operating history makes it difficult to evaluate our future prospects and the risks and challenges we may encounter.

Our limited operating history makes it difficult to evaluate our future prospects and the risks and challenges we may encounter. Risks and challenges we have faced or expect to face include our ability to:

- forecast our revenue and budget for and manage our expenses;
- attract new customers and retain existing customers;
- effectively manage our growth and business operations, including planning for and managing capital expenditures for our current and future space and space-related systems and services, managing
- our supply chain and supplier relationships related to our current and future product and service offerings, and integrating acquisitions;
- comply with existing and new or modified laws and regulations applicable to our business, including the impact of Small Business Innovation Research and other small business set aside ineligibility of newly acquired entities;
- anticipate and respond to macroeconomic changes and changes in the markets in which we operate;
- maintain and enhance the value of our reputation and brand;
- develop and protect intellectual property; and
- hire, integrate and retain talented people at all levels of our organization.

If we fail to address the risks and difficulties that we face, including those associated with the challenges listed above as well as those described elsewhere in this “Risk Factors” section, our business, financial condition and results of operations could be adversely affected. Further, because we have limited historical financial data and operate in a rapidly evolving market, any predictions about our future revenue and expenses may not be as accurate as they would be if we had a longer operating history or operated in a more developed market. We have encountered in the past, and will encounter in the future, risks and uncertainties frequently experienced by growing companies with limited operating histories in rapidly changing industries. If our assumptions regarding these risks and uncertainties, which we use to plan and operate our business, is incorrect or changes or if we do not address these risks successfully, our results of operations could differ materially from our expectations and our business, financial condition and results of operations could be adversely affected.

Our ability to grow our business depends on the successful development and continued refinement of many of our proprietary technologies, products, and service offerings, which are subject to many uncertainties, some of which are beyond our control.

The market for our products and services is characterized by rapid change and technological improvements. Failure to respond in a timely and cost-effective way to these technological developments would result in serious harm to our business and operating results. We have derived, and we expect to continue to derive, a substantial portion of our revenues from providing innovative products, engineering services and manufacturing and technical solutions that are based upon today's leading technologies and that are capable of adapting to future technologies. As a result, our success will depend, in part, on our ability to develop and market product and service offerings that respond in a timely manner to the technological advances of our customers, evolving industry standards and changing customer preferences. We may not be successful in identifying, developing and marketing products or systems that respond to rapid technological change, evolving technical standards and systems developed by others.

We believe that, in order to remain competitive in the future, we will need to continue to invest significant financial resources to develop new offerings and technologies or to adapt or modify our existing offerings and technologies, including through internal research and development, acquisitions and joint ventures or other teaming arrangements. These expenditures could divert our attention and resources from other projects, and we cannot be sure that these expenditures will ultimately lead to the timely development of new offerings and technologies or identification of and expansion into new markets. Due to the design complexity of our products, we may, in the future, experience delays in completing the development and introduction of new products. Any delays could result in increased costs of development or deflect resources from other projects. In addition, there can be no assurance that the market for our products will develop or continue to expand or that we will be successful in newly identified markets as we currently anticipate. If we are unable to achieve sustained growth, we may be unable to execute our business strategy, expand our business or fund other liquidity needs and our business prospects, financial condition and results of operations could be materially and adversely affected. Furthermore, we cannot be sure that our competitors will not develop competing technologies that gain market acceptance in advance of our products.

We also rely on our customers to fund/co-fund development of new offerings and technologies. If our customers reduce their investments, that may impact our ability to bring new products and services to market and/or increase the investment that is necessary for the Company to make in order to remain competitive, either of which could have a material adverse effect on our business, results of operations and financial condition.

Additionally, the possibility exists that our competitors might develop new technology or offerings that might cause our existing technology and offerings to become obsolete. If we fail in our new product development efforts or our products or services fail to achieve market acceptance more rapidly as compared to our competitors, our ability to procure new contracts could be negatively impacted, which could negatively impact our results of operations and financial condition.

Competition from existing or new companies could cause us to experience downward pressure on prices, fewer customer orders, reduced margins, the inability to take advantage of new business opportunities, and the loss of market share.

We operate in highly competitive markets and generally encounter intense competition to win contracts from many other firms, including lower and mid-tier federal contractors with specialized capabilities, large defense contractors and the federal government. Additionally, our markets are facing increasing industry consolidation, resulting in larger competitors who have more market share putting more downward pressure on prices and offering a more robust portfolio of products and services. We are subject to competition based upon product design, performance, pricing, quality, and services. Our product performance, engineering expertise, and product quality have been important factors in our growth. While we try to maintain competitive pricing on those products that are directly comparable to products manufactured by others, in many instances our products will conform to more exacting specifications and carry a higher price than analogous products. Many of our customers and potential customers have the capacity to design and internally manufacture products that are similar to our products. We face competition from research and product development groups and the manufacturing operations of current and potential customers, who continually evaluate the benefits of internal research, product development, and

manufacturing versus outsourcing. Our defense prime contractor customers could decide to pursue one or more of our product development areas as a core competency and in-source that technology development and production rather than purchase that capability from us as a supplier. This competition could result in fewer customer orders and a loss of market share.

Our primary competitors for satellite manufacturing contracts include Blue Canyon Technologies, Inc., York Space Systems and Tyvak Nano-Satellite Systems, Inc. We may also face competition in the future from emerging low-cost competitors in Europe, India, Russia and China. Competition in our guidance, navigation and control business is highly diverse, and while our competitors offer different products, there is often competition for contracts that are part of governmental budgets. Our major existing and potential competitors for our guidance, navigation and control business include Ball Aerospace & Technologies Corp., Space Micro Inc. and Bradford Space Inc. Our major existing competitor for our deployables business is Northrop Grumman Corporation and M.M.A. Design, LLC and our major and existing competitors for in-space manufacturing are Amergint Technologies and Maxar Technologies.

In addition, some of our foreign competitors currently benefit from, and others may benefit in the future from, protective measures by their home countries where governments are providing financial support, including significant investments in the development of new technologies. Government support of this nature greatly reduces the commercial risks associated with aerospace technology development activities for these competitors. This market environment may result in increased pressures on our pricing and other competitive factors.

We believe our ability to compete successfully in designing, engineering and manufacturing our products and services at significantly reduced cost to customers does and will depend on a number of factors, which may change in the future due to increased competition, our ability to meet our customers' needs and the frequency and availability of our offerings. If we are unable to compete successfully, our business, financial condition and results of operations would be adversely affected.

As part of growing our business, we have and may make acquisitions. If we fail to successfully select, execute or integrate our acquisitions, then our business, results of operations and financial condition could be materially adversely affected, and our stock price could decline.

Since our inception in 2020, we have made a number of acquisitions and, to date, we have limited experience operating such acquisitions, having begun the integration of acquired technology and personnel only recently. Failure to successfully identify, complete, manage and integrate acquisitions, including the acquisitions that we have made since our inception could materially and adversely affect our business, financial condition and results of operations and could cause the Company's stock price to decline.

From time to time, we may undertake acquisitions to add new products and technologies, acquire talent, gain new sales channels or enter into new markets or sales territories. In addition to possible stockholder approval, we may need approvals and licenses from relevant government authorities for the acquisitions and to comply with any applicable laws and regulations, and a failure to obtain such approvals and licenses could result in delays and increased costs, and may disrupt our business strategy. Furthermore, acquisitions and the subsequent integration of new assets, businesses, key personnel, customers, vendors and suppliers require significant attention from our management and could result in a diversion of resources from our existing business, which in turn could have an adverse effect on our operations. Acquired assets or businesses may not generate the financial results we expect. Acquisitions could result in the use of substantial amounts of cash, potentially dilutive issuances of equity securities and exposure to potential unknown liabilities of the acquired business. Moreover, the costs of identifying and consummating acquisitions may be significant.

Any acquisitions, partnerships or joint ventures that we enter into could disrupt our operations and have a material adverse effect on our business, financial condition and results of operations.

From time to time, we may evaluate potential strategic acquisitions of businesses, including partnerships or joint ventures with third parties. We may not be successful in identifying acquisition, partnership and joint venture candidates. In addition, we may not be able to continue the operational success of such businesses or successfully finance or integrate any businesses that we acquire or with which we form a partnership or joint venture. We may

have potential write-offs of acquired assets and/or an impairment of any goodwill recorded as a result of acquisitions. Furthermore, the integration of any acquisition may divert management's time and resources from our core business and disrupt our operations or may result in conflicts with our business. Any acquisition, partnership or joint venture may not be successful, may reduce our cash reserves, may negatively affect our earnings and financial performance and, to the extent financed with the proceeds of debt, may increase our indebtedness. Further, depending on market conditions, investor perceptions of the Company and other factors, we might not be able to obtain financing on acceptable terms, or at all, to implement any such transaction. We cannot ensure that any acquisition, partnership or joint venture we make will not have a material adverse effect on our business, financial condition and results of operations.

We may not be able to maintain or increase profitability or positive cash flow.

We expect our operating expenses to increase over the next several years as we scale our operations, increase research and development efforts relating to new offerings and technologies, and hire more employees. These efforts may be more costly than we expect and may not result in increased revenue or growth in our business. Any failure to increase our revenue sufficiently to keep pace with our investments and other expenses could prevent us from maintaining or increasing profitability or positive cash flow. Furthermore, if our future growth and operating performance fail to meet investor or analyst expectations, or if we have future negative cash flow or losses resulting from expanding our operations, this could have a material adverse effect on our business, financial condition and results of operations.

Matters relating to or arising from our Audit Committee investigation, including regulatory investigations and proceedings, litigation matters, and potential additional expenses, may adversely affect our business and results of operations. We may also become involved in litigation from time to time that may materially adversely affect us.

On November 5, 2021, the Company was notified of potential accounting issues with a business unit by an employee in connection with his resignation. Management promptly informed the independent Audit Committee and its independent registered public accounting firm. The timing of the investigation prevented the timely filing of our Quarterly Report on Form 10-Q for the quarter ended September 30, 2021. The Audit Committee promptly engaged independent, external legal and accounting firms to complete an independent investigation. After completing its investigation, the Audit Committee concluded that the potential issues raised by the former employee did not require a restatement or adjustment of the Company's previously issued consolidated financial statements relating to any prior periods. Additionally, there were no modifications to any previously announced Non-GAAP financial information previously disclosed by the Company. However, the results of the investigation confirmed the existence of previously identified internal control deficiencies as well as identified certain additional internal control deficiencies. Please refer to Item 9A of our Annual Report on Form 10-K, filed with the SEC on April 11, 2022, Controls and Procedures for additional information related to matters that were determined to represent material weaknesses in internal control over financial reporting. The Company self-reported this matter to the SEC on November 8, 2021 and intends to continue to cooperate with any requests from the SEC.

On December 17, 2021, the Company, our CEO, Peter Cannito, and, our former CFO, William Read, were named as defendants in a putative class action complaint filed in the United States District Court for the Middle District of Florida. In the complaint, the plaintiff alleges that the Company and certain of its directors and officers made misleading statements and/or failed to disclose material facts about the Company's business, operations, and prospects, allegedly in violation of Section 10(b) (and Rule 10b-5 promulgated thereunder) and Section 20(a) of the Exchange Act. As relief, the plaintiffs are seeking, among other things, compensatory damages. The defendants believe the allegations are without merit and intend to defend the suit vigorously. However, given the early stage of the proceedings, a reasonable estimate of the amount of any possible loss or range of loss cannot be made at this time.

On May 25, 2022, a plaintiff commenced derivative litigation in the United States District Court for the District of Delaware on behalf of the Company against Peter Cannito, Les Daniels, Reggie Brothers, Joanne Isham, Kirk Konert, Jonathan Baliff, and John S. Bolton. The complaint's allegations are similar to those of the class action lawsuit filed in December 2021, namely, that statements about Redwire's business and operations were misleading

due to alleged material weaknesses in the Company's financial reporting internal controls. The plaintiff alleges the defendants violated Section 10(b) (and Rule 10b-5 promulgated thereunder) of the Securities Exchange Act of 1934, breached their fiduciary duties by allowing misleading disclosures to be made, and caused the Company to overpay compensation and bonuses tied to the Company's financial performance. As relief, the plaintiffs are seeking, among other things, compensatory and punitive damages. The defendants believe the allegations are without merit and intend to defend the suit vigorously. However, given the early stage of the proceedings, a reasonable estimate of the amount of any possible loss or range of loss cannot be made at this time.

From time to time, we have also become and may in the future be involved in legal proceedings relating to various matters, including intellectual property, commercial, employment, class action, whistleblower and other litigation and claims, as well as governmental and other regulatory investigations and proceedings.

Litigation and governmental and regulatory investigations and proceedings are time-consuming, and may divert management's attention and resources, cause us to incur significant expenses or liability or require us to change our business practices. Because of the potential risks, expenses and uncertainties of litigation, we may, from time to time, settle disputes, even where we believe that we have meritorious claims or defenses. Because litigation and governmental and regulatory investigations and proceedings are inherently unpredictable, we cannot assure you that the results of any of these actions will not have a material adverse effect on our business.

The COVID-19 pandemic, has and may continue to adversely affect our business.

The global spread of COVID-19 has disrupted certain aspects of our operations and may adversely impact our business operations and financial results, including our ability to execute on our business strategy and goals. Specifically, the continued spread of COVID-19 and related precautionary measures have resulted in delays or disruptions in our supply chain; delays in the launch or execution of certain of our customers' projects; and a decrease of our operational efficiency in the development of our systems, products, technologies and services. We continue to take measures within our facilities to ensure the health and safety of our employees, which include the creation of a task force to implement COVID-19 protocols in compliance with federal, state and local recommendations, encouraging masking and vaccination, rearranging facilities and work schedules to follow social distancing protocols and undertaking regular and thorough disinfecting of surfaces and tools. However, there can be no assurances that these measures will prevent disruptions due to COVID-19 within our workforce. These measures have also resulted in the reduction of operational efficiency within our impacted workforce, and we expect they will continue to do so.

The pandemic has also resulted in, and may continue to result in, significant disruption and volatility of global financial markets. This disruption and volatility may adversely impact our ability to access capital, which could in the future negatively affect our liquidity and capital resources. Given the rapid and evolving nature of the impact of the virus, responsive measures taken by governmental authorities and the continued uncertainty about its impact on society and the global economy, we cannot predict the extent to which it will affect our operations, particularly if these impacts persist or worsen over an extended period of time. To the extent COVID-19 adversely affects our business operations and financial results, it may also have the effect of heightening many of the other risks described in this "Risk Factors" section.

Adverse publicity stemming from any incident involving us, our customers, users of our products and services, other operators in the space sector or our competitors could have a material adverse effect on our business, financial condition and results of operations.

We are at risk of adverse publicity stemming from any public incident involving our company, our customers, users of our products and services, other operators in the space sector, our competitors, our people or our brand. If certain of our products and services are sold to customers, and such customers were to be involved in a public incident, accident or catastrophe this could create an adverse public perception of spaceflight and result in decreased customer demand for spaceflight experiences, which could cause a material adverse effect on our business, financial conditions and results of operations. The insurance we carry may be inapplicable or inadequate to cover any such incident, accident or catastrophe. In the event that our insurance is inapplicable or not adequate, we may be forced to bear substantial losses from any such incident, accident or catastrophe.

If we are unable to adapt to and satisfy customer demands in a timely and cost-effective manner, our ability to grow our business may suffer.

The success of our business depends in part on effectively designing, producing and engineering developmental technologies related to satellites and space structures, testing of sensors and cameras/trackers used in space and satellite applications, providing engineering services and aerospace product development and developing products for deployable structure systems, thermal management systems and advanced manufacturing in the aerospace industry. If for any reason we are unable to continue to manufacture, design and develop technologies as planned or provide the services and products that our customers expect from us, this could have a material adverse effect on our business, financial condition and results of operations. If our current or future product and service offerings do not meet expected performance or quality standards, including with respect to customer safety and satisfaction, this could cause operational delays. In addition, any delay in manufacturing new products as planned could increase costs and cause our products and services to be less attractive to potential new customers. Further, certain government bodies may have priority with respect to the use of our products and services for national defense reasons, which may impact our cadence of producing and selling products and services to other customers. Any production, operational or manufacturing delays or other unplanned changes to our ability to design, develop and manufacture our products or offer our services could have a material adverse effect on our business, financial condition and results of operations.

Our business involves significant risks and uncertainties that may not be covered by insurance or indemnity.

A significant portion of our business relates to designing, developing, engineering and manufacturing advanced space technology products and systems. New technologies may be untested or unproven. Failure of some of these products and services could result in extensive property damage. Accordingly, we may incur liabilities that are unique to our products and services.

We endeavor to obtain insurance coverage from established insurance carriers to cover these risks and liabilities consistent with industry norms. However, the amount of insurance coverage that we maintain may not be adequate to cover all claims or liabilities. Existing coverage may be canceled while we remain exposed to the risk and it is not possible to obtain insurance to protect against all operational risks, natural hazards and liabilities.

We have historically insured certain of our products to the extent that insurance was available on acceptable premiums and other terms. The insurance proceeds received in connection with a partial or total loss of the functional capacity of certain of our products would not be sufficient to cover the replacement cost, if we choose to do so, of such products. In addition, this insurance will not protect us against all losses to our products due to specified exclusions, deductibles and material change limitations and it may be difficult to insure against certain risks, including on orbit performance of an overall system or portion of such a system. In addition, problems and delays in development or delivery as a result of issues with respect to design, technology, licensing and patent rights, labor, learning curve assumptions or materials and components could prevent us from achieving contractual requirements. In many circumstances, we may receive indemnification from the U.S. government. We generally do not receive indemnification from foreign governments.

The price and availability of insurance fluctuate significantly. Although we have historically been able to obtain insurance coverage, we cannot guarantee that we will be able to do so in the future. Any determination we make as to whether to obtain insurance coverage will depend on a variety of factors, including the availability of insurance in the market, the cost of available insurance and other factors. Insurance market conditions or factors outside our control at the time we are in the market for the required insurance, such as unrelated launch failures and on-orbit failures, could cause premiums to be significantly higher than current estimates and could reduce amounts of available coverage. The cost of our insurance has been increasing and may continue to increase. Higher premiums on insurance policies will reduce our operating income by the amount of such increased premiums. If the terms become less favorable than those currently available, there may be limits on the amount of coverage that we can obtain or we may not be able to obtain insurance at all.

In addition, any accident or incident for which we are liable, even if fully insured, could negatively affect our standing with our customers and the public, thereby making it more difficult for us to compete effectively, and could

significantly impact the cost and availability of adequate insurance in the future. Any disruption of our ability to operate our business could result in a material decrease in our revenues or significant additional costs to replace, repair or insure our assets, which could have a material adverse impact on our financial condition and results of operations.

If we fail to respond to commercial industry cycles in terms of our cost structure, manufacturing capacity, and/or personnel needs, our business could be seriously harmed.

The timing, length, and severity of the up-and-down cycles in the commercial space, defense, space and space related industries are difficult to predict. The cyclical nature of the industries in which we operate affects our ability to accurately predict future revenue, and in some cases, future expense levels. During down cycles in our industry, the financial results of our customers may be negatively impacted, which could result not only in a decrease in orders but also a weakening of their financial condition that could impair our ability to recognize revenue or to collect on outstanding receivables. When cyclical fluctuations result in lower than expected revenue levels, operating results may be adversely affected and cost reduction measures may be necessary in order for us to remain competitive and financially sound. We must be in a position to adjust our cost and expense structure to reflect prevailing market conditions and to continue to motivate and retain our key employees. If we fail to respond, then our business could be seriously harmed. In addition, during periods of rapid growth, we must be able to increase engineering and manufacturing capacity and personnel to meet customer demand. We can provide no assurance that these objectives can be met in a timely manner in response to industry cycles. Each of these factors could adversely impact our operating results and financial condition.

Any delays in the development, design, engineering and manufacturing of our products and services may adversely impact our business, financial condition and results of operations.

We have previously experienced, and may experience in the future, delays or other complications in the design, manufacture, production, delivery and servicing ramp of our systems, products, technologies, services, and related technology, including on account of the global COVID-19 health crisis. If delays like this arise or recur, if our remediation measures and process changes do not continue to be successful or if we experience issues with planned manufacturing improvements or design and safety, we could experience issues or delays in increasing production further.

If we encounter difficulties in scaling our delivery or servicing capabilities, if we fail to develop and successfully commercialize our products and services, if we fail to develop such technologies before our competitors, or if such technologies fail to perform as expected, are inferior to those of our competitors or are perceived to offer less mission assurance than those of our competitors, our business, financial condition and results of operations could be materially and adversely impacted.

Unsatisfactory performance of our products and services could have a material adverse effect on our business, financial condition and results of operation.

We manufacture, design and engineer highly sophisticated systems, products, technologies and services and offer onsite engineering services and aerospace product development that depends on complex technology. While we have built operational processes to ensure that the design, manufacture, performance and servicing meet rigorous performance goals, there can be no assurance that we will not experience operational or process failures and other problems, including through manufacturing or design defects, operator error, cyber-attacks or other intentional acts, that could result in potential safety risks. Any actual or perceived safety or mission assurance issue may result in significant reputational harm to our businesses, in addition to tort liability, maintenance, increased mission assurance infrastructure and other costs that may arise. Such issues with our products and services could result in our customers' delaying or cancelling planned missions, increased regulation or other systemic consequences. Our inability to meet our mission assurance standards or adverse publicity affecting our reputation as a result of accidents, mechanical failures, damages to customer property could have a material adverse effect on our business, financial condition and results of operation.

Our results of operations and cash flows are substantially affected by our mix of fixed-price, cost-plus and time- and-material type contracts. Our profits may decrease and/or we may incur significant unanticipated costs if we do not accurately estimate the costs of these engagements.

We generate revenue through various fixed-price, cost-plus and time-and-material contracts. A significant number of our arrangements with our customers are on fixed-price contracts, rather than contracts in which payment to us is determined on a time and materials or other basis. These fixed-price contracts allow us to benefit from cost savings, but subject us to the risk of potential cost overruns, particularly for firm fixed-price contracts because we assume all of the cost burden. If our initial estimates are incorrect, we can lose money on these contracts. U.S. government contracts can expose us to potentially large losses because the U.S. government can hold us responsible for completing a project or, in certain circumstances, paying the entire cost of its replacement by another provider regardless of the size or foreseeability of any cost overruns that occur over the life of the contract. Because many of these contracts involve new technologies and applications and can last for years, unforeseen events, such as technological difficulties, fluctuations in the price of raw materials, a significant increase in inflation in the U.S. or other countries, problems with our suppliers and cost overruns, can result in the contractual price becoming less favorable or even unprofitable to us over time. Our failure to estimate accurately the resources and schedule required for a project, or our failure to complete our contractual obligations in a manner consistent with the project plan upon which our fixed-price contract was based, could adversely affect our overall profitability and could have a material adverse effect on our business, financial condition, and results of operations. We are consistently entering into contracts for large projects that magnify this risk. We have been required to commit unanticipated additional resources to complete projects in the past, which has occasionally resulted in losses on those contracts. We could experience similar situations in the future. In addition, we may fix the price for some projects at an early stage of the project engagement, which could result in a fixed price that is too low.

Therefore, any changes from our original estimates could adversely affect our business, financial condition, and results of operations.

Our cash flow and profitability could be reduced if expenditures are incurred prior to the final receipt of a contract.

We provide various professional services, specialized products, and sometimes procure equipment and materials on behalf of our customers under various contractual arrangements. From time to time, in order to ensure that we satisfy our customers' delivery requirements and schedules, we may elect to initiate procurement in advance of receiving final authorization from the government customer or a prime contractor. In addition, from time to time, we may build production units in advance of receiving an anticipated contract award. If our government or prime contractor customer's requirements should change or if the government or the prime contractor should direct the anticipated procurement to another contractor, or if the anticipated contract award does not materialize, or if the equipment or materials become obsolete or require modification before we are under contract for the procurement, our investment in the equipment or materials might be at risk if we cannot efficiently resell them. This could reduce anticipated earnings or result in a loss, negatively affecting our cash flow and profitability.

Our products are complex, and undetected defects may increase our costs, harm our reputation with customers or lead to costly litigation.

Our products are extremely complex and must operate successfully with complex products of our customers and their other vendors. Our products may contain undetected errors when first introduced or as we introduce product upgrades. The pressures we face to be the first to market new products or functionality and the elapsed time before our products are integrated into our customers' systems increases the possibility that we will offer products in which we or our customers later discover problems. We have experienced new product and product upgrade errors in the past and expect similar problems in the future. These problems may cause us to incur significant warranty costs and costs to support our service contracts and divert the attention of personnel from our product development efforts. Also, hostile third parties or nation states may try to install malicious code or devices into our products or software. Undetected errors may adversely affect our product's ease of use and may create customer satisfaction issues. If we are unable to repair these problems in a timely manner, we may experience a loss of or delay in revenue and significant damage to our reputation and business prospects. Many of our customers rely upon our products for

mission-critical applications. Because of this reliance, errors, defects, or other performance problems in our products could result in significant financial and other damage to our customers. Our customers could attempt to recover those losses by pursuing products liability claims against us which, even if unsuccessful, would likely be time-consuming and costly to defend and could adversely affect our reputation.

The market for in-space infrastructure services has not been established with precision, is still emerging and may not achieve the growth potential we expect or may grow more slowly than expected.

A substantial portion of our business involves in-space infrastructure services, the market for which has not been established with precision as the commercialization of space is a relatively new development and is rapidly evolving. Our estimates for the total addressable markets for in-space infrastructure services are based on a number of internal and third-party estimates, including our current backlog, assumed prices at which we can offer services, assumed frequency of service, our ability to leverage our current manufacturing and operational processes and general market conditions. While we believe our assumptions and the data underlying our estimates of the total addressable markets for in-space infrastructure services are reasonable, these assumptions and estimates may not be correct and the conditions supporting our assumptions or estimates may change at any time, thereby reducing the predictive accuracy of these underlying factors. As a result, our estimates of the annual total addressable markets for in-space infrastructure services, as well as the expected growth rate for the total addressable market for those products and services, may prove to be incorrect, which could have a material adverse effect on our business, financial condition and results of operation.

We may in the future invest significant resources in developing new offerings and exploring the application of our technologies for other uses and those opportunities may never materialize.

While our primary focus for the foreseeable future will be on our satellite design/manufacturing, satellite component and subsystem design/manufacturing, guidance, navigation and control, and deployables businesses, we may invest significant resources in developing new technologies, services, products and offerings. However, we may not realize the expected benefits of these investments. In addition, we expect to explore the application of our proprietary technologies for other commercial and government uses, including those that are Earth-based. These anticipated technologies, however, are unproven and these products or technologies may never materialize or be commercialized in a way that would allow us to generate ancillary revenue streams. Relatedly, if such technologies become viable offerings in the future, we may be subject to competition from our competitors within the space-infrastructure industry, some of which may have substantially greater monetary and knowledge resources than we have and expect to have in the future to devote to the development of these technologies. Such competition or any limitations on our ability to take advantage of such technologies could impact our market share, which could have a material adverse effect on our business, financial condition and results of operations.

Such research and development initiatives may also have a high degree of risk and involve unproven business strategies and technologies with which we have limited operating or development experience. They may involve claims and liabilities (including, but not limited to, personal injury claims), expenses, regulatory challenges and other risks that we may not be able to anticipate. There can be no assurance that consumer demand for such initiatives will exist or be sustained at the levels that we anticipate, or that any of these initiatives will gain sufficient traction or market acceptance to generate sufficient revenue to offset any new expenses or liabilities associated with these new investments. Further, any such research and development efforts could distract management from current operations, and would divert capital and other resources from our more established offerings and technologies. Even if we were to be successful in developing new products, services, offerings or technologies, regulatory authorities may subject us to new rules or restrictions in response to our innovations that may increase our expenses or prevent us from successfully commercializing new products, services, offerings or technologies.

We may not be able to convert our orders in backlog into revenue.

As of March 31, 2022, our backlog consisted of \$137.3 million in customer contracts. However, many of these contracts are cancellable by customers for convenience. In the event of a cancellation for convenience, we are generally entitled to be compensated for the work performed up to the date of cancellation. The remaining amounts may not be collected in this situation.

In addition, backlog is typically subject to large variations from quarter to quarter and comparisons of backlog from period to period are not necessarily indicative of future revenues. Furthermore, some contracts comprising the backlog are for services scheduled many years in the future, and the economic viability of customers with whom we have contracted is not guaranteed over time. As a result, the contracts comprising our backlog may not result in actual revenue in any particular period or at all, and the actual revenue from such contracts may differ from our backlog estimates. The timing of receipt of revenues, if any, on projects included in backlog could change because many factors affect the scheduling of missions and adjustments to contracts may also occur. The failure to realize some portion of our backlog could adversely affect our revenues and gross margins. Furthermore, the presentation of our financial results requires us to make estimates and assumptions that may affect revenue recognition and changes in estimates are likely to occur from period to period. Accordingly, actual results could differ significantly from our estimates.

A portion of our business model is related to the in-space manufacture and robotic assembly of space structures. The technology for these processes is still in development and has not been fully validated through in-space deployment and testing. If we are unable to develop and validate such technology or technology for other planned services, our operating results and business will be materially adversely affected.

While we plan to initially develop technologies related to additive manufacturing of on-orbit satellites and structures at costs significantly lower than our competitors, the success of our business is in large part dependent on our ability to develop more powerful and efficient in-space manufacturing technology and space-capable robotics. This technology is currently under development and may take longer than anticipated to materialize, if at all, and may never be commercialized in a way that would allow us to generate revenue from the sale of these services and offerings. Relatedly, if such technologies become viable in the future, we may be subject to increased competition, and some competitors may have substantially greater monetary and knowledge resources than we have and expect to have in the future to devote to the development of these technologies. If we fail to successfully complete the development and validate this technology through actual deployment and testing of such technology, experience any delays or setbacks in the development of this technology, or encounter difficulties in scaling our manufacturing or assembly capabilities, we may not be able to fully realize our business model and our financial results and prospects would be materially adversely affected.

We are dependent on third-party launch vehicles to launch our spacecraft and customer payloads into space.

Currently there are only a handful of companies who offer launch services, and if this sector of the space industry does not grow or there is consolidation among these companies, we may not be able to secure space on a launch vehicle or such space may be more costly.

We are dependent on third-party launch vehicles to deliver our systems, products and technologies into space. If the number of companies offering launch services or the number of launches does not grow in the future or there is a consolidation among companies who offer these services, this could result in a shortage of space on these launch vehicles, which may cause delays in our ability to meet our customers' needs.

Additionally, a shortage of space available on launch vehicles may cause prices to increase or cause delays in our ability to meet our customers' needs. Either of these situations could have a material adverse effect on our results of operations and financial condition.

Further, in the event that a launch is delayed, our timing for recognition of revenue may be impacted depending on the length of the delay and the nature of the contract with the customers with payloads on such delayed flight.

Such a delay in recognizing revenue could materially impact our financial statements or result in negative impacts to our earnings during a specified time period, which could have a material effect on our results of operations and financial condition.

We may be unable to manage our future growth effectively, which could make it difficult to execute our business strategy.

If our operations continue to grow as planned, of which there can be no assurance, we will need to expand our sales and marketing, research and development, customer and commercial strategy, products and services, supply, and manufacturing functions. We will also need to continue to leverage our manufacturing and operational systems and processes, and there is no guarantee that we will be able to scale the business and the manufacture of systems, products, technologies and services as currently planned or within the planned timeframe. The continued expansion of our business may also require additional manufacturing, design and operational facilities, as well as space for administrative support, and there is no guarantee that we will be able to find suitable locations for the manufacture, design and testing of our systems, products, technologies and services.

Our continued growth could increase the strain on our resources, and we could experience operating difficulties, including difficulties in hiring and training employees, finding manufacturing capacity to design, test and produce our vehicles, spaceflight technology and related equipment, and delays in production.

These difficulties may divert the attention of management and key employees and impact financial and operational results. If we are unable to drive commensurate growth, these costs, which include lease commitments, headcount and capital assets, could result in decreased margins, which could have a material adverse effect on our business, financial condition and results of operations.

We may experience a total loss of our technology and products and our customers' payloads if there is an accident on launch or during the journey into space, and any insurance we have may not be adequate to cover our loss.

Although there have been and will continue to be technological advances in spaceflight, it is still an inherently dangerous activity. Explosions and other accidents on launch or during the flight have occurred and will likely occur in the future. If such incident should occur, we will likely experience a total loss of our systems, products, technologies and services and our customers' payloads. The total or partial loss of one or more of our products or customer payloads could have a material adverse effect on our results of operations and financial condition. For some missions, we can elect to buy launch insurance, which can reduce our monetary losses from the launch failure, but even in this case we will have losses associated with our inability to test our technology in space and delays with further technology development.

Our financial results may vary significantly from quarter to quarter.

We expect our revenue and operating results to vary from quarter to quarter. Reductions in revenue in a particular quarter could lead to lower profitability in that quarter because a relatively large amount of our expenses are fixed in the short-term. We may incur significant operating expenses during the start-up and early stages of large contracts and may not be able to recognize corresponding revenue in that same quarter. We may also incur additional expenses when contracts are terminated or expire and are not renewed. We may also incur additional expenses when companies are newly acquired.

In addition, payments due to us from our customers may be delayed due to billing cycles or as a result of failures of government budgets to gain congressional and administration approval in a timely manner. The U.S. government's fiscal year ends September 30. If a federal budget for the next federal fiscal year has not been approved by that date in each year, our customers may have to suspend engagements that we are working on until a budget has been approved. Any such suspensions may reduce our revenue in the fourth quarter of the federal fiscal year or the first quarter of the subsequent federal fiscal year. The U.S. government's fiscal year end can also trigger increased purchase requests from customers for equipment and materials.

Any increased purchase requests we receive as a result of the U.S. government's fiscal year end would serve to increase our third or fourth quarter revenue, but will generally decrease profit margins for that quarter, as these activities generally are not as profitable as our typical offerings.

Additional factors that may cause our financial results to fluctuate from quarter to quarter include those addressed elsewhere in this “Risk Factors” section and the following factors, among others:

- the terms of customer contracts that affect the timing of revenue recognition;
- variability in demand for our services and solutions;
- commencement, completion or termination of contracts during any particular quarter;
- timing of shipments and product deliveries;
- timing of award or performance incentive fee notices;
- timing of significant bid and proposal costs;
- the costs of remediating unknown defects, errors or performance problems of our product offerings;
- variable purchasing patterns under blanket purchase agreements and other indefinite delivery/ indefinite quantity contracts;
- restrictions on and delays related to the export of defense articles and services;
- costs related to government inquiries;
- strategic decisions by us or our competitors, such as acquisitions, divestitures, spin-offs and joint ventures;
- strategic investments or changes in business strategy;
- changes in the extent to which we use subcontractors;
- seasonal fluctuations in our staff utilization rates;
- changes in our effective tax rate, including changes in our judgment as to the necessity of the valuation allowance recorded against our deferred tax assets; and
- the length of sales cycles.

Significant fluctuations in our operating results for a particular quarter could cause us to fall out of compliance with the financial covenants related to our debt, which if not waived, could restrict our access to capital and cause us to take extreme measures to pay down the debt, if any, under the Adams Street Credit Agreement.

Our margins and operating results may suffer if we experience unfavorable changes in the proportion of cost-plus-fee or fixed-price contracts in our total contract mix.

Although fixed-price contracts entail a greater risk of a reduced profit or financial loss on a contract compared to other types of contracts we enter into, fixed-price contracts typically provide higher profit opportunities because we may be able to benefit from cost savings and operating efficiencies. In contrast, cost-plus-fee contracts are subject to statutory limits on profit margins and generally are the least profitable of our contract types. Our U.S. Government customers typically determine what type of contract we enter into. To the extent that we enter into more cost-plus-fee or less fixed-price contracts in proportion to our total contract mix in the future, our margins and operating results may suffer. Our operating results may also suffer to the extent we have a contract mix that is focused on developmental projects, which are typically at lower profit margins as compared to margins on production projects.

Our systems, products, technologies and services and related equipment may have shorter useful lives than we anticipate.

Our growth strategy depends in part on developing systems, products, technologies and services. These reusable systems, products, technologies and services and other space related technology and systems will have a limited

useful life. While we intend to design our products and technologies for a certain lifespan, which corresponds to a number of cycles, there can be no assurance as to the actual operational life of a product or that the operational life of individual components will be consistent with its design life. A number of factors will impact the useful lives of our products and systems, including, among other things, the quality of their design and construction, the durability of their component parts and availability of any replacement components, and the occurrence of any anomaly or series of anomalies or other risks affecting the technology during launch and in orbit. In addition, any improvements in technology may make our existing products, designs or any component of our products prior to the end of its life obsolete. If our systems, products, technologies and services and related equipment have shorter useful lives than we currently anticipate, this may lead to delays in increasing the rate of our follow on work and new business, which would have a material adverse effect on our business, financial condition and results of operations. In addition, we are continually learning, and as our engineering and manufacturing expertise and efficiency increases, we aim to leverage this learning to be able to manufacture our products and equipment using less of our currently installed equipment, which could render our existing inventory obsolete. Any continued improvements in spaceflight technology and space related technology may make our existing products or any component of our products obsolete prior to the end of its life. If the space related equipment have shorter useful lives than we currently anticipate, this may lead to delays in the manufacturing and design of space and spaceflight components and may also lead to a delay in commencing additional operations or increasing the rate of our operations, or greater maintenance costs than previously anticipated such that the cost to maintain the products and related equipment may exceed their value, which would have a material adverse effect on our business, financial condition and results of operations.

Risks Related to Government Contracts

We are subject to the requirements of the NISPOM for our facility security clearance, which is a prerequisite to our ability to perform on classified contracts for the U.S. government.

A facility security clearance is required in order to be awarded and perform on classified contracts for the DoD and certain other agencies of the U.S. government. As a cleared entity, we must comply with the requirements of NISPOM, and any other applicable U.S. government industrial security regulations.

Certain of our facilities maintain a facility security clearance and many of our employees maintain a personal security clearance in order to access sensitive information necessary to the performance of our work on certain U.S. Government contracts and subcontracts. Failure to comply with the NISPOM or other security requirements may subject us to civil or criminal penalties, loss of access to sensitive information, loss of a U.S. Government contract or subcontract, or potentially debarment as a government contractor. Therefore, any failure to comply with U.S. Government security protocols could adversely affect our ability to operate.

If we were to violate the terms and requirements of the NISPOM, or any other applicable U.S. government industrial security regulations (which may apply to us under the terms of classified contracts), we could lose our security clearance. Even if we implement centralized compliance policies, we cannot be certain that we will be able to maintain our security clearance if a breach or violation occurs. If for some reason our security clearance is invalidated or terminated, we may not be able to continue to perform on classified contracts and would not be able to enter into new classified contracts, which could materially adversely affect our business, financial condition, and results of operations.

Many of our contracts contain performance obligations that require innovative design capabilities, are technologically complex, require state-of-the-art manufacturing expertise, or are dependent upon factors not wholly within our control. Failure to meet these obligations could adversely affect our profitability and future prospects. Early termination of client contracts or contract penalties could adversely affect our results of operations.

We design, develop, and manufacture technologically advanced and innovative products and services, which are applied by our customers in a variety of environments. Problems and delays in development or delivery as a result of issues with respect to design, technology, licensing and intellectual property rights, labor, inability to achieve learning curve assumptions, manufacturing materials or components could prevent us from meeting requirements. Either we or the customer may generally terminate a contract as a result of a material uncured breach by the other. If

we breach a contract or fail to perform in accordance with contractual service levels, delivery schedules, performance specifications, or other contractual requirements set forth therein, the other party thereto may terminate such contract for default, and we may be required to refund money previously paid to us by the customer or to pay penalties or other damages. Even if we have not breached, we may deal with various situations from time to time that may result in the amendment or termination of a contract. These steps can result in significant current period charges and/or reductions in current or future revenue, and/or delays in collection of outstanding receivables and costs incurred on the contract. Other factors that may affect revenue and profitability include inaccurate cost estimates, design issues, unforeseen costs and expenses not covered by insurance or indemnification from the customer, diversion of management focus in responding to unforeseen problems, and loss of follow-on work.

We rely on a limited number of suppliers for certain raw materials and supplied components. We may not be able to obtain sufficient raw materials or supplied components to meet our manufacturing, design and operating needs, or obtain such materials on favorable terms or at all, which could impair our ability to fulfill our orders in a timely manner or increase our costs of design and production.

Our ability to produce our current and future systems, products, technologies and services and other components of operation is dependent upon sufficient availability of raw materials and supplied components, which we secure from a limited number of suppliers. Global supply chains have recently experienced disruption as a result of industry capacity constraints, material availability and global logistics delays arising from transportation capacity of ocean shipping containers and a prolonged delay in resumption of operations by one or more key suppliers as a result of COVID-19. Our reliance on suppliers to secure raw materials and supplied components exposes us to volatility in the prices and availability of these materials. We may not be able to obtain sufficient supplies of raw materials or supplied components on favorable terms or at all, which could result in delays in the manufacture of our systems, products, technologies and services or increased costs.

In addition, we may in the future experience delays in manufacturing or operation as we go through the requalification process with any replacement third-party supplier, as well as the limitations imposed by the International Traffic in Arms Regulations (“ITAR”), the Export Administration Regulations (“EAR”), or other restrictions on transfer of sensitive technologies. Moreover, the imposition of tariffs on such raw materials or supplied components could have a material adverse effect on our operations. Prolonged disruptions in the supply of any of our key raw materials or components, difficulty qualifying new sources of supply, implementing use of replacement materials or new sources of supply or any volatility in prices could have a material adverse effect on our ability to operate in a cost-efficient, timely manner and could cause us to experience cancellations or delays of scheduled missions, customer cancellations or reductions in our prices and margins, any of which could harm our business, financial condition and results of operations.

We use estimates when accounting for certain contracts and changes in these estimates may have a significant impact on our financial results.

Our quarterly and annual sales are affected by a variety of factors that may lead to significant variability in our operating results. We evaluate the contract value and cost estimates for performance obligations at least quarterly, and more frequently when circumstances change significantly. Changes in estimates and assumptions related to the status of certain long-term contracts which could have a material adverse effect on our operating results, financial condition, and/or cash flows.

The U.S. government’s budget deficit and the national debt, as well as any inability of the U.S. government to complete its budget process for any government fiscal year and consequently having to shut down or operate on funding levels equivalent to its prior fiscal year pursuant to a “continuing resolution,” could have an adverse impact on our business, financial condition, results of operations and cash flows.

Considerable uncertainty exists regarding how future budget and program decisions will unfold, including the defense spending priorities of the U.S. government, what challenges budget reductions will present for the defense industry and whether annual appropriations bills for all agencies will be enacted for U.S. government fiscal 2022 and thereafter due to many factors, including but not limited to, changes in the political environment, including before or after a change to the leadership within the government administration, and any resulting uncertainty or

changes in policy or priorities and resultant funding. The U.S. government's budget deficit and the national debt could have an adverse impact on our business, financial condition, results of operations and cash flows in a number of ways, including the following:

- The U.S. government could reduce or delay its spending on, reprioritize its spending away from, or decline to provide funding for the government programs in which we participate;
- U.S. government spending could be impacted by alternate arrangements to sequestration, which increases the uncertainty as to, and the difficulty in predicting, U.S. government spending priorities and levels; and
- We may experience declines in revenue, profitability and cash flows as a result of reduced or delayed orders or payments or other factors caused by economic difficulties of our customers and prospective customers, including U.S. federal, state and local governments.

Furthermore, we believe continued budget pressures could have serious negative consequences for the security of the U.S., the defense industrial base and the customers, employees, suppliers, investors and communities that rely on companies in the defense industrial base. Budget and program decisions made in this environment would have long-term implications for the Company and the entire defense industry.

We depend significantly on U.S. government contracts, which often are only partially funded, subject to immediate termination, and heavily regulated and audited. The termination or failure to fund, or negative audit findings for, one or more of these contracts could have an adverse impact on our business, financial condition, results of operations and cash flows.

Over its lifetime, a U.S. government program may be implemented by the award of many different individual contracts and subcontracts. The funding of U.S. government programs is subject to U.S. Congressional appropriations. In recent years, U.S. government appropriations have been affected by larger U.S. government budgetary issues and related legislation. Although multi-year contracts may be authorized and appropriated in connection with major procurements, the U.S. Congress generally appropriates funds on a government fiscal year basis. Procurement funds are typically made available for obligation over the course of one to three years. Consequently, programs often initially receive only partial funding, and additional funds are obligated only as the U.S. Congress authorizes further appropriations. We cannot predict the extent to which total funding and/or funding for individual programs will be included, increased or reduced as part of the annual appropriations process ultimately approved by U.S. Congress and the President of the United States or in separate supplemental appropriations or continuing resolutions, as applicable. The termination of funding for a U.S. government program would result in a loss of anticipated future revenue attributable to that program, which could have an adverse impact on our operations. In addition, the termination of a program or the failure to commit additional funds to a program that already has been started could result in lost revenue and increase our overall costs of doing business.

Generally, U.S. government contracts are subject to oversight audits by U.S. government representatives. Such audits could result in adjustments to our contract costs. Any costs found to be improperly allocated to a specific contract will not be reimbursed, and such costs already reimbursed must be refunded. We have recorded contract revenue based on costs we expect to realize upon final audit. However, we do not know the outcome of any future audits and adjustments, and we may be required to materially reduce our revenue or profits upon completion and final negotiation of audits. Negative audit findings could also result in termination of a contract, forfeiture of profits, suspension of payments, fines or suspension or debarment from U.S. Government contracting or subcontracting for a period of time.

In addition, U.S. government contracts generally contain provisions permitting termination, in whole or in part, without prior notice at the U.S. government's convenience upon payment only for work done and commitments made at the time of termination. For some contracts, we are a subcontractor and not the prime contractor, and in those arrangements, the U.S. Government could terminate the prime contractor for convenience without regard for our performance as a subcontractor. We can give no assurance that one or more of our U.S. government contracts will not be terminated under those circumstances. Also, we can give no assurance that we would be able to procure new contracts to offset the revenue or backlog lost as a result of any termination of our U.S. government contracts. Because a significant portion of our revenue is dependent on our performance and payment under our U.S.

government contracts, the loss of one or more large contracts could have a material adverse impact on our business, financial condition, results of operations and cash flows.

Our U.S. government business also is subject to specific procurement regulations and a variety of socioeconomic and other requirements. These requirements, although customary in U.S. government contracts, increase our performance and compliance costs. These costs might increase in the future, thereby reducing our margins, which could have an adverse effect on our business, financial condition, results of operations and cash flows. In addition, the U.S. government has and may continue to implement initiatives focused on efficiencies, affordability and cost growth and other changes to its procurement practices. These initiatives and changes to procurement practices may change the way U.S. government contracts are solicited, negotiated and managed, which may affect whether and how we pursue opportunities to provide our products and services to the U.S. government, including the terms and conditions under which we do so, which may have an adverse impact on our business, financial condition, results of operations and cash flows. For example, contracts awarded under the DoD's Other Transaction Authority for research and prototypes generally require cost-sharing and may not follow, or may follow only in part, standard U.S. government contracting practices and terms, such as the Federal Acquisition Regulation ("FAR") and Cost Accounting Standards.

Failure to comply with applicable regulations and requirements could lead to fines, penalties, repayments, or compensatory or treble damages, or suspension or debarment from U.S. government contracting or subcontracting for a period of time. Among the causes for debarment are violations of various laws and regulations, including those related to procurement integrity, export control (including ITAR), U.S. government security, employment practices, protection of the environment, accuracy of records, proper recording of costs and foreign corruption. The termination of a U.S. government contract or relationship as a result of any of these acts would have an adverse impact on our operations and could have an adverse effect on our standing and eligibility for future U.S. government contracts.

The terms of certain of our current and likely future contracts are highly sensitive and we are limited in our ability to disclose such terms.

Our success, in large part, depends on our ability to maintain protection over the terms of certain of our current and likely future contracts and agreements, each of which is a highly negotiated agreement with sensitive information that, if publicly disclosed, would be beneficial for our and our partners' competitors to learn and harmful to our and our partners' commercial interests. We are limited in our ability to disclose the terms of these agreements, including terms that may affect our expected cash flows or the value of any collateral, and have taken precautions to protect the disclosure of the sensitive information in such agreements. Therefore, we have not allowed third parties to review the terms of these agreements. If the terms of these agreements were to be disclosed, our ability to compete could be hindered and our relationships with our partners could be damaged, both of which could have a material adverse effect on our business, financial condition and results of operations. Furthermore, our relationships with our partners could also be damaged, and they may take legal action against us, if they believe that we have disclosed any terms of these agreements without their prior consent.

Disputes with our subcontractors or the inability of our subcontractors to perform, or our key suppliers to timely deliver our components, parts or services, could cause our products, systems or services to be produced or delivered in an untimely or unsatisfactory manner.

We engage subcontractors on many of our contracts. We may have disputes with our subcontractors, including regarding the quality and timeliness of work performed by the subcontractor, customer concerns about the subcontract or subcontractor, our failure to extend existing task orders or issue new task orders under a subcontract, our hiring of the personnel of a subcontractor or vice versa or the subcontractor's failure to comply with applicable law. In addition, there are certain parts, components and services for many of our products, systems, technologies and services that we source from other manufacturers or vendors.

Some of our suppliers, from time to time, experience financial and operational difficulties, which may impact their ability to supply the materials, components, subsystems and services that we require. Tariffs recently imposed on certain materials and other trade issues may create or exacerbate existing materials shortages and may result in

further supplier business closures. Our supply chain could also be disrupted by external events, such as natural disasters or other significant disruptions (including extreme weather conditions, medical epidemics, acts of terrorism, cyber-attacks and labor disputes), governmental actions and legislative or regulatory changes, including product certification or stewardship requirements, sourcing restrictions, product authenticity and climate change or greenhouse gas emission standards, or availability constraints from increased demand from customers. In addition, the ongoing COVID-19 pandemic has resulted in increased travel restrictions and extended shutdown of certain businesses across the globe. These or any further political or governmental developments or health concerns could result in social, economic and labor instability. Any inability to develop alternative sources of supply on a cost-effective and timely basis could materially impair our ability to manufacture and deliver products, systems and services to our customers. We can give no assurances that we will be free from disputes with our subcontractors; material supply constraints or problems; or component, subsystems or services problems in the future. Also, our subcontractors and other suppliers may not be able to acquire or maintain the quality of the materials, components, subsystems and services they supply, which may result in greater product returns, service problems and warranty claims and could harm our business, financial condition, results of operations and cash flows. In addition, in connection with our government contracts, we are required to procure certain materials, components and parts from supply sources approved by the U.S. government and we rely on our subcontractors and suppliers to comply with applicable laws, regulations and other requirements regarding procurement of counterfeit, unauthorized or otherwise non-compliant parts or materials, including parts or materials they supply to us, and in some circumstances, we rely on their certifications as to their compliance. From time to time, there are components for which there may be only one supplier, which may be unable to meet our needs. Each of these subcontractor and supplier risks could have a material adverse effect on our business, financial condition, results of operations and cash flows.

Regulatory Risk Factors

Investments in us may be subject to U.S. foreign investment regulations which may impose conditions on or limit certain investors' ability to purchase our Common Stock, potentially making our Common Stock less attractive to investors. Our investments in U.S. companies may also be subject to U.S. foreign investment regulations.

Under the "Exon-Florio Amendment" to the U.S. Defense Production Act of 1950, as amended (the "DPA"), the U.S. President has the power to disrupt or block certain foreign investments in U.S. businesses if he determines that such a transaction threatens U.S. national security. The Committee on Foreign Investment in the United States ("CFIUS") has the authority to conduct national security reviews of certain foreign investments. CFIUS may impose mitigation conditions to grant clearance of a transaction. The Foreign Investment Risk Review Modernization Act, enacted in 2018, amended the DPA to, among other things, expand CFIUS's jurisdiction beyond acquisitions of control of U.S. businesses. Now, CFIUS also has jurisdiction over certain foreign non-controlling investments in U.S. businesses that involve critical technology or critical infrastructure, or that collect and maintain sensitive personal data of U.S. citizens ("TID U.S. Businesses"), if the foreign investor receives specified triggering rights or access in connection with its investment. We are a TID U.S. Business because we develop and design technologies that would be considered critical technologies. Certain foreign investments in TID U.S. Businesses are subject to mandatory filing with CFIUS. The enhanced scrutiny and potential restrictions on the ability of foreign persons to invest in us could limit our ability to engage in strategic transactions that could benefit our shareholders, including a change of control, and could also affect the price that an investor may be willing to pay for our Common Stock.

We are subject to stringent U.S. economic sanctions, and trade control laws and regulations. Unfavorable changes in these laws and regulations or U.S. government licensing policies, our failure to secure timely U.S. government authorizations under these laws and regulations, or our failure to comply with these laws and regulations could have a material adverse effect on our business, financial condition and results of operation.

Our business is subject to stringent U.S. trade control laws and regulations as well as economic sanctions laws and regulations. We are required to comply with U.S. export control laws and regulations, including ITAR administered by the U.S. Department of State, the EAR administered by the U.S. Department of Commerce's Bureau of Industry and Security, and economic sanctions administered by the Treasury Department's Office of Foreign Assets Control. Similar laws that impact our business exist in other jurisdictions. These foreign trade controls prohibit, restrict, or regulate our ability to, directly or indirectly, export, deemed export, re-export, deemed re-export or transfer certain hardware, technical data, technology, software, or services to certain countries and

territories, entities, and individuals, and for end uses. Violations of applicable export control laws, sanctions, and related regulations could result in criminal and administrative penalties, including fines, possible denial of export privileges, and debarment, which could have a material adverse impact on our business, including our ability to enter into contracts or subcontracts for U.S. government customers.

Pursuant to these foreign trade control laws and regulations, we are required, among other things, to (i) maintain a registration under ITAR, (ii) determine the proper licensing jurisdiction and export classification of products, software, and technology, and (iii) obtain licenses or other forms of U.S. government authorization to engage in the conduct of our space-focused business. The authorization requirement includes the need to get permission to release controlled technology to foreign person employees and other foreign persons. In order to comply with these requirements, we must develop and implement centralized sanctions and export control policies that can be quickly adopted by all the Company's Subsidiaries.

The inability to secure and maintain necessary licenses and other authorizations could negatively impact our ability to compete successfully or to operate our spaceflight business as planned. Any changes in sanctions and export control regulations or U.S. government licensing policy, such as those necessary to implement U.S. government commitments to multilateral control regimes, may restrict our operations. Given the significant discretion the government has in issuing, denying or conditioning such authorizations to advance U.S. national security and foreign policy interests, there can be no assurance we will be successful in our current and future efforts to secure and maintain necessary licenses, registrations, or other U.S. government regulatory approvals. In addition, changes in U.S. foreign trade control laws and regulations, U.S. foreign policy, or reclassifications of our products or technologies, may restrict our future operations.

Our business is subject to a wide variety of additional extensive and evolving government laws and regulations. Failure to comply with such laws and regulations could have a material adverse effect on our business.

We are subject to a wide variety of laws and regulations relating to various aspects of our business, including with respect to our manufacturing in-space operations, employment and labor, health care, tax, privacy and data security, health and safety, and environmental issues. Laws and regulations at the foreign, federal, state and local levels frequently change, especially in relation to new and emerging industries, and we cannot always reasonably predict the impact from, or the ultimate cost of compliance with, current or future regulatory or administrative changes. We monitor these developments and devote a significant amount of management's time and external resources towards compliance with these laws, regulations and guidelines, and such compliance places a significant burden on management's time and other resources, and it may limit our ability to expand into certain jurisdictions. Moreover, changes in law, the imposition of new or additional regulations or the enactment of any new or more stringent legislation that impacts our business could require us to change the way we operate and could have a material adverse effect on our sales, profitability, cash flows and financial condition.

Failure to comply with these laws, such as with respect to obtaining and maintaining licenses, certificates, authorizations and permits critical for the operation of our business, may result in civil penalties or private lawsuits, or the suspension or revocation of licenses, certificates, authorizations or permits, which would prevent us from operating our business. For example, commercial space launches and the operation of any space transport system in the United States require licenses and permits from the Federal Communications Commission (the "FCC") and review by other agencies of the U.S. government, including the DoD and NASA. License approval can include an interagency review of safety, operational, national security, and foreign policy and international obligations implications, as well as a review of foreign ownership.

Additionally, regulation of our industry is still evolving, and new or different laws or regulations could affect our operations, increase direct compliance costs for us or cause any third-party suppliers or contractors to raise the prices they charge us because of increased compliance costs. For example, the FCC has an open notice of proposed rulemaking relating to mitigation of orbital debris, which could affect us and our operations. Application of these laws to our business may negatively impact our performance in various ways, limiting the collaborations we may pursue, further regulating the export and re-export of our products, services, and technology from the United States and abroad, and increasing our costs and the time necessary to obtain required authorization. The adoption of a multi-layered regulatory approach to any one of the laws or regulations to which we are or may become subject,

particularly where the layers are in conflict, could require alteration of our manufacturing processes or operational parameters which may adversely impact our business. We may not be in complete compliance with all such requirements at all times and, even when we believe we are in complete compliance, a regulatory agency may determine that we are not.

We have government customers, which subjects us to risks including early termination, audits, investigations, sanctions and penalties.

We derive a substantial portion of our revenue from contracts with NASA, the U.S. and foreign governments and may enter into additional contracts with the U.S. or foreign governments in the future. This subjects us to statutes and regulations applicable to companies doing business with the government, including the FAR. These government contracts customarily contain provisions that give the government substantial rights and remedies, many of which are not typically found in commercial contracts and which are unfavorable to contractors. For instance, most U.S. government agencies include provisions that allow the government to unilaterally terminate or modify contracts for convenience, and in that event, the counterparty to the contract may generally recover only its incurred or committed costs and settlement expenses and profit on work completed prior to the termination. If the government terminates a contract for default, the defaulting party may be liable for any extra costs incurred by the government in procuring undelivered items from another source.

Some of our federal government contracts are subject to the approval of appropriations being made by the U.S. Congress to fund the expenditures under these contracts. In addition, government contracts normally contain additional requirements that may increase our costs of doing business, reduce our profits, and expose us to liability for failure to comply with these terms and conditions. These requirements include, for example:

- specialized disclosure and accounting requirements unique to government contracts;
- financial and compliance audits that may result in potential liability for price adjustments, recoupment of government funds after such funds have been spent, civil and criminal penalties, or administrative sanctions such as suspension or debarment from doing business with the U.S. government;
- public disclosures of certain contract and company information; and
- mandatory socioeconomic compliance requirements, including labor requirements, non-discrimination and affirmative action programs and environmental compliance requirements.

Government contracts are also generally subject to greater scrutiny by the government, which can initiate reviews, audits and investigations regarding our compliance with government contract requirements. In addition, if we fail to comply with government contracting laws, regulations and contract requirements, our contracts may be subject to termination, and we may be subject to financial and/or other liability under our contracts, the Federal Civil False Claims Act (including treble damages and other penalties), or criminal law. In particular, the False Claims Act's "whistleblower" provisions also allow private individuals, including present and former employees, to sue on behalf of the U.S. government. Any penalties, damages, fines, suspension, or damages could adversely affect our ability to operate our business and our financial results.

Our reputation and ability to do business may be impacted by the improper conduct of our employees, agents or business partners.

We have implemented compliance controls, training, policies and procedures designed to prevent and detect reckless or criminal acts from being committed by our employees, agents or business partners that would violate the laws of the jurisdictions in which we operate, including laws governing payments to government officials, such as the U.S. Foreign Corrupt Practices Act ("FCPA"), the protection of export controlled or classified information, such as ITAR, false claims, procurement integrity, cost accounting and billing, competition, information security and data privacy and the terms of our contracts. This risk of improper conduct may increase as we continue to grow and expand our operations. We cannot ensure, however, that our controls, training, policies and procedures will prevent or detect all such reckless or criminal acts, and we have been adversely impacted by such acts in the past, which have been immaterial in nature.

If not prevented, such reckless or criminal acts could subject us to civil or criminal investigations, monetary and non-monetary penalties and suspension and debarment by the U.S. government and could have a material adverse effect on our ability to conduct business, our results of operations and our reputation. In addition, misconduct involving data security lapses resulting in the compromise of personal information or the improper use of our customer's sensitive or classified information could result in remediation costs, regulatory sanctions against us and serious harm to our reputation and could adversely impact our ability to continue to contract with the U.S. government.

Failure to comply with federal, state and foreign laws and regulations relating to privacy, data protection and consumer protection, or the expansion of current or the enactment of new laws or regulations relating to privacy, data protection and consumer protection, could adversely affect our business and our financial condition.

We collect, store, process, and use personal information and other customer data, and we rely in part on third parties that are not directly under our control to manage certain of these operations and to collect, store, process and use payment information. Due to the sensitivity of the personal information and data we and these third parties manage and expect to manage in the future, as well as the nature of our customer base, the security features of our information systems are critical. A variety of federal, state and foreign laws and regulations govern the collection, use, retention, storage, destruction, sharing and security of this information. Laws and regulations relating to privacy, data protection and consumer protection are evolving and subject to potentially differing interpretations. These requirements may not be harmonized, may be interpreted and applied in a manner that is inconsistent from one jurisdiction to another or may conflict with other rules or our practices. As a result, our practices may not have complied or may not comply in the future with all such laws, regulations, requirements and obligations. For example, in January 2020, the California Consumer

Privacy Act ("CCPA") took effect, which provides California consumers with enhanced rights to access, correct, delete, and limit the processing of their personal information by companies, and which requires companies doing business in California to implement and maintain operational capabilities to respond to certain requests made by California consumers in respect of such rights. CCPA provides a private right of action for California Consumers whose personal information is improperly disclosed.

We expect that new industry standards, laws and regulations will continue to be proposed regarding privacy, data protection and information security in many jurisdictions. In late 2020, the state of California adopted the California Privacy Rights Act ("CPRA") ballot initiative, which expands and modifies the CCPA. In 2021, the states of Virginia and Colorado each enacted comprehensive privacy laws that resemble the European Union's ("E.U.") General Data Protection Regulation ("GDPR"). The CPRA and the Virginia and Colorado laws will become effective in 2023.

We are also subject to non-U.S. privacy rules and regulations, such as the E.U.'s GDPR, the European e-Privacy Regulation and national laws supplementing GDPR, the Data Protection Act of 2018 ("DPA 18") in the United Kingdom, and the E.U. Privacy and Electronic Communications Regulation. GDPR and DPA 18 require companies to meet stringent requirements regarding the processing of personal data of individuals located in the European Economic Area ("EEA"). GDPR and DPA 18 also include significant penalties for noncompliance, which may result in monetary penalties of up to the higher of €20.0 million or 4% of a group's worldwide revenue for the preceding financial year for the most serious violations. The GDPR, DPA 18, and other similar regulations require companies to give specific types of notice and informed consent is required for certain actions, and the GDPR also imposes additional conditions in order to satisfy such consent, such as bundled consents.

We cannot yet determine the impact any future laws, regulations and standards may have on our business. Complying with these evolving obligations is costly. Expanding definitions and interpretations of what constitutes "personal data" (or the equivalent) within the United States, the EEA and elsewhere may increase our compliance costs and legal liability.

In addition, a significant data breach or any failure, or perceived failure, by us to comply with any federal, state or foreign privacy or consumer protection-related laws, regulations or other principles or orders to which we may be subject or other legal obligations relating to privacy or consumer protection could adversely affect our reputation,

brand and business, and may result in claims, investigations, proceedings, litigation, or enforcement actions against us by governmental entities. This may result in penalties, liabilities or loss, increased compliance or operational costs, or otherwise require us to change our operations and/or cease using certain data sets. Depending on the nature of the information compromised, we may also have obligations to notify users, law enforcement or payment companies about the incident and may need to provide some form of remedy for the individuals affected by the incident.

We are exposed to risks related to geopolitical and economic factors, laws and regulations and our international business subjects us to numerous political and economic factors, legal requirements, cross-cultural considerations and other risks associated with doing business globally.

Our international business is subject to both U.S. and foreign laws and regulations, including, without limitation, laws and regulations relating to export/import controls, economic sanctions, technology transfer restrictions, government contracts and procurement, data privacy and protection, anti-corruption (including the anti-bribery, books and records, and internal controls provisions of the FCPA governing interactions with foreign government officials), the anti-boycott provisions of the U.S. Export Administration Act, security restrictions and intellectual property. Failure by us, our employees, subsidiaries, affiliates, partners or others with whom we work to comply with any of these applicable laws and regulations could result in administrative, civil, commercial or criminal liabilities, including suspension or debarment from government contracts or suspension of our export/import privileges. New regulations and requirements, or changes to existing ones in the various countries in which we operate can significantly increase our costs and risks of doing business internationally.

Changes in laws, regulations, political leadership and environment, and/or security risks may dramatically affect our ability to conduct or continue to conduct business in international markets, including sales to customers and purchases from suppliers outside the United States. We may also be impacted by shifts in U.S. and foreign national policies and priorities, political decisions and geopolitical relationships, any of which may be influenced by changes in the threat environment, political leadership, geopolitical uncertainties, world events, bilateral and multi-lateral relationships and economic and political factors. Any changes to these policies could impact our operations and/or export authorizations, or delay purchasing decisions or payments and the provision of supplies, goods and services including, without limitation, in connection with any government programs. Current conflicts in the geopolitical environment, including the Russian and Ukrainian conflict, may result in economic instability and political uncertainties that could have a material adverse effect on the timing of the government programs in which we are involved, and consequently our business, operations and profitability.

Global economic conditions and fluctuations in foreign currency exchange rates could also impact our business. For example, the tightening of credit in financial markets outside of the U.S. could adversely affect the ability of our customers and suppliers to obtain financing and could result in a decrease in or cancellation of orders for our products and services or impact the ability of our customers to make payments.

We are increasingly dependent on in-country suppliers and face risks related to their failure to perform in accordance with the contracts and applicable laws, particularly where we rely on a sole source supplier. The occurrence and impact of these factors is difficult to predict, but one or more of them could have a material adverse effect on our financial position, results of operations and/or cash flows.

We are subject to environmental regulation and may incur substantial costs.

We are subject to federal, state, local and foreign laws, regulations and ordinances relating to the protection of the environment, including those relating to emissions to the air, discharges to surface and subsurface waters, safe drinking water, greenhouse gases and the management of hazardous substances, oils and waste materials. Federal, state and local laws and regulations relating to the protection of the environment may require a current or previous owner or operator of real estate to investigate and remediate hazardous or toxic substances or petroleum product releases at or from the property. Under federal law, generators of waste materials, and current and former owners or operators of facilities, can be subject to liability for investigation and remediation costs at locations that have been identified as requiring response actions. Compliance with environmental laws and regulations can require significant

expenditures. In addition, we could incur costs to comply with such current or future laws and regulations, the violation of which could lead to substantial fines and penalties.

We may have to pay governmental entities or third parties for property damage and for investigation and remediation costs that they incurred in connection with any contamination at our current and former facilities without regard to whether we knew of or caused the presence of the contaminants. Liability under these laws may be strict, joint and several, meaning that we could be liable for the costs of cleaning up environmental contamination regardless of fault or the amount of waste directly attributable to us. Even if more than one person may have been responsible for the contamination, each person covered by these environmental laws may be held responsible for all of the clean-up costs incurred. Environmental liabilities could arise and have a material adverse effect on our financial condition and performance. We do not believe, however, that pending environmental regulatory developments in this area will have a material effect on our capital expenditures or otherwise materially adversely affect its operations, operating costs, or competitive position.

Changes in tax laws or regulations may increase tax uncertainty and adversely affect results of our operations and our effective tax rate.

The Company is subject to taxes in the United States and certain foreign jurisdictions. Due to economic and political conditions, tax rates in various jurisdictions, including the United States, may be subject to change. The Company's future effective tax rates could be affected by changes in the mix of earnings in countries with differing statutory tax rates, changes in the valuation of deferred tax assets and liabilities and changes in tax laws or their interpretation. In addition, the Company may be subject to income tax audits by various tax jurisdictions. Although the Company believes its income tax liabilities are reasonably estimated and accounted for in accordance with applicable laws and principles, an adverse resolution by one or more taxing authorities could have a material impact on the results of its operations.

Certain U.S. state tax authorities may assert that we have a state nexus and seek to impose state and local income taxes which could harm our results of operations.

There is a risk that certain state tax authorities where we do not currently file a state income tax return could assert that we are liable for state and local income taxes based upon income or gross receipts allocable to such states. States are becoming increasingly aggressive in asserting a nexus for state income tax purposes. If a state tax authority successfully asserts that our activities give rise to a nexus, we could be subject to state and local taxation, including penalties and interest attributable to prior periods. Such tax assessments, penalties and interest may adversely impact our results of operations.

If we fail to adequately protect our intellectual property rights, our competitive position could be impaired and our intellectual property applications for registration may not issue or be registered, which may have a material adverse effect on our ability to prevent others from commercially exploiting products similar to ours.

Our success depends, in significant part, on our ability to protect our intellectual property rights, including practices, tools, technologies and technical expertise we utilize in designing, developing, manufacturing, implementing and maintaining applications and processes used in our systems, products, technologies and services and related technologies. To date, we have relied on trade secret laws and other intellectual property laws, non-disclosure agreements with our employees, consultants and other relevant persons and other measures to protect our intellectual property, and intend to continue to rely on these and other means. We also try to protect our intellectual property by filing patent applications related to our technology, inventions and improvements that are important to the development of our business. The steps we take to protect our intellectual property may be inadequate. The various patent offices of jurisdictions where we file for protection vary in the amount of time they take to evaluate applications for patents which may affect our ability to protect our intellectual property or to prosecute infringers in a timely fashion.

We currently have various patents in the U.S. and in other jurisdictions and a number of pending patents applications in the U.S. and in other jurisdictions. Our pending patent applications may not result in patents being issued, which may have a material adverse effect on our ability to prevent others from commercially exploiting products similar to ours. The Company cannot be certain that it is the first inventor of the subject matter to which it

has filed a particular patent application, or if it is the first party to file such a patent application. If another party has filed a patent application to the same subject matter that the Company has, the Company may not be entitled to the protection sought by the patent application. The Company also cannot be certain whether the claims included in a patent application will ultimately be allowed in the applicable issued patent. As a result, the Company cannot be certain that the patent applications that it files will be issued. Further, the scope of protection of issued patent claims is often difficult to determine.

The Company's patents may be challenged, invalidated or circumvented. If our patents are invalidated or found to be unenforceable, we will lose the ability to exclude others from making, using, selling, or importing into the United States the inventions claimed. Moreover, an issued patent does not guarantee us the right to use the patented technology or commercialize a product using that technology. Third parties may have blocking patents that could be used to prevent us from developing our product. Thus, patents that we may own currently or in the future may not allow us to exploit the rights conferred by our intellectual property protection. Even if issued, any future patents may not be issued with claims sufficiently broad to protect our technologies or may not provide us with a competitive advantage against competitors with similar technologies. Despite our precautions, it may be possible for unauthorized third parties to copy our technology and use information that we regard as proprietary to create technology that competes with ours. Further, the laws of some countries do not protect proprietary rights to the same extent as the laws of the United States, and mechanisms for enforcement of intellectual property rights in some foreign countries may be inadequate. Because the Company operates in space, the application of intellectual property laws to orbiting hardware is of particular interest and it should be noted such laws also vary from country to country. To the extent we expand our international activities, our exposure to unauthorized copying and use of our technologies and proprietary information may increase. Accordingly, despite our efforts, we may be unable to prevent third parties from infringing upon, misappropriating or otherwise violating our technology and intellectual property.

We rely in part on trade secrets, proprietary know-how and other confidential information to maintain our competitive position. The Company's competitors may also design around the Company's issued patents, which may adversely affect the Company's business, prospects, financial condition and operating results. In addition, although we enter into nondisclosure and invention assignment agreements with our employees, enter into non-disclosure agreements with consultants and other parties with whom we have strategic relationships and business alliances and enter into intellectual property assignment agreements with our consultants and vendors, no assurance can be given that these agreements will be effective in controlling access to and distribution of our technology and proprietary information. Further, these agreements do not prevent our competitors from independently developing technologies that are substantially equivalent or superior to our products.

Protecting and defending against intellectual property claims may have a material adverse effect on our business.

Our success depends in part upon successful prosecution, maintenance, enforcement and protection of our owned intellectual property. To protect our intellectual property rights, we may be required to spend significant resources to monitor and protect these rights. Litigation may be necessary in the future to enforce our intellectual property rights and to protect our trade secrets. Such litigation could be costly, time consuming and distracting to management and could result in the impairment or loss of portions of our intellectual property. Furthermore, our efforts to enforce our intellectual property rights may be met with defenses, counterclaims and countersuits attacking the validity and enforceability of our intellectual property rights. Our inability to protect our technology, as well as any costly litigation or diversion of our management's attention and resources, could disrupt our business, as well as have a material adverse effect on our financial condition and results of operations. The results of intellectual property litigation are difficult to predict and may require us to stop using certain technologies or offering certain services or may result in significant damage awards or settlement costs. There is no guarantee that any action to defend, maintain or enforce our owned or licensed intellectual property rights will be successful, and an adverse result in any such proceeding could have a material adverse impact on our business, financial condition, operating results and prospects.

In addition, we may from time to time face allegations that we are infringing, misappropriating, or otherwise violating the intellectual property rights of third parties, including the intellectual property rights of our competitors. We may be unaware of the intellectual property rights that others may claim cover some or all of our technology or

services. Irrespective of the validity of any such claims, we could incur significant costs and diversion of resources in defending against them, and there is no guarantee any such defense would be successful, which could have a material adverse effect on our business, contracts, financial condition, operating results, liquidity and prospects.

Even if these matters do not result in litigation or are resolved in our favor or without significant cash settlements, these matters, and the time and resources necessary to litigate or resolve them, could divert the time and resources of our management team and harm our business, our operating results and our reputation.

Reliance on Third Parties and Key Personnel Risk Factors

Data breaches or incidents involving our technology could damage our business, reputation and brand and substantially harm our business and results of operations.

If our data and network infrastructure were to fail, or if we were to suffer an interruption or degradation of services in our data center, third-party cloud, and other infrastructure environments, we could lose important manufacturing and technical data, which could harm our business. Our facilities, as well as the facilities of third-parties that maintain or have access to our data or network infrastructure, are vulnerable to damage or interruption from earthquakes, hurricanes, floods, fires, cyber security attacks, terrorist attacks, power losses, telecommunications failures and similar events. In the event that our or any third-party provider's systems or service abilities on which we rely are hindered by any of the events discussed above, our ability to operate may be impaired. A decision to close facilities without adequate notice, or other unanticipated problems, could adversely impact our operations. Any of the aforementioned risks may be augmented if our or any third-party provider's business continuity and disaster recovery plans prove to be inadequate. Our data center, third-party cloud, and managed service provider infrastructure also could be subject to break-ins, cyber-attacks, denial of service, sabotage, intentional acts of vandalism and other misconduct, from a spectrum of actors ranging in sophistication from threats common to most industries to more advanced and persistent, highly organized adversaries. Any security breach, including personal data breaches, or incident, including cybersecurity incidents, that we experience could result in unauthorized access to, misuse of, or unauthorized acquisition of our internal sensitive corporate data, such as financial data, intellectual property, or data related to contracts with commercial or government customers or partners. Such unauthorized access, misuse, acquisition, or modification of sensitive and proprietary data may result in data loss, corruption or unauthorized alteration, interruptions in our operations or damage to our computer hardware or systems or those of our employees and customers. Moreover, negative publicity arising from these types of disruptions could damage our reputation. We may not carry sufficient business interruption insurance to compensate us for losses that may occur as a result of any events that cause interruptions in our service. Significant unavailability of our services due to cyber security attacks or natural disasters could cause users to cease using our services and materially and adversely affect our business, prospects, financial condition and results of operations. A security breach that involves classified information could subject us to civil or criminal penalties, loss of a government contract, loss of access to classified information, or debarment as a government contractor. Similarly, a breach that involves loss of customer-provided data could subject us to loss of a customer, loss of a contract, litigation costs and legal damages, and reputational harm.

We use proprietary software which we have developed in our technology infrastructure, which we seek to continually update and improve. This software supports spacecraft and constellation developers in the design, development, deployment, management, maintenance and cyber protection of their space assets. Replacing such systems is often time-consuming and expensive and can also be intrusive to daily business operations. Further, we may not always be successful in executing these upgrades and improvements, which may occasionally result in a failure of our systems. We may experience periodic system interruptions from time to time. Any slowdown or failure of our underlying technology infrastructure could harm our business, reputation and ability to execute on our business plan, which could materially and adversely affect our results of operations. Our disaster recovery plan or those of our third-party providers may be inadequate, and our business interruption insurance may not be sufficient to compensate us for the losses that could occur.

We are highly dependent on the services of our senior management team and other highly skilled personnel, and if we are not successful in attracting or retaining highly qualified personnel, we may not be able to successfully implement our business strategy.

The Company is highly dependent on its full senior management team and on our ability to attract, motivate, develop and retain a sufficient number of other skilled personnel, manufacturing and quality assurance, engineering, design, finance, marketing, sales and support personnel. Certain members of our senior management team have extensive experience in the aerospace industry, and we believe that their depth of experience is instrumental to our continued success. The loss of any one or more members of our senior management team for any reason, including resignation or retirement, could impair our ability to execute our business strategy and have a material adverse effect on our business, financial condition and results of operations.

Competition for qualified highly skilled personnel can be strong, and we can provide no assurance that we will be successful in attracting or retaining such personnel now or in the future. Any inability to recruit, develop and retain qualified employees may result in high employee turnover and may force us to pay significantly higher wages, which may harm our profitability or could result in difficulties performing under our contracts if our needs for such employees were unmet. Additionally, we do not carry key man insurance for any of our management executives, and the loss of any key employee or our inability to recruit, develop and retain these individuals as needed, could have a material adverse effect on our business, financial condition and results of operations.

Risks Related to our Indebtedness

We have a substantial amount of debt. Our ability to operate is limited by the agreements governing our debt.

As of March 31, 2022, we had \$77.9 million of total debt outstanding and up to \$25.0 million of additional borrowing capacity under our revolving credit facility. Subject to the limits contained in some of the agreements governing our outstanding debt, we may incur additional debt in the future. Our maintenance of higher levels of indebtedness could have adverse consequences including impairing our ability to obtain additional financing in the future.

Our level of debt places significant demands on our cash resources, which could:

- make it more difficult to satisfy our outstanding debt obligations;
- require us to dedicate a substantial portion of our cash for payments related to our debt, reducing the amount of cash flow available for working capital, capital expenditures, entitlement of our real estate assets, contributions to our tax-qualified pension plan, and other general corporate purposes;
- limit our flexibility in planning for, or reacting to, changes in the industries in which we compete;
- place us at a competitive disadvantage with respect to our competitors, some of which have lower debt service obligations and greater financial resources than we do;
- limit our ability to borrow additional funds;
- limit our ability to expand our operations through acquisitions; and
- increase our vulnerability to general adverse economic and industry conditions. If we are unable to generate sufficient cash flow to service our debt and fund our operating costs, our liquidity may be adversely affected.

We may require substantial additional funding to finance our operations, but adequate additional financing may not be available when we need it, on acceptable terms or at all.

Our primary sources of liquidity are cash flows provided by operations, access to existing credit facilities and proceeds from the Merger. Prior to the Merger, AE Industrial Partners Fund II, LP (“AEI”) provided an additional source of liquidity to facilitate certain acquisitions. Since inception, we have incurred net losses and negative cash

flows from operating activities, and have used our cash to fund capital expenditures, costs associated with our acquisitions, and costs associated with the Merger, among other uses. While some of these cash outflows have been non-recurring in nature, we have continued to experience net cash outflows from operating activities and expect to continue to incur additional operating expenses and capital expenditures as we continue to grow our business. As of March 31, 2022, our available liquidity totaled \$30.9 million, which was comprised of \$5.9 million in cash and cash equivalents, and \$25.0 million in available borrowings from our existing credit facilities. On April 14, 2022, we entered into a common stock purchase agreement with B. Riley Principal Capital, LLC (“B. Riley”) that provides us with the right to sell and issue up to \$80.0 million of our Common Stock over a period of 24 months to B. Riley at our sole discretion, subject to certain limitations and conditions.

We believe that our existing sources of liquidity will be sufficient to meet our working capital needs for at least the next twelve months from the date on which our consolidated financial statements were issued. However, our current liquidity may not be sufficient to meet the required long-term liquidity needs associated with continued use of cash from operating activities at historic levels, in addition to our other liquidity needs associated with our capital expenditures, debt payments, and other investing and financing requirements. In the future, we could be required to raise capital through public or private financing or other arrangements. Such financing may not be available on acceptable terms, or at all, and our failure to raise capital when needed could harm our business. We may sell equity securities or debt securities in one or more transactions at prices and in a manner as we may determine from time to time. If we sell any such securities in subsequent transactions, our current investors may be materially diluted. Any debt financing, if available, may involve restrictive covenants and could reduce our operational flexibility or profitability. If we cannot raise funds on acceptable terms, we may not be able to grow our business or respond to competitive pressures.

Risks Related to Us Being a Public Company

Our management team has limited experience managing a public company.

Most of the members of our management team have limited experience managing a publicly traded company, interacting with public company investors, and complying with the increasingly complex laws pertaining to public companies. Our being a public company subjects us to significant regulatory oversight and reporting obligations under the federal securities laws and the continuous scrutiny of securities analysts and investors. These obligations and constituents require significant attention from our senior management and could divert their attention away from the day-to-day management of our business, which could adversely affect our business, financial condition, and operating results. We may not have adequate personnel with the appropriate level of knowledge, experience and training in the accounting policies, practices or internal control over financial reporting required of public companies in the U.S. Our failure to maintain an enterprise system suitable for a public company could impact our ability or prevent us from timely reporting our operating results, timely filing required reports with the SEC and complying with Section 404 of the Sarbanes- Oxley Act of 2002, when applicable. The maintenance of the standards and controls necessary for us to support the level of accounting standards required of a public company in the U.S. may require costs greater than expected. It is possible that we will be required to expand our employee base and hire additional employees to support our operations as a public company which will increase our operating costs in future periods.

We identified material weaknesses in internal control over financial reporting. Until we remediate these material weaknesses or if we identify additional material weaknesses, we may not be able to accurately and timely report our financial results, in which case our business may be harmed and investors may lose confidence in the accuracy and completeness of our financial reports.

Our internal control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external reporting purposes in accordance with accounting principles generally accepted in the United States of America (“U.S. GAAP”). We identified material weaknesses in our internal control over financial reporting. A material weakness is a deficiency, or combination of deficiencies, in internal control over financial reporting, such that there is a reasonable possibility that a material misstatement of our annual or interim consolidated financial statements will not be prevented or detected on a timely basis.

Material Weaknesses in Internal Control over Financial Reporting

We did not maintain an effective control environment, as certain members of senior management failed to consistently message and set certain aspects of an appropriate tone at the top. Specifically, certain members of senior management failed to reinforce the need for compliance with certain of the Company's accounting and finance policies and procedures, including reinforcement of appropriate communication.

We also identified that we had an insufficient complement of resources with an appropriate level of accounting knowledge, experience and training commensurate with our structure and financial reporting requirements to appropriately analyze, record and disclose accounting matters timely and accurately, and establish effective processes and internal controls. The limited personnel resulted in an inability to consistently establish appropriate authorities and responsibilities in pursuit of financial reporting objectives, as demonstrated by, among other things, insufficient segregation of duties in our finance and accounting functions. These material weaknesses contributed to the following additional material weaknesses:

- We did not design and maintain an effective risk assessment process at a precise enough level to identify new and evolving risks of material misstatement in the consolidated financial statements. Specifically, changes to existing controls or the implementation of new controls have not been sufficient to respond to changes to the risks of material misstatement to financial reporting.
- We did not design and maintain formal accounting policies, procedures and controls to achieve complete, accurate and timely financial accounting, reporting and disclosures, including controls over the preparation and review of business performance reviews, account reconciliations, journal entries and contract estimates used in determining the recognition of revenue.
- We did not design and maintain effective controls to address the identification of and accounting for certain non-routine, unusual or complex transactions, including the proper application of U.S. GAAP to such transactions. Specifically, we did not design and maintain effective controls to account for purchase business combinations, including the appropriate review of the assumptions, data and models used in the forecasted cash flows, used to determine the fair value of the acquired assets and liabilities.

The material weakness related to certain aspects of tone at the top did not result in a misstatement to the consolidated financial statements for either the Successor or Predecessor periods (as defined herein). Each of the other material weaknesses resulted in material audit adjustments to substantially all accounts and disclosures in the Successor consolidated financial statements as of December 31, 2020 and for the period from February 10, 2020 to December 31, 2020, as well as the Predecessor consolidated financial statements for the period from January 1, 2020 to June 21, 2020 as of and for the year ended December 31, 2019.

In addition, we did not design and maintain effective information technology ("IT") general controls for information systems that are relevant to the preparation of the consolidated financial statements. Specifically, we did not design and maintain:

- program change management controls to ensure that IT program and data changes affecting financial IT applications and underlying accounting records are identified, tested, authorized, and implemented appropriately;
- user access controls to ensure appropriate segregation of duties and that adequately restrict user and privileged access to financial applications, programs, and data to appropriate Company personnel;
- computer operations controls to ensure that critical batch jobs are monitored and data backups are authorized and monitored; and
- testing and approval controls for program development to ensure that new software development is aligned with business and IT requirements.

The IT deficiencies noted above did not result in a misstatement to the consolidated financial statements for either the Successor or Predecessor; however, the deficiencies, when aggregated, could impact maintaining effective

segregation of duties, as well as the effectiveness of IT-dependent controls (such as automated controls that address the risk of material misstatement to one or more assertions, along with the IT controls and underlying data that support the effectiveness of system-generated data and reports) that could result in misstatements potentially impacting all financial statement accounts and disclosures that would not be prevented or detected.

Additionally, these material weaknesses could result in misstatements of substantially all accounts and disclosures that would result in a material misstatement to the annual or interim consolidated financial statements that would not be prevented or detected.

Remediation Plans

We are in the process of implementing measures designed to improve our internal control over financial reporting and remediate the deficiencies that led to the material weaknesses, including tone at the top and other communications training, hiring additional finance and accounting personnel, designing and implementing new control activities, and enhancing existing control activities.

- We reviewed the personnel structure and identified new positions to enhance our accounting and financial reporting team. Some of these individuals were onboarded during 2021 while others are expected to be onboarded during 2022. We have and expect to continue to align our personnel to specific areas and responsibilities to alleviate the numerous competing responsibilities currently faced.
- We have commenced developing and formalizing a risk assessment process across the organization to identify risks and design new controls or enhance existing controls responsive to such risks to ensure timely and accurate financial reporting.
- We are in the process of designing and implementing additional review and communications training procedures within our accounting, finance and program management functions to provide more robust knowledge and understanding of internal control over financial reporting.
- We are in the process of implementing a comprehensive financial closing process checklist with additional layers of reviews as well as controls around non-routine, unusual or complex transactions, including controls over the accounting for purchase business combinations.
- We will continue to conduct training, document our processes and procedures, including accounting policies, across the Company to ensure consistent application including controls over the preparation and review of business performance reviews, account reconciliations, journal entries and contract estimates used in determining the recognition of revenue.
- We are in the process of performing an assessment of all IT systems which provide data for financial reporting purposes. As part of this assessment, we will be designing, implementing and documenting IT general controls.

We are working to remediate the material weaknesses as efficiently and effectively as possible and expect full remediation will likely go beyond December 31, 2022. At this time, we cannot provide an estimate of costs expected to be incurred in connection with implementing this remediation plan; however, these remediation measures will be time consuming, will result in the Company incurring additional costs, and will place additional demands on our financial and operational resources.

If we are unable to successfully remediate our existing or any future material weaknesses in our internal control over financial reporting, the accuracy and timing of our financial reporting may be adversely affected; investors may lose confidence in our financial reporting; we could become subject to litigation or investigations by the NYSE, the SEC or other regulatory authorities.

We may not be able to remain in compliance with the continued listing requirements of the NYSE, and if the NYSE delists our Common Stock, it would have an adverse impact on the trading, liquidity and market price of our Common Stock.

On November 23, 2021, we received written notification from the NYSE that we were not in compliance with an NYSE continued listing standard in Rule 802.01E of the NYSE Listed Company Manual because we failed to timely file our Quarterly Report on Form 10-Q for the period ended September 30, 2021.

The Company regained compliance with the NYSE's continued listing standards after having filed the delinquent Quarterly Report on Form 10-Q and the Annual Report on Form 10-K, filed with the SEC on April 11, 2022. However, we cannot assure you that we will continue to remain in compliance with this standard or that we will remain in compliance with any of the other applicable continued listing standards of the NYSE. The price of our Common Stock may be adversely affected due to, among other things, our financial results, market conditions and the impacts of the COVID-19 pandemic.

Any future failure to remain in compliance with the NYSE's continued listing standards, and any subsequent failure to timely resume compliance with the NYSE's continued listing standards within the applicable cure period, could have adverse consequences including, among others, reducing the number of investors willing to hold or acquire our Common Stock, reducing the liquidity and market price of our Common Stock, adverse publicity and a reduced interest in us from investors, analysts and other market participants. In addition, a suspension or delisting could impair our ability to raise additional capital through the public markets and our ability to attract and retain employees by means of equity compensation.

We may issue additional Common Stock or other equity securities without your approval, which would dilute your ownership interests and may depress the market price of the Common Stock.

We may issue additional shares of Common Stock or other equity securities in the future in connection with, among other things, future acquisitions, repayment of outstanding indebtedness or grants under the Redwire Corporation 2021 Omnibus Incentive Plan without stockholder approval in a number of circumstances. Our issuance of additional Common Stock or other equity securities of equal or senior rank would have the following effects:

- our existing shareholders' proportionate ownership interest will decrease;
- the amount of cash available per share, including for payment of dividends in the future, may decrease;
- the relative voting strength of each previously outstanding share of Common Stock may be diminished; and
- the market price of our Common Stock may decline.

A market for our Common Stock may not be sustained, which would adversely affect the liquidity and price of our Common Stock.

The price of our Common Stock may fluctuate significantly due to general market and economic conditions. An active trading market for our Common Stock may not be sustained.

The price of our Common Stock has and may continue to fluctuate substantially.

The market price for our Common Stock has and may continue to be volatile. Factors affecting the trading price of our Common Stock may include:

- actual or anticipated fluctuations in our quarterly financial results or the quarterly financial results of companies perceived to be similar to it;
- changes in the market's expectations about our operating results;
- success of competitors;
- our operating results failing to meet market expectations in a particular period;

- changes in financial estimates and recommendations by securities analysts concerning us or the payments industry and market in general;
- operating and stock price performance of other companies that investors deem comparable to us;
- our ability to market new and enhanced products on a timely basis;
- changes in laws and regulations affecting our business;
- commencement of, or involvement in, litigation involving us;
- changes in its capital structure, such as future issuances of securities or the incurrence of additional debt;
- the volume of shares of Common Stock available for public sale;
- any significant change in our board or management;
- sales of substantial amounts of Common Stock by our directors, executive officers or significant stockholders or the perception that such sales could occur; and
- general economic and political conditions such as recessions, interest rates, fuel prices, international currency fluctuations and acts of war or terrorism.

Broad market and industry factors may depress the market price of our Common Stock irrespective of our operating performance. The stock market in general and the NYSE have experienced price and volume fluctuations that have often been unrelated or disproportionate to the operating performance of the particular companies affected. The trading prices and valuations of these stocks, and of our securities, may not be predictable. A decline in the market price of our Common Stock also could adversely affect its ability to issue additional securities and its ability to obtain additional financing in the future.

We do not anticipate paying dividends for the foreseeable future.

We do not anticipate that our board of directors (“Board”) will declare dividends in the foreseeable future. In addition, the ability of our Board to pay dividends in the future may be restricted by our debt documents, our holding company structure and capital requirements at our subsidiaries. Because we do not pay dividends, and do not anticipate paying dividends for the foreseeable future, the price of our Common Stock must appreciate in order for you to realize a gain on your investment. This appreciation may not occur.

General Business Risks

Our business, financial condition and results of operations are subject to risks resulting from broader geographic operations.

Our operations outside of the U.S. may lead to more volatile financial results and make it more difficult for us to manage our business. Reasons for this include, but are not limited to, the following:

- political and economic instability;
- governments’ restrictive trade policies;
- the imposition or rescission of duties, taxes or government royalties;
- exchange rate risks;
- exposure to varying legal standards, including data privacy, security and intellectual property protection in other jurisdictions;
- difficulties in obtaining required regulatory authorizations;

- local domestic ownership requirements;
- requirements that certain operational activities be performed in-country;
- changing and conflicting national and local regulatory requirements; and
- the geographic, language and cultural differences between personnel in different areas of the world.

If we experience a disaster or other business continuity problem, we may not be able to recover successfully, which could cause material financial loss, loss of human capital, regulatory actions, reputational harm, or legal liability.

If we experience a local or regional disaster or other business continuity problem, such as an earthquake, hurricane, blizzard, terrorist attack, pandemic or other natural or man-made disaster, our continued success will depend, in part, on the availability of our personnel, our facilities, and the proper functioning of our computer, telecommunication, and other business systems and operations. As we attempt to grow our operations, the potential for particular types of natural or man-made disasters, political, economic, or infrastructure instabilities, or other country or region-specific business continuity risks increases. We cannot ensure that provisions in our customer contracts will be legally sufficient to protect us if we are sued and our errors and omissions and product liability insurance coverage may not be adequate, may not continue to be available on reasonable terms or in sufficient amounts to cover one or more large claims, or the insurer may disclaim coverage as to some types of future claims. The successful assertion of any large claim against us could seriously harm our business. Even if not successful, these claims may result in significant legal and other costs, be a distraction to our management and harm our reputation.

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

Our quarterly and annual operating results may fluctuate significantly, which makes it difficult for us to predict our future operating results. These fluctuations may occur due to a variety of factors, many of which are outside of our control, including:

- unexpected weather patterns, natural disasters or other events that force a cancellation or rescheduling of launches;
- the cost of raw materials or supplied components critical for the manufacture and operation of our systems, products, technologies and services;
- the timing and cost of, and level of investment in, research and development relating to our technologies and our current or future facilities;
- developments involving our competitors;
- changes in governmental regulations or in the status of our regulatory approvals or applications;
- future accounting pronouncements or changes in our accounting policies;
- the impact of epidemics or pandemics, including current business disruption and related financial impact resulting from the global COVID-19 health crisis; and
- general market conditions and other factors, including factors unrelated to our operating performance or the operating performance of our competitors.

The individual or cumulative effects of factors discussed above could result in large fluctuations and unpredictability in our quarterly and annual operating results. As a result, comparing our operating results on a period-to-period basis may not be meaningful.

This variability and unpredictability could also result in our failing to meet the expectations of industry or financial analysts or investors for any period. If our revenue or operating results fall below the expectations of analysts or investors or below any guidance we may provide, or if any guidance we provide is below the expectations of analysts or investors, the price of our Common Stock could decline substantially. Such a stock price decline could occur even when we have met any previously publicly stated guidance we may provide.

The Company's ability to use its net operating loss carryforwards and certain other tax attributes may be limited.

As of December 31, 2021, the Company had \$9.5 million of U.S. federal, \$2.0 million of state, net, and \$0.5 million of deferred tax assets related to foreign net operating loss carryforwards ("NOLs") available to reduce future taxable income. The \$9.5 million in U.S. federal operating loss carryforwards may be carried forward indefinitely for U.S. federal tax purposes. Certain state net operating losses will begin to expire in 2038. Foreign net operating losses will begin expiring in 2036. It is possible that the Company will not generate sufficient taxable income to use these NOLs before their expiration or at all.

Any limitation on using NOLs could, depending on the extent of such limitation and the NOLs previously used, result in the Company retaining less cash after payment of U.S. federal and state income taxes during any year in which we have taxable income, rather than losses, than the Company would be entitled to retain if such NOLs were available as an offset against such income for U.S. federal and state income tax reporting purposes, which could adversely impact the Company's operating results.

Natural disasters, unusual weather conditions, epidemic outbreaks, terrorist acts and political events could disrupt our business.

The occurrence of one or more natural disasters such as fires, floods and earthquakes, unusual weather conditions, epidemic or pandemic outbreaks, terrorist attacks or disruptive political events where our facilities or the launch facilities our transport partners use are located, or where our third-party suppliers' facilities are located, could adversely affect our business. Natural disasters including tornados, hurricanes, floods and earthquakes may damage our facilities, the launch facilities we use or those of our suppliers, which could have a material adverse effect on our business, financial condition and results of operations. Severe weather, such as rainfall, snowfall or extreme temperatures, may impact the ability for launches to occur as planned, resulting in additional expense to reschedule, thereby reducing our sales and profitability. Terrorist attacks, actual or threatened acts of war or the escalation of current hostilities, or any other military or trade disruptions impacting our domestic or foreign suppliers of components of our products, may impact our operations by, among other things, causing supply chain disruptions and increases in commodity prices, which could adversely affect our raw materials or transportation costs. These events also could cause or act to prolong an economic recession or depression in the United States or abroad, such as the current business disruption and related financial impact resulting from the global COVID-19 health crisis. To the extent these events also impact one or more of our suppliers or result in the closure of any of their facilities or our facilities, we may be unable to fulfill our other contracts.

Net earnings and net assets could be materially affected by an impairment of goodwill.

We have a significant amount of goodwill recorded on our unaudited condensed consolidated balance sheet as of March 31, 2022. We are required at least annually to test the recoverability of goodwill. The recoverability test of goodwill is based on the current fair value of our identified reporting units. Fair value measurement requires assumptions and estimates of many critical factors, including revenue and market growth, operating cash flows and discount rates. If general market conditions deteriorate in portions of our business, we could experience a significant decline in the fair value of reporting units. This decline could lead to an impairment of all or a significant portion of the goodwill balance, which could materially affect our U.S. GAAP net earnings and net assets.

MARKET AND INDUSTRY DATA

Certain industry data and market data included in this prospectus were obtained from independent third-party surveys, market research, publicly available information, reports of governmental agencies and industry publications and surveys. All of management's estimates presented herein are based upon management's review of independent third-party surveys and industry publications prepared by a number of sources and other publicly available information. All of the market data used in this prospectus involves a number of assumptions and limitations, and you are cautioned not to give undue weight to such estimates. We believe that the information from these industry publications and surveys included in this prospectus is reliable. The industry in which we operate is subject to a high degree of uncertainty and risk due to a variety of factors, including those described in the section titled "*Risk Factors*." These and other factors could cause results to differ materially from those expressed in the estimates made by the independent parties and by us.

USE OF PROCEEDS

All of the Common Stock offered by the Selling Shareholders pursuant to this prospectus will be sold by the Selling Shareholders for their respective accounts. We will not receive any of the proceeds from these sales.

The Selling Shareholders will pay any underwriting fees, discounts, selling commissions, stock transfer taxes and certain legal expenses incurred by such Selling Shareholders in disposing of their Common Stock, and we will bear all other costs, fees and expenses incurred in effecting the registration of the Common Stock covered by this prospectus, including, without limitation, all registration and filing fees, NYSE listing fees and fees and expenses of our counsel and our independent registered public accountants.

We will not receive any proceeds from the sale of shares of Common Stock by the Selling Shareholders.

DETERMINATION OF OFFERING PRICE

Our Common Stock is listed on the NYSE under the symbol "RDW." The actual offering price by the Selling Shareholders of the shares of Common Stock covered by this prospectus will be determined by prevailing market prices at the time of sale, by private transactions negotiated by the Selling Shareholders or as otherwise described in the section entitled "Plan of Distribution."

MARKET INFORMATION FOR SECURITIES AND DIVIDEND POLICY

Market Information

Our Common Stock and warrants (“Warrants”) are listed on the New York Stock Exchange and trade under the symbols “RDW” and “RDW WS”, respectively. Each Warrant entitles the registered holder to purchase one share of our Common Stock at a price of \$11.50 per share, subject to certain adjustments. As of June 8, 2022, there were 63,240,810 shares of Common Stock outstanding and 15,920,979 Warrants outstanding.

Dividend Policy

We have never declared dividends on our Common Stock and we do not anticipate paying cash dividends in the foreseeable future. Any decisions to declare and pay dividends in the future will be made at the discretion of our Board and will depend on, among other things, our results of operations, financial condition, cash requirements, contractual restrictions and other factors that our Board may deem relevant.

MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

You should read the following discussion and analysis of our financial condition and results of operations together with our financial statements and related notes included elsewhere in this prospectus. Some of the information contained in this discussion and analysis or set forth elsewhere in this prospectus, including information with respect to our plans and strategy for our business, includes forward-looking statements that involve risks and uncertainties. As a result of many factors, including those factors set forth in the section titled "Risk Factors," our actual results could differ materially from the results described in or implied by the forward-looking statements contained in the following discussion and analysis. Please also see the section titled "Special Note Regarding Forward-Looking Statements."

The following discussion and analysis of financial condition and results of operations is provided to supplement the consolidated financial statements and the accompanying notes included in this prospectus. We intend for this discussion to provide you with information that will assist you in understanding our financial statements and the accompanying notes, the changes in those financial statements and the accompanying notes from period to period, and the primary factors that accounted for those changes.

Business Overview

We are a leader in mission critical space solutions and high reliability components for the next generation space economy, with valuable intellectual property for solar power generation and in-space 3D printing and manufacturing. With decades of flight heritage combined with the agile and innovative culture of a commercial space platform, we are uniquely positioned to assist our customers in solving the complex challenges of future space missions.

We manufacture and deliver space infrastructure to our customers. We offer a broad array of products and services, many of which have been enabling space missions since the 1960s and have been flight-proven on over 200 spaceflight missions, including missions such as the GPS constellation, New Horizons and Perseverance. We are also a provider of innovative technologies with the potential to help transform the economics of space and create new markets for its exploration and commercialization. One example of this is our patented suite of in-space manufacturing and robotic assembly technologies (referred to herein as OSAM). Other examples of our proprietary technologies include deployable structures, human-rated camera systems and digital engineering.

We have grown organically while also continuing to integrate several acquisitions from a fragmented landscape of space-focused technology companies with innovative capabilities and deep flight heritage. Many of our technologies are flight-proven and have been adopted by a broad range of customers across national security, civil and commercial space. Combining heritage and innovation has enabled us to accelerate the delivery of disruptive technologies.

We believe the space economy is at an inflection point. The reduction of launch costs over the last decade has eliminated the single largest economic barrier to entry for the expanded utilization of space, and the increasing cadence of launches provides more flexible, reliable access. This lower cost access has resulted in both the expansion and modernization of traditional national security and civil uses of space and has enticed new commercial entrants to invest substantial capital to develop new space-based business models. Our goal is to provide a full suite of infrastructure solutions, including mission-critical components, services and systems that will contribute to a dramatic expansion of the space-based economy. We believe that our products and services are essential to the growth of space as a strategic military and commercial domain, as well as a frontier for science and exploration.

Recent Developments

Executive Summary

In 2021, we drove strong order volume and won significant new business mandates, demonstrating the strength and breadth of our suite of breakout space infrastructure solutions, including critical avionics, navigation systems, advanced payloads, digital engineering and deployable systems. However, uncertainty around the timing of U.S.

government funding, and program execution delays related to COVID-19, impacted our customers and programs. In planning 2021, we anticipated making several significant contributions to the development of the Artemis Human Landing System (HLS). However, the single award to SpaceX, protest by Blue Origin and Dynetics, and the subsequent voluntary stay of work by NASA have significantly delayed any work that would have been available to Redwire on that program. This delay and subsequent loss of the protest by our prime contractor teammate, Blue Origin, together with increasing costs associated with transitioning to operating as a publicly listed company, impacted our second half performance.

During the first quarter of 2022, the Company continued to serve as a critical mission partner to commercial, civil, and national security customers. Redwire hardware was utilized on four launches and Redwire payloads operated on the ISS and successfully returned to Earth. These deployments represent Redwire's continued enablement of the missions of today and demonstrate our dedication to accelerating humanity's expansion into space by delivering reliable, economical, and sustainable infrastructure for future generations. Our products and technologies are enabling multiple constellations and multi-shipset, multi-year programs for partners like the Space Development Agency ("SDA"), the U.S. Space Force, NASA, and commercial customers.

Of particular note among our first quarter accomplishments: in January of 2022, Redwire successfully delivered multiple L-Band Link-16 Helical Antenna systems for the first generation of the SDA's NDSA constellation's Transport Layer. Redwire continues to provide solar array solutions for a variety of customers, including early delivery relative to its baseline schedule of the fourth ROSA solar array for augmentation of the ISS's power generation capabilities. Following up on the successful installation of wings 1 and 2 in 2021, wings 3 and 4 are currently scheduled for launch to the ISS this year, with wings 5 and 6 launching thereafter. ROSA is an innovative solar array technology proprietary to Redwire and is operating on a variety of missions such as NASA's Double Asteroid Redirection Test. Redwire's solar array product lines have a robust production pipeline including the Power and Propulsion Element of the Lunar Gateway and a variety of small LEO satellites. In the fourth quarter of 2021, Redwire completed the critical design review for OSAM-2, a first-of-its-kind satellite which will manufacture and assembly portions of itself in space. Validating the importance and potential of this technology, The White House and the National Space Council released a national in-space servicing, assembly and manufacturing strategy calling for investment and adoption of in-space manufacturing and assembly for satellite missions. Redwire is a leader in this technology area which can enable more capability at a lower cost, larger apertures for spacecraft, and the ability to sustain and protect assets in orbit. Cost increases and additional research and development investment in this area impacted the Company's performance for the three months ended March 31, 2022. We expect to continue to invest in technologies through the remainder of 2022.

Business Highlights

- On November 1, 2021, we acquired Techshot Inc., a leader in on-orbit manufacturing, biotechnology in microgravity, and bioprinting needed for commercial space-based biotechnology and pharmaceutical research and development.
- Installed the first of three pairs of patented ROSA on the ISS, which we expect will increase aggregate power on the ISS by more than 30%. Deployment of ROSA and rigid panel solar array technology, with more than 200 kilowatts power, will be utilized for the Double Asteroid Redirection Test NASA planetary defense mission, the Lunar Gateway, and future commercial and DoD satellite projects.
- Partnered with leading space companies on the new Orbital Reef project, a proposed dynamic commercial ecosystem in LEO. This next-generation space station could leverage Redwire's capabilities including our ROSA technology, digital engineering, and microgravity manufacturing expertise.
- Completed a successful merger with GPAC and began trading on the NYSE on September 3, 2021.
- Demonstrated the feasibility of manufacturing space-enhanced products such as KDP crystals and ceramics via payloads designed and built by Redwire. These technical milestones further demonstrate the potential for developing terrestrial markets for goods manufactured in space.

- Completed a large-scale 3D printing test for the approximately \$73.8 million Archinaut One satellite mission, also known as OSAM-2. Archinaut One was established to demonstrate first of its kind in- space 3D printing and robotic assembly of satellites, revolutionizing the approximately \$23 billion satellite manufacturing market (according to Research and Markets), by enabling significant capability expansion and launch cost reduction compared to traditional satellites.
- Under contract with NASA, completed preliminary design work on Optimast SCI, a novel in-space manufactured telescope using Archinaut technology, which can spot more asteroids at greater resolutions than the Hubble Telescope.
- Delivered the first two of five contracted navigational and inspection cameras for the Orion Spacecraft production line on NASA's Artemis program, which is expected to carry the first woman, next man, and other explorers to sustainably explore the Moon's surface.
- Awarded Firefly Blue Ghost Lunar Lander contract to provide avionics and critical Terrain Relative Navigation systems for NASA's Artemis program to explore the Moon's surface.
- Designed and built deployable Link 16 antennas for Tranche 0 of the Space Development Agency's proliferated LEO satellite constellation, which is expected to deploy over 1,000 satellites over the next decade, ensuring constant world-wide global coverage.
- Selected to provide Virgin Orbit state-of-the-art digital engineering solutions that will support multi- mission planning through systematic analysis and advanced modeling and dynamic mission simulation.

Acquisition Activity

On March 2, 2020, the Company acquired the business unit of Adcole Corporation, Adcole Maryland Aerospace, LLC, which was subsequently renamed Adcole Space, LLC ("Adcole"). Adcole Maryland Aerospace, LLC was established in 2017 after a merger between a division of Adcole Corporation (founded in 1957) and Maryland Aerospace Incorporated and has been at the forefront of space exploration since its early history, providing satellite components that are integral to the mission success of hundreds of LEO, geosynchronous and interplanetary spacecraft. The Company's core capabilities include the design and manufacture of mission-critical, high reliability optical sensors for satellites providing guidance, navigation, situational awareness and control capabilities. Key products include sun sensors, star trackers and star cameras.

On June 1, 2020, the Company acquired Deep Space Systems, Inc. ("DSS"), which was established in 2001. DSS provides systems engineering that supports the design, development, integration, testing and operations of science and exploration spacecraft. DSS provides critical systems engineering support to next generation space exploration programs such as Dream Chaser and Orion. The Company is a prime contractor on NASA's Commercial Lunar Payload Services (CLPS) contract.

On June 22, 2020, the Company acquired In Space Group, Inc. and its subsidiaries (collectively, "MIS" or "Predecessor"). MIS was established in 2010 and is the industry leader for space manufacturing technologies, delivering next-generation capabilities in orbit to support exploration objectives and national security priorities. As the first commercial company to additively manufacture in space, MIS's vision is to sustainably develop off-Earth manufacturing capabilities to enable the future of space exploration. With a focus on industrializing the space environment, MIS specializes in on-orbit manufacturing, space-enabled materials development, and exploration manufacturing technology. On August 31, 2020, the Company entered into the Original Silicon Valley Bank ("SVB") Loan Agreement for \$45.4 million, proceeds of which were primarily used to repay AE Industrial Partners, LP for financing the MIS acquisition.

On October 28, 2020, the Company acquired Roccor, LLC ("Roccor"), which was established in 2012. Roccor specializes in deployable structure systems, thermal management systems, and advanced manufacturing in the aerospace industry. Roccor develops a variety of products including solar arrays, antennas and thermal management solutions. Roccor was selected by NASA to develop a first-of-its-kind deployable structure for a nearly 18,000 square foot solar sail that will allow solar scientists to view the sun from different perspectives and stay in orbit

longer than ever before. On October 28, 2020, the Company entered into the Adams Street Credit Agreement for a \$31.0 million term loan to finance the Roccor acquisition.

On December 11, 2020, the Company acquired LoadPath, LLC (“LoadPath”), which was established in 2009. LoadPath specializes in the development and delivery of aerospace structures, mechanisms, and thermal control solutions, and performs design, analysis, testing and fabrication to advanced technologies through the complete concept-to-flight development cycle. Specific products and services include multiple payload adapters, deployable structures and booms, thermal management technology, spacecraft mechanisms, CubeSat components and launch accommodations, Veritrek, ground support equipment and testing services.

On January 15, 2021, the Company acquired Oakman Aerospace, Inc. (“Oakman”), which was established in 2012. Oakman specializes in the development of Modular Open System Architecture, rapid spacecraft design and development, and custom missions, payloads and applications. Oakman’s proprietary digital engineering modular, open systems software environment, Advanced Configurable Open-system Research Network, ACORN, enables the next generation of digitally engineered spacecraft that helps to optimize the balance between cost and tailor ability in spacecraft design and development. On January 15, 2021, the Company drew \$15.0 million on its Adams Street Delayed Draw Term Loan (as defined below) under the Adams Street Credit Agreement to finance the Oakman acquisition.

On February 17, 2021, the Company acquired Deployable Space Systems, Inc. (“DPSS”), which was established in 2008. DPSS’s mission is to develop new and enabling deployable technologies for space applications, transition emerging technologies to industry for infusion into future DoD, NASA and/or commercial programs and design, analyze, build, test and deliver on-time among the deployable solar arrays, deployable structures and space system products. DPSS has developed a one-of-a-kind, patented ROSA technology which is a new and innovative mission-enabling rolled flexible blanket solar array system that offers greatly improved performance over state-of-the-art rigid panel solar arrays. On February 17, 2021, the Company amended the Adams Street Credit Agreement to increase the principal amount of the Adams Street Term Loan (as defined herein) by an additional \$32.0 million to finance the DPSS acquisition.

On November 1, 2021, the Company acquired 100% of the equity interests of Techshot, Inc. (“Techshot”) in exchange for cash and shares of Common Stock of the Company. Techshot is a biotechnology leader in microgravity, bioprinting, and on-orbit manufacturing needed for commercial space-based research and development. Techshot has developed the first American system capable of manufacturing human tissue in microgravity; a platform containing a set of centrifuges for in-space biological and physical-science research; an experiment processor for biological research and small scale manufacturing in space; and an in-orbit X-ray machine for researching new treatments for osteoporosis and muscle wasting diseases.

Merger with GPAC

On March 25, 2021, the Company entered into the Merger Agreement, by and among GPAC, Shepard Merger Sub Corporation, a Delaware corporation and direct, wholly owned subsidiary of GPAC (“Merger Sub”), Cosmos Intermediate, LLC (“Cosmos”) and AE Red Holdings, LLC formerly known as Redwire, LLC (“Holdings”).

Pursuant to the Merger Agreement, the parties completed a business combination transaction by which, (i) GPAC domesticated as a Delaware corporation in accordance with Section 388 of the Delaware General Corporation Law and the Companies Act of the Cayman Islands (the “Domestication”), (ii) Merger Sub merged with and into Cosmos, with Cosmos being the surviving entity in the merger (the “First Merger”), and (iii) immediately following the First Merger, Cosmos merged with and into GPAC, with GPAC being the surviving entity in the merger (the “Second Merger” and, together with the First Merger, the “Mergers” or the “Merger” and, together with the other transactions contemplated by the Merger Agreement, the “Transactions”). In this prospectus, we refer to the Domestication and the Transactions, collectively, as the “Merger”.

On September 2, 2021, the Company consummated the Merger. Upon the closing of the Merger, GPAC was renamed to Redwire Corporation. The Merger was accounted for as a reverse recapitalization in which GPAC was treated as the acquired company. A reverse recapitalization does not result in a new basis of accounting, and the consolidated financial statements of the combined entity represent the continuation of the consolidated financial

statements of the Company in many respects. MIS was deemed the accounting predecessor and the combined entity is the successor SEC registrant, Redwire.

The aggregate consideration paid to Holdings consisted of a combination of cash and stock. The cash consideration was comprised of \$75.0 million (such amount, the “Closing Cash Consideration”). The remainder of the consideration was comprised of (i) 37,200,000 shares of Common Stock, par value \$0.0001 per share, of GPAC (the “Closing Share Consideration”) and (ii) 2,000,000 Warrants to purchase one share of Common Stock per Warrant (the “Closing Warrant Consideration”), with such amount of Warrants corresponding to the forfeiture of certain Warrants acquired by GPAC’s Sponsor, Genesis Park

Holdings, a Cayman Islands limited liability company (“GNPK”) and Jefferies LLC in connection with GPAC’s initial public offering. At the effective time of the First Merger, the units of Cosmos were cancelled and automatically deemed for all purposes to represent the right to receive, in the aggregate, the Closing Cash Consideration, the Closing Share Consideration and the Closing Warrant Consideration.

COVID-19 Operational Posture and Impact

We continue to evaluate the ongoing impact of the pandemic. As aerospace manufacturing, communications and defense are federal critical infrastructure sectors, we continue to keep some of our workforce onsite to maintain critical operations. As such, our operations continue to expose our workforce to risks associated with the COVID-19 pandemic.

In response to this exposure, our pandemic crisis response plan remains activated to protect the health and safety of our team members, families, customers, and communities, while continuing to meet our commitments to customers.

Given the ongoing nature of the outbreak and consequences on the economy, at this time we cannot reasonably estimate the magnitude of the ultimate impact that COVID-19 will have on our business, financial performance, and operating results. The pandemic has caused program execution delays as a result of variant resurgences. Therefore, the near and long-term impacts of the pandemic on the cost and schedule of the numerous programs in our existing backlog and the timing of new awards remains uncertain. We are also observing stress in our supplier base inside and outside the U.S., which is tied to global supply chain constraints, labor shortages and inflationary pressures globally. We will continue to monitor and assess the actual and potential COVID-19 impacts on employees, customers, suppliers and the productivity of the work being done, all of which, to some extent, has and will continue to impact revenues, estimated costs to complete projects, earnings and cash flow.

Results of Operations

For purposes of the following discussion and analysis, any financial impact related to the acquisition of Oakman, DPSS and Techshot is collectively referred to as the “2021 Acquisitions.”

Results of operations for the three months ended March 31, 2022 compared to the three months ended March 31, 2021

The following table presents our results of operations for the three months ended March 31, 2022 compared to the three months ended March 31, 2021 expressed in U.S. thousands of dollars, along with the percentage of

revenues and the dollar and percent change compared to the prior period:

(in thousands, except percentages)	Three Months Ended				\$ Change from prior year period	% Change from prior year period
	March 31, 2022	% of revenues	March 31, 2021	% of revenues		
Revenues	\$ 32,867	100 %	\$ 31,698	100 %	\$ 1,169	4 %
Cost of sales	27,696	84	24,221	76	3,475	14
Gross margin	5,171	16	7,477	24	(2,306)	(31)
Operating expenses:						
Selling, general and administrative expenses	20,951	64	11,256	36	9,695	86
Transaction expenses	46	—	2,417	8	(2,371)	(98)
Research and development	1,724	5	996	3	728	73
Operating income (loss)	(17,550)	(53)	(7,192)	(23)	(10,358)	144
Interest expense, net	1,452	4	1,421	4	31	2
Other (income) expense, net	1,180	4	87	—	1,093	1,256
Income (loss) before income taxes	(20,182)	(61)	(8,700)	(27)	(11,482)	132
Income tax expense (benefit)	(2,889)	(9)	(1,026)	(3)	(1,863)	182
Net income (loss)	\$ (17,293)	(53) %	\$ (7,674)	(24) %	\$ (9,619)	125 %

Revenues

Revenues increased by \$1.2 million, or 4%, for the three months ended March 31, 2022 compared to the three months ended March 31, 2021. The year-over-year increase in revenues was primarily driven by \$3.7 million of contributed revenue from 2021 Acquisitions and the timing of product deliveries in the deployables and engineering solutions space. This activity was partially offset by the timing of subcontracted work in addition to macroeconomic headwinds, including inflation and supply chain pressures that increased production costs.

Cost of Sales

Cost of sales increased \$3.5 million, or 14%, for the three months ended March 31, 2022 compared to the three months ended March 31, 2021. The year-over-year increase in cost of sales was primarily driven by \$3.7 million of contributed cost of sales from 2021 Acquisitions, equity-based compensation of \$0.8 million, increased costs associated with revenue growth for the period, and the macroeconomic factors discussed above. These activities were partially offset by changes in contract mix and the investment of operational resources in future technologies through research and development.

Gross Margin

Gross margin decreased \$2.3 million, or 31%, for the three months ended March 31, 2022 compared to the three months ended March 31, 2021. As a percentage of sales, gross margin was 16% and 24% for the three months ended March 31, 2022 and March 31, 2021, respectively. The year-over-year decrease in gross margin was primarily driven by changes in contract mix and an increase in production costs and equity-based compensation.

Selling, General and Administrative expenses ("SG&A")

SG&A expenses increased \$9.7 million, or 86%, for the three months ended March 31, 2022 compared to the three months ended March 31, 2021. The year-over-year increase in SG&A was primarily driven by equity-based compensation expense of \$3.6 million, litigation-related expenses of \$2.3 million and increased payroll costs of \$1.5 million related to our expanded workforce. The remaining increase was primarily related to increased professional fees and other costs associated with being a public company. Contributed SG&A from the 2021 Acquisitions was \$2.0 million for the three months ended March 31, 2022. SG&A expenses are expected to increase as we continue to invest in the development of our business and centralized corporate functions.

Transaction Expenses

Transaction expenses decreased \$2.4 million, or 98%, for the three months ended March 31, 2022 compared to the three months ended March 31, 2021. The transaction expenses incurred in the three months ended March 31, 2022 were primarily related to the acquisition of Techshot, while transaction expenses incurred in the three months ended March 31, 2021 included the acquisition of Oakman and DPSS.

Research and Development

Research and development expenses increased \$0.7 million, or 73%, for the three months ended March 31, 2022 compared to the three months ended March 31, 2021. The increase was primarily driven by the strategic decision to invest in future technologies despite macroeconomic factors that increased the cost of research and development activities. The remaining increase was due to varied spending on projects related to solar arrays, modeling and simulation environments, and technologies related to low-earth orbit commercialization, including biofabrication, polymer and metal manufacturing, and cold storage services. Contributed expenses from the 2021 Acquisitions was \$0.4 million for the three months ended March 31, 2022.

Interest Expense, net

Interest expense, net was relatively consistent for the three months ended March 31, 2022 as compared to the three months ended March 31, 2021. Please refer to Note G of the accompanying notes to the unaudited condensed consolidated financial statements for additional information related to the Company's debt obligations.

Other (Income) Expense, net

Other (income) expense, net increased \$1.1 million, or 1,256%, for the three months ended March 31, 2022 compared to the three months ended March 31, 2021. The year-over-year increase was primarily due to a loss recognized as a result of an increase in the private warrant liability of \$1.2 million during the three months ended March 31, 2022. Refer to Note D of the accompanying notes to the unaudited condensed consolidated financial statements for additional information related to the private warrants.

Income Tax Expense (Benefit)

The table below provides information regarding our income tax expense (benefit) for the following periods:

(in thousands, except percentages)	Three Months Ended	
	March 31, 2022	March 31, 2021
Income tax expense (benefit)	\$ (2,889)	\$ (1,026)
Effective tax rate	14.3 %	11.8 %

The increase in our effective tax rate for the three months ended March 31, 2022 compared to the three months ended March 31, 2021 is primarily due to the impact of equity-based compensation, the valuation of warrants, and a partial valuation allowance on net operating loss carryforwards originating during the three months ended March 31, 2022. Refer to Note I of the accompanying notes to the unaudited condensed consolidated financial statements for further discussion.

Results of operations for the year ended December 31, 2021 compared to the Successor period from February 10, 2020 to December 31, 2020 compared to the Predecessor period from January 1, 2020 to June 21, 2020

The following periods are presented in the results of operations:

- the year ended December 31, 2021 (the "Successor 2021 Period"), which includes the results of Adcole, DSS, MIS, Roccor and LoadPath from the beginning of the period as well as the 2021 Acquisitions from their respective acquisition dates;
- the period from February 10, 2020 (inception) to December 31, 2020 (the "Successor 2020 Period"), which includes the results of Adcole, DSS, MIS, Roccor and LoadPath from their respective acquisition dates; and

- the period from January 1, 2020 to June 21, 2020 (the “Predecessor 2020 Period”), which only includes the results of MIS.

MIS was identified as the Predecessor through an analysis of various factors, including the size, financial characteristics, ongoing management, and order in which the acquired entities were acquired. As a result, financial information of the Predecessor and Successor periods have been prepared under two different bases of accounting and therefore are not comparable.

The following table presents our results of operations for the year ended December 31, 2021 compared to the Successor Period from February 10, 2020 to December 31, 2020 and the Predecessor period from January 1, 2020 to June 21, 2020, along with the percentage of revenues and the dollar and percent change compared to the Successor 2020 Period:

(in thousands, except percentages)	Successor						Predecessor	
	Year Ended December 31, 2021	% of revenues	Period from February 10, 2020 to December 31, 2020	% of revenues	\$ Change from prior year period	% Change from prior year period	Period from January 1, 2020 to June 21, 2020	% of revenues
Revenues	\$ 137,601	100 %	\$ 40,785	100 %	\$ 96,816	237 %	\$ 16,651	100 %
Cost of sales	108,224	79	32,676	80	75,548	231	12,623	76
Gross margin	29,377	21	8,109	20	21,268	262	4,028	24
Operating expenses:								
Selling, general and administrative	78,695	57	13,103	32	65,592	501	5,260	32
Contingent earnout expense	11,337	8	—	—	11,337	100	—	—
Transaction expenses	5,016	4	9,944	24	(4,928)	(50)	—	—
Research and development	4,516	3	2,008	5	2,508	125	387	2
Operating income (loss)	(70,187)	(51)	(16,946)	(41)	(53,241)	314	(1,619)	(10)
Interest expense, net	6,456	5	1,072	3	5,384	502	76	—
Other (income) expense, net	(3,837)	(3)	15	—	(3,852)	(25,680)	23	—
Income (loss) before income taxes	(72,806)	(53)	(18,033)	(44)	(54,773)	304	(1,718)	(10)
Income tax expense (benefit)	(11,269)	(8)	(3,659)	(9)	(7,610)	208	(384)	(2)
Net income (loss)	\$ (61,537)	(45) %	\$ (14,374)	(35) %	\$ (47,163)	328 %	\$ (1,334)	(8) %

Revenues

Revenues increased by \$96.8 million, or 237%, for the Successor 2021 Period compared to the Successor 2020 Period. The increase in revenues was primarily driven by the 2021 Acquisitions of \$32.8 million, organic revenue growth from a full year of operations on 2020 acquisitions of \$51.4 million, as well as new contracts and modifications to expand existing contracts awarded. The 2020 acquisitions included Adcole, DSS, Rocco and LoadPath after their respective acquisition dates. MIS revenues are included in all periods presented.

Cost of Sales

Cost of sales as a percentage of revenues was 79% for the Successor 2021 Period, as compared to 80% for the Successor 2020 Period and 76% for the Predecessor 2020 Period. The increase in cost of sales in the Successor 2021 Period compared to the Successor 2020 Period was primarily driven by the 2021 Acquisitions of \$25.4 million and

organic growth from a full year of operations on 2020 acquisitions of \$36.0 million. Organic cost of sales increased primarily due to equity-based compensation expense of \$2.1 million and high costs incurred for our largest contract during the Predecessor 2020 Period, the Archinaut One contract, contributed to a higher gross profit margin than usual, compared to historical margins for the product mix at this business unit.

Selling, General and Administrative

SG&A expenses as a percentage of revenues for the Successor 2021 Period were 57%, as compared to 32% for the Successor 2020 Period and the Predecessor 2020 Period. Of the 501% increase in SG&A in the Successor 2021 Period compared to the Successor 2020 Period, equity-based compensation expense in the Successor 2021 Period relating to the vesting of the Class P Units Incentive Plan and shares granted under the Company's long-term incentive plan contributed \$25.0 million of the SG&A increase. The acquisitions of Oakman, DPSS and Techshot contributed \$8.9 million of the increase in SG&A compared to the Successor 2020 Period. In the Successor 2021 Period, higher spending for human capital and systems as we invested in our business development and centralized corporate functions at the beginning of the year to support near and long-term growth contributed \$1.4 million of the SG&A increase compared to the Successor 2020 Period. In addition, higher expenses related to the capital market and advisory fees incurred for public company readiness contributed \$7.7 million of the SG&A increase compared to the Successor 2020 Period. The remaining \$22.6 million of the SG&A increase primarily relates to increased payroll costs from expanding the workforce and increased professional fees.

Contingent Earnout Expense

Contingent earnout expense as a percentage of revenues for the Successor 2021 Period was 8%, as compared to 0% for the Successor 2020 Period and Predecessor 2020 Period. Contingent earnout expense in the Successor 2021 Period related to a settlement agreement executed with the sellers of MIS regarding the contingent earnout payment set forth in the purchase agreement and the Rocco contingent earnout payment of which there was no comparable cost incurred in the Successor 2020 Period and Predecessor 2020 Period. Refer to Note C of the accompanying notes to the audited consolidated financial statements for further discussion.

Transaction Expenses

Transaction expenses as a percentage of revenues for the Successor 2021 Period were 4%, as compared to 24% for the Successor 2020 Period and 0% for the Predecessor 2020 Period. The transaction expenses incurred in the Successor 2021 Period were primarily related to the acquisition of Oakman, DPSS and Techshot. The transaction expenses incurred in the Successor 2020 Period were related to the acquisitions of Adcole, DSS, MIS, Rocco and LoadPath, as well as costs associated with our evaluation of other acquisition opportunities. There was no comparable cost incurred during the Predecessor 2020 period. We expect to incur acquisition costs and other related expenses periodically in the future as we continue to seek acquisition opportunities to expand our technological capabilities. Transaction costs incurred by the acquired entities prior to the consummation of an acquisition are not reflected in our historical results of operations.

Research and Development

Research and development expenses as a percentage of revenues for the Successor 2021 Period were 3%, as compared to 5% for the Successor 2020 Period and 2% for the Predecessor 2020 Period. The decrease was related to varying spending in research and development projects. Our primary research and development projects relate to the next generation star tracker, camera systems, and software applications.

Interest Expense, net

Interest expense, net as a percentage of revenues for the Successor 2021 Period was 5%, as compared to 3% for the Successor 2020 Period and less than 1% for the Predecessor 2020 Period. The interest expense, net incurred for the Successor 2021 Period was primarily related to us entering into the September 2, 2021 amendment to the Adams Street Capital Credit Agreement to increase the principal amount of the Adams Street Term Loan, as defined below and further discussed in the "Liquidity and Capital Resources" section. The interest expense, net incurred for the

Predecessor 2020 Period related to credit agreements with outstanding balances repaid prior to the acquisition of MIS.

Other (Income) Expense, net

Other (income) expense, net as a percentage of revenues was 3% for the Successor 2021 Period, while the Successor 2020 Period and Predecessor 2020 Period were both less than 1%. The increase in other (income) expense, net is primarily related to a gain recognized as a result of a decrease in the private warrant liability of \$2.6 million during the Successor 2021 Period. Refer to Note P of the accompanying notes to the audited consolidated financial statements for further discussion. The remaining increase was related to a gain of \$1.0 million recognized in conjunction with a favorable legal settlement that was reached in the fourth quarter of the Successor 2021 Period.

Income Tax Expense (Benefit)

Income tax expense (benefit) as a percentage of revenues for the Successor 2021 Period was 8%, as compared to 9% for the Successor 2020 Period and 2% for the Predecessor 2020 Period.

The table below provides information regarding our income tax expense (benefit) for the following periods:

(in thousands, except percent)	Successor		Predecessor
	Year Ended December 31, 2021	Period from February 10, 2020 to December 31, 2020	Period from January 1, 2020 to June 21, 2020
Income tax expense (benefit)	\$ (11,269)	\$ (3,659)	\$ (384)
Effective tax rate	15.5 %	20.3 %	22.4 %

The decrease in our effective tax rate for the Successor 2021 Period compared to the Successor 2020 and the Predecessor 2020 Period is primarily due to the impact of equity-based compensation, nondeductible transaction costs and earnout expense. Refer to Note L of the accompanying notes to the audited consolidated financial statements for further discussion.

Results of operations for the Successor period from February 10, 2020 to December 31, 2020 compared to the Predecessor period from January 1, 2020 to June 21, 2020 compared to the Predecessor results for the year ended December 31, 2019

For a comparison of our historical results of operations for the Successor period from February 10, 2020 to December 31, 2020 compared to the Predecessor period from January 1, 2020 to June 21, 2020 compared to the Predecessor results for the year ended December 31, 2019, refer to the section entitled “Management’s Discussion and Analysis of Financial Condition and Results of Operations” included in the prospectus filed on October 4, 2021.

Supplemental Non-GAAP Information

We use certain financial measures to evaluate our operating performance, generate future operating plans, and make strategic decisions, including those relating to operating expenses and the allocation of internal resources which are not calculated in accordance with U.S. Generally Accepted Accounting Principles (“U.S. GAAP”) and are considered to be Non-GAAP financial performance measures. These Non-GAAP financial performance measures are used to supplement the financial information presented on a U.S. GAAP basis and should not be considered in isolation or as a substitute for the relevant U.S. GAAP measures and should be read in conjunction with information presented on a U.S. GAAP basis. Because not all companies use identical calculations, our presentation of Non-GAAP measures may not be comparable to other similarly titled measures of other companies.

Adjusted EBITDA and Pro Forma Adjusted EBITDA are two such Non-GAAP financial measures that we use. Adjusted EBITDA is defined as net income (loss) adjusted for interest expense (income), net, income tax (benefit) expense, depreciation and amortization, acquisition costs, acquisition integration costs, purchase accounting fair value adjustment related to deferred revenue, capital market and advisory fees, write-off of long-lived assets, and

equity-based compensation. Pro Forma Adjusted EBITDA is computed to give effect to the business combinations as if they occurred on January 1 of the year in which they were acquired.

Three months ended March 31, 2022 and three months ended March 31, 2021

The table below presents a reconciliation of Adjusted EBITDA and Pro Forma Adjusted EBITDA to net income (loss), computed in accordance with U.S. GAAP for the following periods:

(in thousands)	Three Months Ended	
	March 31, 2022	March 31, 2021
Net income (loss)	\$ (17,293)	\$ (7,674)
Interest expense	1,452	1,422
Income tax expense (benefit)	(2,889)	(1,026)
Depreciation and amortization	3,658	2,271
Acquisition deal cost ⁽ⁱ⁾	46	2,417
Acquisition integration cost ⁽ⁱ⁾	458	314
Purchase accounting fair value adjustment related to deferred revenue ⁽ⁱⁱ⁾	26	73
Capital market and advisory fees ⁽ⁱⁱⁱ⁾	1,958	3,180
Litigation-related expenses ^(iv)	2,266	—
Equity-based compensation ^(v)	4,411	—
Warrant liability change in fair value adjustment ^(vi)	1,238	—
Adjusted EBITDA	(4,669)	977
Pro forma impact on EBITDA ^(vii)	—	699
Pro forma adjusted EBITDA	\$ (4,669)	\$ 1,676

i. Redwire incurred acquisition costs including due diligence and integration costs.

ii. Redwire incurred purchase accounting fair value adjustments to unwind deferred revenue for MIS and DPSS.

iii. Redwire incurred capital market and advisory fees related to advisors assisting with preparation for the Merger and transitional costs associated with becoming a public company.

iv. Redwire incurred expenses related to the Audit Committee investigation and securities litigation as further described in Note J of the accompanying notes to the unaudited condensed consolidated financial statements.

v. Redwire incurred expenses related to equity-based compensation under Redwire's equity-based compensation plan.

vi. Redwire adjusted the fair value of the private warrants between the initial valuation as of September 2, 2021, the date the warrants were assumed, and March 31, 2022.

vii. Pro forma impact represents the incremental results of a full period of operations assuming the entities acquired during the periods presented were acquired from January 1 of the year in which they occurred. For the three months ended March 31, 2021, the pro forma impact included the results of Oakman, DPSS and the incremental results of Techshot, which was acquired in November 2021.

Successor 2021 Period, Successor 2020 Period and Predecessor 2020 Period

The table below presents a reconciliation of Adjusted EBITDA and Pro Forma Adjusted EBITDA to net income (loss), computed in accordance with U.S. GAAP for the following periods:

(in thousands)	Successor		Predecessor
	Year Ended December 31, 2021	Period from February 10, 2020 to December 31, 2020	Period from January 1, 2020 to June 21, 2020
Net income (loss)	\$ (61,537)	\$ (14,374)	\$ (1,334)
Interest expense	6,458	1,074	83
Income tax expense (benefit)	(11,269)	(3,659)	(384)
Depreciation and amortization	10,584	3,107	59
Acquisition deal cost ⁽ⁱ⁾	5,237	9,944	—
Acquisition integration cost ⁽ⁱ⁾	2,383	937	—
Acquisition earnout cost ⁽ⁱⁱ⁾	11,337	—	—
Purchase accounting fair value adjustment related to deferred revenue ⁽ⁱⁱⁱ⁾	310	598	—
Capital market and advisory fees ^(iv)	10,306	2,598	—
Write-off of long-lived assets ^(v)	—	227	—
Litigation-related expenses ^(vi)	2,978	—	—
Equity-based compensation ^(vii)	27,112	—	997
Warrant liability change in fair value adjustment ^(viii)	(2,629)	—	—
Adjusted EBITDA	1,270	452	(579)
Pro forma impact on EBITDA ^(ix)	1,979	1,152	—
Pro forma adjusted EBITDA	\$ 3,249	\$ 1,604	\$ (579)

i. Redwire incurred acquisition costs including due diligence and integration costs.

ii. Redwire incurred acquisition costs related to the Roccor and MIS contingent earnout payments.

iii. Redwire incurred purchase accounting fair value adjustments to unwind deferred revenue for Adcole, MIS, Roccor, and DPSS.

iv. Redwire incurred capital market and advisory fees related to advisors assisting with preparation for the Merger.

v. Redwire incurred write-off costs for long-lived assets at Adcole related to the write-off of leasehold improvements when Adcole moved office locations.

vi. Redwire incurred expenses related to the securities litigation as further described in Note N of the accompanying notes to the audited consolidated financial statements.

vii. Redwire incurred expenses related to equity-based compensation under Redwire's equity-based compensation plan.

viii. Redwire adjusted the fair value of the private Warrants between the initial valuation as of September 2, 2021, the date the Warrants were assumed, and December 31, 2021.

ix. Pro forma impact represents the incremental results of a full period of operations assuming the entities acquired during the periods presented were acquired from January 1 of the year in which they occurred. For the year ended December 31, 2021 the pro forma impact included Oakman from January 1, 2021 to January 15, 2021, DPSS from January 1, 2021 to February 17, 2021, and Techshot from January 1, 2021 to November 1, 2021 and for the year ended December 31, 2020 the pro forma impact includes Adcole from January 1, 2020 to March 2, 2020, DSS from January 1, 2020 to June 1, 2020, MIS from January 1, 2020 to June 22, 2020, Roccor from January 1, 2020 to October 28, 2020 and LoadPath from January 1, 2020 to December 11, 2020.

Key Performance Indicators

Book-to-bill Ratio

Book-to-bill is the ratio of total contract awarded to revenues recorded in the same period. The contracts awarded balance includes firm contract orders including time and material contracts which were awarded during the period and does not include unexercised contract options or potential orders under indefinite delivery/indefinite quantity contracts. Although the contracts awarded balance reflects firm contract orders, terminations, amendments, or contract cancellations may occur which could result in a reduction to the contracts awarded balance.

We view book-to-bill as an indicator of future revenue growth potential. To drive future revenue growth, our goal is for the level of contract awarded in a given period to exceed the revenue recorded, thus yielding a book-to-bill ratio greater than 1.0.

Three months ended March 31, 2022 and three months ended March 31, 2021

Our book-to-bill ratio was as follows for the periods presented:

(in thousands, except ratio)	Three Months Ended	
	March 31, 2022	March 31, 2021
Contracts awarded	\$ 30,426	\$ 67,234
Revenues	32,867	31,698
Book-to-bill ratio	0.93	2.12

Our book-to-bill ratio was 0.93 for three months ended March 31, 2022, as compared to 2.12 for three months ended March 31, 2021. For the three months ended March 31, 2022, none of the contracts awarded balance relates to acquired contract value. For the three months ended March 31, 2021, \$38.6 million of the contracts awarded balance relates to acquired contract value from the Oakman and DPSS acquisitions.

Successor 2021 Period, Successor 2020 Period and Predecessor 2020 Period

Our book-to-bill ratio was as follows for the periods presented:

(in thousands, except ratio)	Successor		Predecessor
	Year Ended December 31, 2021	Period from February 10, 2020 to December 31, 2020	Period from January 1, 2020 to June 21, 2020
Contracts awarded	\$ 155,070	\$ 22,668	\$ 8,209
Revenues	137,601	40,785	16,651
Book-to-bill ratio	1.13	0.56	0.49

Our book-to-bill ratio was 1.13 for the Successor 2021 Period, as compared to 0.56 for the Successor 2020 Period and 0.49 for the Predecessor 2020 Period. In the Successor 2021 Period, \$41.5 million of the contracts awarded balance relates to acquired contract value from the Oakman, DPSS, and Techshot acquisitions. In the Successor 2020 Period, \$22.7 million of the contracts awarded balance relates to acquired contract value from the Adcole, DSS, MIS, Rocco, and LoadPath acquisitions.

The increase in contract awarded value in the Successor 2021 Period, compared to the Successor 2020 Period (which includes only Adcole, DSS, MIS, Rocco, and LoadPath), and the Predecessor 2020 Period, is due to inclusion of contracts awarded to Adcole, DSS, MIS, Rocco, LoadPath, Oakman, DPSS, and Techshot.

Backlog

We view growth in backlog as a key measure of our business growth. Contracted backlog represents the estimated dollar value of firm funded executed contracts for which work has not been performed (also known as the remaining performance obligations on a contract). Our contracted backlog includes \$29.6 million, \$10.7 million and \$4.3 million in remaining contract value from time and materials contracts as of March 31, 2022, December 31, 2021 and as of December 31, 2020, respectively.

Organic contracted backlog change excludes backlog activity from acquisitions for the first four full quarters since the entities' acquisition date. Contracted backlog activity for the first four full quarters since the entities' acquisition date is included in acquisition-related contracted backlog change. After the completion of four fiscal quarters, acquired entities are treated as organic for current and comparable historical periods.

Organic contract value includes the remaining contract value as of January 1 not yet recognized as revenue and additional orders awarded during the period for those entities treated as organic. Acquisition-related contract value includes remaining contract value as of the acquisition date not yet recognized as revenue and additional orders awarded during the period for entities not treated as organic. Similarly, organic revenue includes revenue earned during the period presented for those entities treated as organic, while acquisition-related revenue includes the same for all other entities, excluding any pre-acquisition revenue earned during the period. The Predecessor 2020 Period is treated as organic below to ensure comparability of acquisition-related contracted backlog for future reporting periods.

(in thousands)	Successor		
	March 31, 2022	December 31, 2021	December 31, 2020
Organic backlog as of January 1	\$ 133,115	\$ 122,273	\$ 77,663
Organic additions during the period	27,674	146,880	102,045
Organic revenue recognized during the period	(31,714)	(136,038)	(57,435)
Organic backlog at end of period	129,075	133,115	122,273
Acquisition-related contract value beginning of period	6,627	—	—
Acquisition-related additions during the period	2,752	8,190	—
Acquisition-related revenue recognized during the period	(1,153)	(1,563)	—
Acquisition-related backlog at end of period	8,226	6,627	—
Contracted backlog at end of period	\$ 137,301	\$ 139,742	\$ 122,273

The acquisition-related contracted backlog activity includes contracted backlog activity of Techshot. The organic contracted backlog activity includes contracted backlog activity of Adcole, DSS, MIS, Roccoor, LoadPath, Oakman, and DPSS.

The organic contracted backlog activity for the year ended December 31, 2020 includes the contracted backlog activity of MIS during the Predecessor 2020 Period and the contracted backlog activity of Adcole, DSS, MIS, Roccoor, and LoadPath during the Successor 2020 period.

Although contracted backlog reflects business associated with contracts that are considered to be firm, terminations, amendments or contract cancellations may occur, which could result in a reduction in our total backlog. In addition, some of our multi-year contracts are subject to annual funding. Management fully expects all amounts reflected in contracted backlog to ultimately be fully funded. Contracted backlog related to contracts from MIS operations in Luxembourg of \$4.1 million as of March 31, 2022, \$5.3 million as of December 31, 2021 and \$8.6 million as of December 31, 2020 is subject to foreign exchange rate conversions from euros to U.S. dollars that could cause the remaining backlog balance to fluctuate with the foreign exchange rate at the time of measurement.

Our total backlog as of March 31, 2022, which includes both contracted and uncontracted backlog, was \$273.9 million. Uncontracted backlog represents the anticipated contract value, or portion thereof, of goods and services to be delivered under existing contracts which have not been appropriated or otherwise authorized. Our uncontracted

backlog as of March 31, 2022 was \$136.6 million. Uncontracted backlog includes \$74.6 million of contract extensions under negotiation that are priced, fully scoped, verbally awarded, and expected to be executed shortly.

Liquidity and Capital Resources

Our primary sources of liquidity are cash flows provided by our operations, access to existing credit facilities and proceeds from the Merger. Prior to becoming a public company, in the Successor 2020 period, AE Industrial Partners, LP provided an additional source of liquidity to facilitate the purchase of Adcole, DSS and MIS.

Since its inception, the Company has incurred net losses and negative operating cash flow, and has used its cash to fund capital expenditures, costs associated with the Company's acquisitions, and costs associated with the Merger, among other uses. While some of these cash outflows have been non-recurring in nature, the Company has continued to experience net cash outflows from operating activities. While the Company believes its continued growth and cash flow management will result in improvements in cash from operating activities going forward, there can be no assurance these improvements will be achieved.

Our primary short-term cash requirements are to fund working capital, operating lease obligations, and short-term debt, including current maturities of long-term debt. Working capital requirements can vary significantly from period to period, particularly as a result of the timing of receipts and disbursements related to long-term contracts. Significant fluctuations in working capital could adversely impact the Company's cash position and short-term liquidity needs.

Our medium-term to long-term cash requirements are to service and repay debt, expand our breadth and footprint through acquisitions as well as invest in facilities, equipment, technologies, and research and development for our growth initiatives. To support these initiatives, we expect to continue to make significant investments in our business, including hiring additional staff, implementing processes and procedures to address public company requirements and other customary practices as well as evaluating strategic acquisitions. As a result, we will likely incur additional operating expenses and capital expenditures.

Our ability to fund our cash needs is dependent upon the successful execution of our business strategy and future operating results. Our future operating results are subject to, among others, general economic conditions, including as a result of the COVID-19 pandemic, inflation and supply chain pressures, competitive dynamics in our target markets as well as legislative and regulatory factors that may be outside of our control. As part of our business and debt management strategy, we continuously evaluate opportunities to further strengthen our financial and liquidity position including the issuance of additional equity or debt securities, refinance or otherwise restructure our existing credit facilities, or enter into new financing arrangements. On April 14, 2022, the Company entered into a committed equity facility. See below for more information. In addition, the Company has identified a plan to execute certain cost reduction actions including, among others, integration-related workforce rationalizations, real estate synergies, business unit optimization initiatives, and cost savings associated with certain Corporate level employment costs. There can be no assurances that any of these actions will be sufficient to allow us to service our debt obligations, meet our debt covenants, or that such actions will not result in an adverse impact on our business.

As of March 31, 2022, our available liquidity totaled \$30.9 million, which was comprised of \$5.9 million in cash and cash equivalents, and \$25.0 million in available borrowings from our existing credit facilities. As of December 31, 2021, our available liquidity totaled \$25.5 million, which was comprised of \$20.5 million in cash and cash equivalents, and \$5.0 million in available borrowings from our existing credit facilities. We believe that our existing sources of liquidity will be sufficient to meet our working capital needs and comply with our debt covenants for at least the next twelve months from the date on which our consolidated financial statements were issued. However, the Company's current liquidity may not be sufficient to meet the required long-term liquidity needs associated with continued use of cash from operating activities at historical levels, in addition to its other liquidity needs associated with its capital expenditures, debt payments, and other investing and financing requirements.

The table below summarizes our outstanding debt as of the following periods:

(in thousands)	Successor		
	March 31, 2022	December 31, 2021	December 31, 2020
Adams Street Term Loan	\$ 30,613	\$ 30,690	\$ 31,000
Adams Street Revolving Credit Facility	—	—	—
Adams Street Delayed Draw Term Loan	14,813	14,850	—
Adams Street Incremental Term Loan	31,680	31,760	—
Silicon Valley Bank Loan	—	—	46,500
DSS PPP Loan	—	—	1,058
D&O Financing Loan	761	1,904	—
Total debt	77,867	79,204	78,558
Less: unamortized discounts and issuance costs	1,580	1,653	842
Total debt, net	76,287	77,551	77,716
Less: Short-term debt, including current portion of long-term debt	1,542	2,684	1,074
Total long-term debt, net	\$ 74,745	\$ 74,867	\$ 76,642

Adams Street Credit Agreement

On October 28, 2020, we entered into the Adams Street Credit Agreement, which included the following:

- i. \$31.0 million term loan (the “Adams Street Term Loan”). Proceeds from the Adams Street Term Loan were used to finance the acquisition of Roccor, pay acquisition-related costs, fund working capital needs (including the payment of any working capital adjustment pursuant to the Roccor acquisition agreement) and other general corporate purposes;
- ii. \$5.0 million revolving credit facility (the “Adams Street Revolving Credit Facility”); and
- iii. \$15.0 million delayed draw term loan (the “Adams Street Delayed Draw Term Loan”).

On January 15, 2021, we drew \$15.0 million on the delayed draw term loan to finance the Oakman acquisition. On February 17, 2021, we amended the Adams Street Credit Agreement to increase the principal amount of the Adams Street Term Loan by an additional \$32.0 million to finance the DPSS acquisition. On July 30, 2021, we drew \$3.0 million on the revolving credit facility and repaid the \$3.0 million draw down on September 23, 2021.

On September 2, 2021, the Adams Street Credit Agreement was amended to provide that the consolidated total net leverage ratio not exceed 6.50:1.00 on the last day of any quarter (“the Financial Covenant”), to remove the cap on the amount of unrestricted cash which may be netted for purposes of the Financial Covenant, to redefine “Consolidated EBITDA”, and to reset the call protection terms.

The Adams Street Credit Agreement has a maturity date of October 28, 2026. The Adams Street Credit Agreement is secured by a first lien security interest in all right, title or interest in or to certain assets and properties owned by us and the guarantors included in the Adams Street Credit Agreement. The Adams Street Credit Agreement requires us to meet customary affirmative and negative covenants, default provisions, representations and warranties and other terms and conditions. We are required to make mandatory prepayments of the outstanding principal and accrued interest under the Adams Street Credit Agreement (i) upon the occurrence of certain events and (ii) to the extent a specified net leverage ratio is exceeded as evaluated on any test period ending date. The test period ending dates are March 31, June 30, September 30 and December 31 each year, starting on March 31, 2021, through the maturity of the agreement.

In December 2021, the Company entered into a Consent to Credit Agreement whereby Adams Street Capital agreed to an extension of the delivery of periodic financials required under the Adams Street Credit Agreement.

On March 25, 2022, the Company entered into a Third Amendment (the “Amendment”) to the Adams Street Capital Credit Agreement to, among other things, increase commitments under the revolving credit facility from \$5.0 million to \$25.0 million.

The Amendment also modified certain negative covenants and increased the per annum interest rate (i) with respect to revolving loans in an aggregate principal amount of \$5.0 million or less, to 6.00% for Eurocurrency rate loans and 5.00% for Base Rate Loans, and (ii) with respect to revolving loans in an aggregate principal amount in excess of \$5.0 million, to 7.50% for Eurocurrency rate loans and 6.50% for Base Rate Loans.

The Adams Street Capital Credit Agreement, as amended, contains certain customary representations and warranties, affirmative and other covenants and events of default, including among other things, payment defaults, breach of representations and warranties, and covenant defaults. As of March 31, 2022 and December 31, 2021, we were in compliance with our debt covenants under the Adams Street Credit Agreement.

In connection with the entry into the Amendment, AEI and certain of its affiliates (the “AEI Guarantors”), provided a limited guarantee for the payment of outstanding revolving loans in excess of \$10.0 million, with a \$15.0 million cap in the aggregate. In the event that the AEI Guarantors are required to make payments to the lenders under the Adams Street Capital Credit Agreement pursuant to the terms of the limited guarantee, each AEI Guarantor would be subrogated to the rights of the lenders. In connection with the limited guarantee, the Lead Borrower agreed to pay to the AEI Guarantors, a fee equal to 2% of any amount actually paid by such guarantors under the limited guarantee. The fee is waivable by the AEI Guarantors in their discretion.

SVB Loan Agreement

On August 31, 2020, we entered into a \$45.4 million loan agreement with Silicon Valley Bank (the “Original SVB Loan Agreement”) maturing on August 31, 2021, which was subsequently modified on October 28, 2020 to (i) increase the available commitment by \$5.7 million and (ii) pay \$0.6 million toward the outstanding principal under the Original SVB Loan Agreement. This resulted in a modified loan (the “SVB Loan Agreement”) for \$50.5 million. On October 30, 2020, we made a \$4.0 million principal payment. On April 2, 2021, we extended the maturity date to September 30, 2022.

On September 2, 2021, we repaid the full outstanding principal and interest of \$41.6 million on the SVB Loan.

Paycheck Protection Program Loan

On May 1, 2020, prior to the DSS Acquisition, DSS received a Paycheck Protection Program (“PPP”) loan for \$1.1 million (the “DSS PPP Loan”), with a maturity date of May 1, 2022. Under the terms of the DSS PPP Loan, DSS could apply for forgiveness under the PPP regulations if DSS used the proceeds of the loan for its payroll costs and other expenses in accordance with the requirements of the PPP. As the funds were disbursed to DSS prior to the acquisition, the Company intended to repay any unforgiven balance with funds held in a DSS savings account as of the date of the DSS acquisition. On June 18, 2021, \$0.6 million of the DSS PPP Loan was forgiven and as a result reclassified as a note payable to the seller of DSS. During the Successor 2021 Period, we repaid the \$0.6 million note payable to the seller of DSS and the remaining outstanding principal and interest of \$0.5 million on the DSS PPP loan.

D&O Financing Loan

On September 3, 2021, we entered into a \$3.0 million loan with BankDirect Capital Finance (the “D&O Financing Loan”) to finance our directors and officers insurance premium. The D&O Financing Loan has an interest rate of 1.74% per annum, an effective interest rate of 1.75%, and a maturity date of May 3, 2022.

Committed Equity Facility

On April 14, 2022, the Company entered into an \$80 million common stock purchase agreement with B. Riley Principal Capital, LLC (“B. Riley”) to further support its growth strategy through initiatives such as accretive acquisitions and internal investments, to bolster working capital, and/or for general corporate purposes. The agreement governs a committed equity facility that provides the Company with the right, without obligation, to sell

and issue up to \$80 million of its common stock over a period of 24 months to B. Riley at the Company's sole discretion, subject to certain limitations and conditions.

Contractual Obligations

The following table presents our contractual obligations as of March 31, 2022:

(in thousands)	Remainder of 2022	2023	2024	2025	2026	Thereafter	Total
Adams Street Term Loan	\$ 233	\$ 310	\$ 310	\$ 310	\$ 29,450	\$ —	\$ 30,613
Adams Street Delayed Draw Term Loan	113	150	150	150	14,250	—	14,813
Adams Street Incremental Term Loan	240	320	320	320	30,480	—	31,680
D&O Financing Loan	761	—	—	—	—	—	761
Total long-term debt maturities	1,347	780	780	780	74,180	—	77,867
Future minimum lease payments	2,183	3,068	2,850	2,266	1,631	3,183	15,181
Total contractual obligations	\$ 3,530	\$ 3,848	\$ 3,630	\$ 3,046	\$ 75,811	\$ 3,183	\$ 93,048

The Company is obligated under certain operating leases for its facilities and office equipment. Certain facility leases contain predetermined fixed escalation of minimum rents at rates ranging from 1.96% to 4.00% per annum and renewal options that could extend certain leases up to an additional nine years; the office equipment lease contains a renewal option that could extend the lease to consecutive 60-day terms and a purchase option. As of March 31, 2022, the future annual minimum lease payments for operating leases for the year 2022 was estimated at \$2.2 million with estimated aggregate minimum lease payments of \$15.2 million through expiration of current leases. Refer to Note H of the accompanying notes to the unaudited condensed consolidated financial statements for further information.

As of March 31, 2022, the Company had one facility lease that had not yet commenced but created significant future lease obligations in the amount of \$3.9 million. The contract was determined to be an operating lease, whereby the Company is required to make rent payments prior to the lease commencement date while construction is completed on the underlying asset. Due to the nature of the work and the amount of the Company's contribution to construction period costs, the Company was determined not to be the accounting owner of the asset under construction as the landlord had substantially all of the construction period risks.

Cash Flows

Three months ended March 31, 2022 and three months ended March 31, 2021

The table below summarizes certain information from the unaudited condensed consolidated statements of cash flows for the following periods:

(in thousands)	Three Months Ended	
	March 31, 2022	March 31, 2021
Net cash provided by (used in) operating activities	\$ (11,446)	\$ (12,525)
Net cash provided by (used in) investing activities	(1,014)	(34,087)
Net cash provided by (used in) financing activities	(2,107)	40,919
Effect of foreign currency rate changes on cash and cash equivalents	(18)	(158)
Net increase (decrease) in cash and cash equivalents	(14,585)	(5,851)
Cash and cash equivalents at end of period	\$ 5,938	\$ 16,225

Operating activities

For the three months ended March 31, 2022 net cash used in operating activities was \$11.4 million. Net loss before deducting depreciation, amortization and other non-cash items generated a cash outflow of \$10.7 million and

was further impacted by an unfavorable change in net working capital of \$0.8 million during this period. The unfavorable change in net working capital was largely driven by increase in contract assets of \$5.7 million and prepaid expenses and other assets of \$1.3 million, and decrease in deferred revenue of \$1.8 million, offset by the increase in accounts payable and accrued expenses of \$3.1 million and decrease in accounts receivable of \$4.3 million and prepaid insurance of \$1.1 million. The changes in accounts receivable, contract assets and deferred revenue relates to the timing of billable milestones occurring during the three months ended March 31, 2022. The change in accounts payable and accrued expenses is related to timing in payments.

For the three months ended March 31, 2021, net cash used in operating activities was \$12.5 million. Net income before deducting depreciation, amortization and other non-cash items generated a cash outflow of \$6.4 million and was further impacted by an unfavorable change in net working capital of \$6.2 million during this period. The unfavorable change in net working capital was largely driven by the increase in accounts receivable of \$5.1 million, contract assets of \$2.7 million and prepaid expenses and other assets of \$2.1 million, offset by the increase in accounts payable and accrued expenses of \$5.1 million. The changes in accounts receivable and deferred revenue relates to the timing of billable milestones occurring during the three months ended March 31, 2021.

Investing activities

For the three months ended March 31, 2022 net cash used in investing activities was \$1.0 million, consisting of \$0.9 million used for the purchase of property, plant and equipment and \$0.1 million used for the purchase of intangible assets.

For the three months ended March 31, 2021, net cash used in investing activities was \$34.1 million, consisting of \$38.4 million used for the acquisition of Oakman and DPSS as well as \$0.6 million used for the purchase of property, plant and equipment. This was offset by the settlement of related party receivables resulting in cash received of \$4.9 million.

Financing activities

For the three months ended March 31, 2022 net cash used in financing activities was \$2.1 million, consisting of \$1.3 million used for the repayment of debt as well as \$0.8 million of loan fees paid to third parties in the execution of the Amendment to the ASP Agreement.

For the three months ended March 31, 2021 net cash provided by financing activities was \$40.9 million, consisting of proceeds from debt of \$46.0 million offset by the repayment of debt of \$5.0 million.

Successor 2021 Period, Successor 2020 Period and Predecessor 2020 Period

The table below summarizes certain information from the audited consolidated statements of cash flows for the following periods:

(in thousands)	Successor		Predecessor
	Year Ended December 31, 2021	Period from February 10, 2020 to December 31, 2020	Period from January 1, 2020 to June 21, 2020
Net cash provided by (used in) operating activities	\$ (37,358)	\$ (15,650)	\$ 3,162
Net cash provided by (used in) investing activities	(38,541)	(85,322)	(250)
Net cash provided by (used in) financing activities	74,210	122,705	1,361
Effect of foreign currency rate changes on cash and cash equivalents	136	343	(6)
Net increase (decrease) in cash and cash equivalents	(1,553)	22,076	4,267
Cash and cash equivalents at end of period	\$ 20,523	\$ 22,076	\$ 13,559

Operating activities

For the Successor 2021 Period, net cash used in operating activities was \$37.4 million. Net loss before deducting depreciation, amortization and other non-cash items generated a cash outflow of \$27.8 million and was further impacted by an unfavorable change in net working capital of \$9.5 million during this period. The unfavorable change in net working capital was largely driven by increase in accounts receivable of \$6.8 million, contract assets of \$5.0 million, prepaid insurance of \$2.8 million, and decrease in deferred revenue of \$4.5 million and notes payable of \$0.6 million, offset by the increase in accounts payable and accrued expenses of \$10.4 million. The change in prepaid insurance relates to the Company's directors and officers insurance policy purchased and prepaid during the Successor 2021 Period, and the changes in accounts receivable, contract assets and deferred revenue relates to the timing of billable milestones occurring during the Successor 2021 Period. The change in accounts payable and accrued expenses is primarily a result of increase accrued payroll related costs and accounts payable due to acquisitions during the Successor 2021 period.

For the Successor 2020 Period, net cash used by operating activities was \$15.7 million. Net loss before deducting depreciation, amortization and other non-cash items generated a cash outflow of \$14 million and was further impacted by an unfavorable change in net working capital of \$1.7 million during this period.

The unfavorable change in net working capital was largely driven by the decrease in other liabilities of \$5.7 million, increase in prepaid and other current assets of \$0.6 million and accounts receivable of \$1.6 million, offset by an increase in deferred revenue of \$3.6 million and increase in accounts payable and accrued expenses of \$2.6 million. The changes in accounts receivable and deferred revenue relates to the timing of billable milestones occurring during the Successor 2020 Period.

For the Predecessor 2020 Period, net cash provided by operating activities was \$3.2 million. Net loss before deducting depreciation, amortization and other non-cash items generated a cash outflow of \$0.1 million while favorable changes in net working capital of \$3.3 million contributed to operating cash flows during this period. The favorable change in net working capital was largely driven by the increase in accounts payable and accrued expenses of \$4.6 million.

Investing activities

For the Successor 2021 Period, net cash used in investing activities was \$38.5 million, consisting of \$40.6 million used for the acquisitions of Oakman, DPSS and Techshot, as well as \$2.1 million used for the purchase of property, plant and equipment. This was partially offset by \$4.9 million of cash received related to the settlement of a related party receivable.

For the Successor 2020 Period, net cash used in investing activities was \$85.3 million, consisting of \$79.5 million used for the acquisition of Adcole, DSS, MIS, Roccoor and LoadPath and \$4.9 million used for advances to related parties as well as \$0.9 million used for the purchase of property, plant and equipment.

For the Predecessor 2020 Period, net cash used in investing activities was \$0.3 million, consisting of the purchase of property, plant and equipment.

Financing activities

For the Successor 2021 Period, net cash provided by financing activities was \$74.2 million, consisting of proceeds from debt of \$53.0 million and proceeds from the Merger of \$110.6 million offset by repayment of debt of \$52.8 million and Merger costs of \$35.9 million.

For the Successor 2020 Period, net cash provided by financing activities was \$122.7 million, consisting of proceeds from debt of \$81.3 million and Holdings' contribution of \$46.1 million offset by the repayment of debt of \$4.7 million.

For the Predecessor 2020 Period, net cash provided by financing activities was \$1.4 million, consisting of proceeds from long-term debt of \$1.5 million offset by repayment of long-term debt of \$0.1 million.

Foreign Currency Exposures

There were no material changes to our foreign currency exposures that occurred in the periods covered by this report.

Critical Accounting Estimates

For the critical accounting estimates used in preparing our consolidated financial statements, we make assumptions and judgments that can have a significant impact on net revenues, cost and expenses, and other expense (income), net, in our consolidated statements of operations and comprehensive income (loss), as well as, on the value of certain assets and liabilities on our consolidated balance sheets. We base our assumptions, judgments and estimates on historical experience and various other factors that we believe are reasonable under the circumstances. Actual results could differ materially from these estimates under different assumptions or conditions.

In accordance with the Company's policies, we regularly evaluate estimates, assumptions, and judgments; our estimates, assumptions, and judgments are based on historical experience and on factors we believe are reasonable under the circumstances. The results involve judgments about the carrying values of assets and liabilities not readily apparent from other sources. If our assumptions or conditions change, the actual results the Company reports may differ from these estimates. We believe the following critical accounting policies affect the more significant estimates, assumptions, and judgments the Company uses to prepare our consolidated financial statements.

Business Combinations

Under the acquisition method of accounting, the Company recognizes tangible and identifiable intangible assets acquired and liabilities assumed based on their estimated fair values at acquisition date. The accounting for business combinations requires us to make significant estimates and assumptions, especially with respect to goodwill, intangible assets, and contingent consideration.

Goodwill

The Company recognizes the goodwill for business combinations in which the acquisition method of accounting is applied, whereby the excess of the purchase consideration over the fair value of identifiable net assets acquired and liabilities assumed is allocated to goodwill. The goodwill reflects the potential synergies and expansion of the Company's offerings across product lines and markets complementary to its existing products and markets.

The Company assesses goodwill for impairment at the reporting unit level, which is defined as an operating segment or one level below an operating segment. Goodwill is tested annually for impairment as of October 1, or more frequently if events or circumstances indicate the carrying value may be impaired. In circumstances where a qualitative analysis indicates that the fair value of a reporting unit does not exceed its carrying value, a quantitative analysis is performed using an income approach. The Company performed the qualitative assessment for each of the three reporting units on October 1, 2021 and did not find any indicators that the fair value is more likely than not below the carrying value.

As such, the quantitative assessment was not required, and no goodwill impairment was recognized for the Successor 2021 Period.

In circumstances where a quantitative assessment is performed, the discounted cash flow approach requires management to make certain assumptions based upon information available at the time the valuations are performed. Actual results could differ from these assumptions.

Additional risks for goodwill across all reporting units include, but are not limited to:

- our failure to reach our internal forecasts could impact our ability to achieve our forecasted levels of cash flows and reduce the estimated discounted value of our reporting units;
- adverse technological events that could impact our performance;

- volatility in equity and debt markets resulting in higher discount rates; and
- significant adverse changes in the regulatory environment or markets in which we operate.

It is not possible at this time to determine if an impairment charge would result from these factors. We will continue to monitor our goodwill for potential impairment indicators in future periods.

Intangible Assets

Identifiable finite-lived intangible assets, including technology, trademarks, and customer relationships, have been acquired through the Company's various business combinations. The fair value of the acquired trademarks, technology, and customer relationships has been estimated using various underlying judgments, assumptions, and estimates. Potential changes in the underlying judgments, assumptions, and estimates used in our valuations of acquired intangible assets could result in different estimates of the future fair values.

A potential increase in discount rates, a reduction in projected cash flows or a combination of the two could lead to a reduction in estimated fair values, which may result in impairment charges that could materially affect our financial statements in any given year. The approaches used for determining the fair value of finite-lived technology, trademarks and customer relationships acquired depends on the circumstances; the Company has used the income approach (within the income approach, various methods are available such as multi-period excess earnings, with and without, incremental and relief from royalty methods). Within each income approach method, a tax amortization benefit is included, which represents the tax benefit resulting from the amortization of that intangible asset depending on the tax jurisdiction where the intangible asset is held.

Finite-lived intangible assets are reported at cost, net of accumulated amortization, and are either amortized on a straight-line basis over their estimated useful lives or over the period the economic benefits of the intangible asset are consumed. Significant judgment is also required in assigning the respective useful lives of intangible assets. Our assessment of intangible assets that have a finite life is based on a number of factors including the competitive environment, market share, brand history, underlying product life cycles, attrition rate, operating plans, cash flows (i.e., economic life based on the discounted and undiscounted cash flows), future usage of intangible assets and the macroeconomic environment. The costs of finite-lived intangible assets are amortized to expense over the estimated useful life.

Contingent Consideration

We record contingent consideration resulting from a business combination at its fair value on the acquisition date. The fair value of any contingent consideration is calculated considering the probability of occurrence of an earnout payment. The fair value of contingent consideration is estimated using the Black- Scholes options pricing model, which uses assumptions such as a risk-free interest rates, discount rates and volatility rates.

Revenue Recognition

The recognition and measurement of revenue requires the use of judgments and estimates. Specifically, judgment is used in interpreting complex arrangements with nonstandard terms and conditions and determining when all criteria for revenue recognition have been met. The Company's revenues are derived from the sales of products and services.

The Company engages in long-term contracts for production and service activities and recognizes revenue for performance obligations over time. The Company's contracts generally do not contain penalties, credits, price concessions or other types of potential variable consideration. Prices are fixed at contract inception and are not contingent on performance or any other criteria. Revenue is recognized over time (versus point in time recognition), due to the fact that the Company's performance creates an asset with no alternative use to the Company and the Company has an enforceable right to payment for performance completed to date. The Company considers the nature of these contracts and the types of products and services provided when determining the proper accounting for a particular contract. These contracts include both fixed-price and cost reimbursable contracts. The Company's cost reimbursable contracts typically include cost-plus fixed fee and time and material ("T&M") contracts. The

portion of the payments retained by the customer or advance payment is not considered a significant financing component because it is used to facilitate inventory demands at the onset of a contract and to safeguard the Company from the failure of the other party to abide by some or all of their obligations under the contract.

The Company recognizes revenue over time using the cost-to-cost method to measure progress. Under the cost-to-cost method, revenue is recognized based on the proportion of total costs incurred to estimated total costs-at-completion (“EAC”). An EAC includes all direct costs and indirect costs directly attributable to a program or allocable based on our program cost pooling arrangements. Estimates regarding the Company’s cost associated with the design, manufacture and delivery of products and services are used in determining the EAC. Changes in EAC are applied retrospectively and when adjustments in estimated contract costs are identified, such revisions may result in current period adjustments to earnings applicable to performance in prior periods. For acquisitions that occurred in the Successor 2020 Period, contracts recognized under the cost-to-cost method were reset as of the date of acquisition to calculate prospective periods using the contract value and estimated costs to complete as of the acquisition date rather than the contract value and estimated costs to complete since inception of the contract. Effective January 1, 2021, the Company adopted Accounting Standards Update (“ASU”) 2021-08, “Business Combinations (Topic 805): Accounting for Contract Assets and Contract Liabilities from Contracts with Customers.” Accordingly, for acquisitions in the Successor 2021 Period, contracts were recognized and measured in accordance with Accounting Standards Codification (“ASC”) 606, “Revenue from Contracts with Customers” which does not prescribe a reset as of the date of acquisition. For T&M contracts, the Company recognizes revenue reflecting the number of direct labor hours expended in the performance of a contract multiplied by the contract billing rate, as well as reimbursement of other direct billable costs.

Our cost estimation process is based on the professional knowledge of our engineering, program management and financial professionals and draws on their significant experience and judgment. We prepare EACs for our contracts and calculate estimated revenues and costs over the life of our contracts. Accounting for long-term contracts requires significant judgment relative to estimating total contract revenues and costs, in particular, assumptions relative to the amount of time to complete the contract, including the assessment of the nature and complexity of the work to be performed. The Company’s estimates are based upon the professional knowledge and experience of its engineers, program managers and other personnel, who review each long-term contract monthly to assess the contract’s schedule, performance, technical matters and estimated cost at completion. For acquisitions that occurred in the Successor 2020 Period, changes in estimates are applied retrospectively for contracts executed after the date of acquisition and are applied via the ASC 805 reset method described above for contracts existing at the date of acquisition. Subsequent to the adoption of ASU 2021-08, all changes in estimates are retrospectively applied. When adjustments in estimated contract costs are identified, such revisions may result in current period adjustments to earnings applicable to performance in prior periods.

Factors considered in these estimates include our historical performance, the availability, productivity and cost of labor, the nature and complexity of work to be performed, availability and cost of materials, components and subcontracts, the risk and impact of delayed performance and the level of indirect cost allocations.

Impairment of Long-Lived Assets

The Company evaluates the recoverability of the carrying value of long-lived assets whenever events or circumstances indicate the carrying amount may not be recoverable. If a long-lived asset is tested for recoverability and the undiscounted estimated future cash flows to which the asset relates is less than the carrying amount of the asset, the asset cost is adjusted to fair value and an impairment loss is recognized as the amount by which the carrying amount of a long-lived asset exceeds its fair value. No such impairment charges were recognized during the periods presented.

Using a discounted cash flow method involves significant judgment and requires the Company to make significant estimates and assumptions, including long-term projections of cash flows, market conditions and appropriate discount rates. Judgments are based on historical experience, current market trends, consultations with external valuation specialists and other information. If facts and circumstances change, the use of different estimates and assumptions could result in a materially different outcome. The Company generally develops these forecasts

based on recent sales data for existing products, acquisitions, and estimated future growth of the market in which it operates.

Income Taxes

Significant judgments are required in order to determine the realizability of tax assets. In assessing the need for a valuation allowance, we evaluate all significant available positive and negative evidence, including historical operating results, estimates of future sources of taxable income, carry-forward periods available, the existence of prudent and feasible tax planning strategies and other relevant factors. The Company recognizes a tax benefit only if it is more likely than not the tax position will be sustained on examination by the taxing authorities, based on the technical merits of the position. The tax benefits recognized in the financial statements from such positions are then measured based on the largest benefit that has a greater than 50% likelihood of being realized upon settlement.

Warrants

As part of the Merger, public Warrants were established as equity and private Warrants were established as a liability. Classification of the public Warrants as equity instruments and the private warrants as liability instruments is based on management's analysis of the guidance in ASC 815 Derivatives and Hedging and in a statement issued by the Staff of the SEC regarding the accounting and reporting considerations for warrants issued by special purpose acquisition companies entitled "Staff Statement on Accounting and Reporting Considerations for Warrants Issued by Special Purpose Acquisition Companies." Management determined that while the public Warrants meet the definition of a derivative, they meet the equity scope exception in ASC 815-10-15-74(a) to be classified in stockholders' equity and are not subject to remeasurement provided that the Company continues to meet the criteria for equity classification. Management considered whether the private Warrants display the three characteristics of a derivative under ASC 815, and concluded that the private Warrants meet the definition of a derivative. However, the private Warrants fail to meet the equity scope exception in ASC 815-10-15-74(a) and thus are classified as a liability measured at fair value, subject to remeasurement at each reporting period. The Company measures the private Warrant liability at fair value each reporting period with the change in fair value recorded as other (income) expense, net in the consolidated statements of operations and comprehensive income (loss). The Company measured the public Warrants at the fair value of the equity instruments as of the date of the Merger.

BUSINESS

Redwire is a leader in mission critical space solutions and high reliability components for the next generation space economy, with valuable intellectual property for solar power generation, in-space 3D printing and manufacturing, avionics, critical components, sensors, digital engineering and space-based biotechnology. We combine decades of flight heritage with the agile and innovative culture. Our “Heritage plus Innovation” strategy enables us to combine proven performance with new, innovative capabilities to provide our customers with the building blocks for the present and future of space infrastructure.

Our mission is to accelerate humanity’s expansion into space by delivering reliable, economical and sustainable infrastructure for future generations. We offer a broad array of foundational products and services, many of which have been enabling space missions since the 1960s and have been flight-proven on over 160 satellite missions, including high-priority missions and constellations such as the GPS constellation, the ISS and Mars Perseverance. We are a leading provider of innovative technologies with the potential to help transform the economics of space and create new markets for its exploration, commercialization and security. One example of this is our patented suite of in-space manufacturing and robotic assembly technologies (referred to herein as OSAM, which is revolutionizing the approximately \$23 billion satellite manufacturing market in the same way that reusable launch vehicles revolutionized the approximately \$10 billion launch market, per Research and Markets and Allied Market Research, respectively). Other examples of our proprietary technologies include deployable structures, ROSA systems, human-rated camera systems and advanced payload adapters. Of particular note, our ROSA arrays are being installed on the ISS to efficiently augment its power generation capabilities as the ISS enters its next decade of operations. ROSA systems are experiencing significant market adoption, being utilized not only on the ISS but also launching on NASA’s Double Asteroid Redirect Test mission. Other ROSA systems are being developed or delivered for the OVZON-3 telecommunications satellite, the Power and Propulsion Element for the NASA Lunar Gateway, and other programs. Many Redwire products and services are experiencing similar adoption.

We are a pure-play space infrastructure company with mission solutions for civil, commercial and national security space customers. We have grown organically as well as through several acquisitions from a fragmented landscape of space-focused technology companies. Our proven track record of successful growth through mergers and acquisitions is a major differentiator in our market.

We believe the space economy is at an inflection point. The reduction of launch costs by approximately 95% over the last decade has eliminated the single largest economic barrier to entry for the expanded utilization of space, and the increasing cadence of launches provides more flexible, reliable access. This lower cost access has resulted in both the expansion and modernization of traditional national security and civil uses of space and has enticed new commercial entrants to invest substantial capital to develop new space-based business models. Our goal is to provide a full suite of infrastructure solutions, including mission-critical components, services and systems that will contribute to a dramatic expansion of the space-based economy. We believe that our products and services are the foundational building blocks essential to the growth of the space civil, commercial and national security ecosystem now and into the future.

History

Redwire was formed to fill a void in the middle market for a pure play, public space infrastructure company with scale. We are achieving this goal by combining proven space technology providers with next generation space disruptors into a single, integrated platform. The Company, in its current form, was founded in 2020 by private equity firm AEI, but the heritage of the various businesses that were brought together to form Redwire stretch back decades.

AEI formed a series of acquisition vehicles on February 10, 2020, which included Cosmos Parent, LLC, Cosmos, Cosmos Finance, LLC and Cosmos Acquisition, LLC, with Cosmos Parent, LLC being the top holding company. Upon the formation of these acquisition vehicles, Cosmos effected a number of acquisitions through its wholly owned subsidiary, Cosmos Acquisition, LLC. Following the acquisitions, the Successor is a wholly owned subsidiary of Holdings.

The Company has grown organically while also continuing to integrate several acquisitions from a fragmented landscape of space-focused technology companies with innovative capabilities and deep flight heritage. Strategic acquisitions that augment our technology and product offerings are a key part of our growth strategy. We have completed eight acquisitions since March 2020, which collectively have provided us with a wide variety of complementary technologies and solutions to serve our target markets and customers. These acquisitions include:

- March 2020 — Acquired Adcole, based in Marlborough, MA was a leading provider of space- capable navigational components. Adcole brought to Redwire 50 years of proven flight heritage providing a foundational set of critical navigation components to some of the most successful missions in the history of space infrastructure development such as the GPS constellation.
- June 2020 — Acquired DSS, in Littleton, CO, a space-systems engineering company that supports the design, development, integration, testing, and operations of spacecraft and spacecraft systems supporting science, technology, and exploration missions. DSS contributed to Redwire a strong history of spacecraft development and expertise. They are an original prime contractor awardee on NASA's Commercial Lunar Payload Services (CLPS) contract and continue as part of Redwire to provide mission critical sensors and services to notable spacecrafts such as Orion and Dream Chaser.
- June 2020 — Acquired MIS, was a leader in space manufacturing technologies, delivering next- generation capabilities on-orbit to support exploration objectives and national security priorities. MIS is the first commercial company to additively manufacture in space, and specializes in OSAM technologies, the development of space-enabled materials and exploration manufacturing technologies. They contributed to Redwire the scale necessary to form a platform and a portfolio of disruptive intellectual property with the potential to change the economics of space infrastructure. MIS facility in Jacksonville, FL became Redwire's headquarters.
- October 2020 — Acquired Roccor, in Littleton, CO, a provider of advanced aerospace structures, including solar arrays, antennas, boom products, deorbit devices and thermal products. Roccor's novel designs address cost and performance limitations to meet customer mission requirements. Roccor contributed to Redwire a solid foundation in the National Security space markets and one-of-a-kind deployable programs such as providing the solar sail for NASA's upcoming Solar Cruiser mission.
- December 2020 — Acquired LoadPath, which specializes in the development and delivery of aerospace structures, mechanisms, and thermal control solutions. LoadPath brought to Redwire a long history of strong relationships and contracts with the Air Force Research Lab at Kirkland Air Force base in Albuquerque, New Mexico. They were a key entry point to this critical location and customer.
- January 2021 — Acquired Oakman, in Littleton, CO, which specializes in the development of modular open system architecture, rapid spacecraft design and development, and custom missions, payloads, and data distribution services. Oakman added to Redwire a critical software development and digital engineering capability to include an enterprise level digital engineering software system called ACORN which is capable of digitally modeling space capabilities from single components to satellites to full constellations.
- February 2021 — Acquired DPSS, in Goleta, CA, whose mission is to develop new and enabling deployable technologies for space applications, transition emerging technologies to industry for infusion into future DoD, NASA, and/or commercial programs and design, analyze, build, test and deliver on-time the deployable solar arrays, deployable structures and space system products. DPSS's product portfolio includes the award-winning and patented ROSA (Roll-Out Solar Array), Integrated Modular Blanket Assembly; Rigid- Panel and Functional Advanced Concentrator Technology solar array technologies; a multitude of elastically and articulated deployable structures and booms, open-lattice booms, telescopic booms; and a variety of mission-enabling mechanisms for space applications. DPSS brought to Redwire the iROSA program to upgrade the ISS with a next generation power solution and a unique facility for the manufacture and test of large solar array capabilities.

- November 2021 — Acquired Techshot, in Greenville, IN, a leader in on-orbit manufacturing, biotechnology in microgravity, and bioprinting needed for commercial space-based biotechnology and pharmaceutical research and development. Techshot enhances the Redwire civil and commercial space capabilities by adding additional in-space manufacturing and biotechnology capabilities to an already premier portfolio of space research, development and commercialization payloads.

On September 2, 2021, the previously announced merger (the “Merger”) with GPAC was consummated pursuant to the Agreement and Plan of Merger (the “Merger Agreement”) dated March 25, 2021 by and among GPAC, Merger Sub, a Delaware corporation and direct, wholly owned subsidiary of GPAC, Cosmos and Holdings.

Pursuant to the Merger Agreement, the parties completed a business combination transaction by which, (i) GPAC domesticated as a Delaware corporation in accordance with Section 388 of the Delaware General Corporation Law and the Companies Act of the Cayman Islands (the “Domestication”), (ii) Merger Sub merged with and into Cosmos, with Cosmos being the surviving entity in the merger (the “First Merger”), and (iii) immediately following the First Merger, Cosmos merged with and into GPAC, with GPAC being the surviving entity in the merger (the “Second Merger” and, together with the First Merger, the “Mergers” or the “Merger” and, together with the other transactions contemplated by the Merger Agreement, the “Transactions”). In this prospectus, we refer to the Domestication and the Transactions, collectively, as the “Merger”.

Upon the closing of the Merger, GPAC was renamed to Redwire Corporation. The Merger is accounted for as a reverse recapitalization in which GPAC is treated as the acquired company. A reverse recapitalization does not result in a new basis of accounting, and the consolidated financial statements of the combined entity represent the continuation of the consolidated financial statements of the Company in many respects. The Company was deemed the accounting predecessor and the combined entity is the successor SEC registrant, Redwire.

From time to time, the Company will acquire or dispose of businesses and realign contracts, programs or businesses among and within our organization. These realignments are typically designed to leverage existing capabilities more fully and to enhance efficient development and delivery of products and services. As of March 31, 2022, the Company operated in one operating segment and one reportable segment: space infrastructure. Refer to Note B of the accompanying notes to the unaudited condensed consolidated financial statements for additional information regarding this conclusion.

Business Strategy

With decades of flight heritage combined with the agile and innovative culture of a commercial space platform, we are uniquely positioned to assist our customers in solving the complex challenges of future space missions. Redwire is providing core technologies that form the foundational building blocks for the future of space infrastructure. Our technology innovation is centered on the following key strategic focus areas:

On-Orbit Servicing, Assembly & Manufacturing

We anticipate that one of the most dramatic disruptions in the space industry will come from OSAM of satellites and other spacecraft. The ability to manufacture in space significantly expands a satellite’s capabilities and reduces costs relative to the conventional method of manufacturing and assembling prior to launch. Space infrastructure such as satellite assets manufactured on Earth are designed to survive the acoustic vibrations and acceleration forces that accompany launch and are inherently limited by these design requirements. Space infrastructure manufactured in space may be optimized for the operational environment in orbit and are never exposed to launch conditions. Design optimization for in-space operation allows for improved performance, such as increased power generation via larger solar arrays or higher gain via large-scale antennas than those that can be economically deployed using conventional manufacturing methods.

By mitigating spacecraft volume limitations imposed by launch vehicles, manufacturing in space can also help to significantly reduce the costs of launch. Launch costs depend in part on the mass and volume of the spacecraft. The manufacturing and assembly of large spacecraft structures in orbit reduces spacecraft volume at launch, resulting in decreased launch costs and increased flexibility in launch provider selection, including utilization of smaller launch providers and rideshare programs.

Current OSAM applications include government-funded programs to enable increased small satellite power generation via large deployable solar arrays attached to booms that are 3D printed on-orbit.

Commercial adoption of this technology could be a significant catalyst for growth in the overall space economy, enabling users to put more capability on orbit than state of the art approaches. We believe that OSAM represents a technological sea change that has the potential to upend traditional space operations. With sustainable in-space solutions, we believe OSAM will enable the next generation of growth in the space industry. Redwire's additive manufacturing intellectual property that is critical to our OSAM solution has been proven in operation on the ISS since 2014 and is protected by our numerous patents.

Additionally, Redwire is developing a robotic arm for space applications. This scalable robotic arm system is expected to meet growing demand for space-capable robotic solutions in mission profiles ranging from lunar surface activities to on-orbit satellite servicing and beyond.

Advanced Sensors & Components

Our technology has been at the forefront of space exploration for decades, providing satellite components that are integral to the mission success of hundreds of LEO, GEO and interplanetary spacecraft. These are foundational components that are critical to almost every spacecraft deployment. We are combining our new and innovative space technologies with our proven spaceflight heritage to meet the complexity and demands of today's growing and evolving space industry. Our sensor and component capabilities include the design and manufacture of mission-critical, high reliability technologies serving a wide variety of functions on the spacecraft. Our offerings include:

Solar Arrays: We offer a variety of solar array solutions for spacecraft spanning the entire spectrum of satellite size, power needs, and orbital location. We possess proprietary technologies, technical knowhow, and the facilities to design, build, and deliver competitive power generation solutions tailored to customer need. Of particular note, our patented and award-winning ROSA technology features an innovative "roll-out" design which uses composite booms to serve as both the primary structural elements and the deployment actuator, and a modular photovoltaic blanket assembly that can be configured into a variety of solar array architectures. When configured for launch, ROSA stows into a compact cylindrical volume yielding efficient space utilization. The unique ROSA stowed configuration allows extremely large solar arrays to be stowed compactly within launch vehicles.

Composite Booms: We develop cost-effective, furlable composite boom products that deploy antennas and instruments from small satellites. We develop very long lightweight composite booms for applications including solar sails, dipole antennas and deployable tethers. The efficient packaging scheme of our Triangular Rollable and Collapsible ("TRAC") Boom enables our customers to deploy extremely large systems from very small volumes.

RF Antennas: We are a supplier of high strain composite ("HSC") antennas that have much simpler mechanical designs than larger, conventional satellite antennas. HSC structural elements can provide deployment actuation, damping, deployed stiffness and integrated electrical / RF functionality in one multifunctional part, enabling a variety of antenna architectures and structural designs.

Payload Adapters: We are a supplier of integrated structural systems that support multiple satellites of different sizes across multiple launch vehicle platforms. Our payload interface solutions are tailored to launch vehicle/payload requirements to achieve optimal performance, and efficient allocation of mass to support on-orbit function rather than launch vehicle interfaces.

Space-Qualified Camera Systems: We supply customers with low size, weight and power, flight-proven cameras for a variety of use cases. Our camera solutions are used for vehicle docking and near- and far-field cameras are used for space situational awareness and satellite navigation.

Star Trackers and Sun Sensors: Our star tracker solution provides superior guidance, navigation and control as it takes an image of the stars, measures its apparent position in the reference frame of the spacecraft and identifies the stars so its position can be compared with its known absolute position from a star catalog.

Over 1,000 of our sun sensors have been deployed on hundreds of spacecraft since the 1960s and we remain a leader in attitude control, solar array pointing, gyro updating and fail-safe recovery solutions.

Space Domain Awareness & Resiliency

The U.S. national security community is increasingly viewing space as a warfighting domain, as evidenced by significant space-based military infrastructure investment such as the NDSA and the creation of the U.S. Space Force. Advances in potentially adversarial capabilities in space have highlighted the need to improve both the physical and cyber resiliency of U.S. and allied space assets, as well as monitoring of all assets, friendly and potentially hostile, on orbit. In our SDA&R strategic focus area, our core competencies and products support the national security community's space resiliency and situational awareness missions.

Our key offerings in this area include sensor systems for on-orbit monitoring, advanced modeling & simulation, cyber resiliency, asset hardening, robotics, and full satellite solutions leveraging our OSAM capabilities. Our SDA&R portfolio contains a variety of optical instruments that perform situational awareness functions and can be adapted to act as space situational awareness cameras as a primary or secondary payload.

Digitally-Engineered Spacecraft

Digitally-engineered spacecraft are systems that are designed, developed and manufactured on a digital foundation. Model-based engineering and high fidelity digital engineering tools reduce assembly hours by utilizing an end-to-end virtual environment that is capable of producing a near perfect virtual replica of a physical space system, before a physical instance is created. This capability significantly reduces the cost and schedule required to design, develop and deploy spacecraft while also reducing the risk of deployment and the cost of operations and maintenance. Additionally, "digital twins" of individual components, spacecraft and constellations are used to improve cyber resiliency, health and monitoring, operations and maintenance of deployed space assets.

We believe that the DoD and U.S. Space Force have embraced digital engineering as a foundational technology for the rapid, cost-effective development of their future space architectures. Digital engineering enables the modeling and simulation of future space architectures to provide high fidelity trade analysis, operational concepts and testing. Cyber resiliency is an increasing challenge for deployed space assets.

This capability is critical to ensuring future civil, commercial and national security space assets are protected from cyber-based attacks.

Redwire has a proprietary enterprise software suite that enables advanced digital engineering and generation of high fidelity, interactive modeling and simulations of individual components, entire spacecraft and full constellations in a cloud-based Software as a Service (SaaS) business model.

Low-Earth Orbit Commercialization

Our LEO commercialization strategic focus area is developing next-generation capabilities with a goal of developing efficient, commercial services for the ISS and other current and future human spaceflight programs. This focus area includes in-space additive manufacturing, space-based biotechnology applications, space plant and animal science, in-space advanced material manufacturing and support of human exploration, habitation and commercial activities in space.

We created the first permanent commercial manufacturing platform to operate in LEO, the AMF. AMF was developed based on a desire for on-demand local manufacturing that is expected to become a mainstay for mission planning to address critical needs in space. This technology increases the reliability of long-duration missions and makes human spaceflight missions safer by providing crews with additional flexibility in responding to situations that may threaten a mission. The ability for tools to be manufactured on-site, on-demand, allows mission planners to reduce the amount of specialized equipment that must be included during launch, providing maximum flexibility and contingency while reducing costs. Beginning with a small ratchet created on the ISS, we have now manufactured 200+ parts in-space over the past six years and are the only company currently providing commercial 3D printing on the ISS.

Additionally, our in-space manufacturing capabilities and space biotechnology solutions provide the building blocks for a robust commercial space economy building products and solutions for use on Earth. Production of advanced industrial materials and biological materials in microgravity offer performance advantages over comparable products manufactured on Earth. The microgravity environment enables certain space-based products to be created with properties superior to their terrestrial analogue. By identifying advanced manufacturing processes, product development and biotechnology research and development which can leverage the microgravity environment to manufacture high performance materials and groundbreaking biomedical solutions that meet specific industrial and commercial use cases, we believe our approach to space commercialization advances the creation of a space-Earth value chain to spur economic development. We have demonstrated the ability to 3D print biological materials, to manufacture advanced ceramics, fiber optics, crystals and other industrial materials in microgravity.

Products and Solutions

Antennas

Our antenna systems enable space-to-space and space-to-Earth communications. Some form of communications antenna is required for nearly all satellites that are put into orbit. We offer a wide variety of antennas to meet a range of satellite mission requirements. Our Link-16 antenna can be used to facilitate the exchange of tactical imagery from space in near-real time between military aircraft, ships and ground forces. Our antennas also enable the exchange of encrypted messages, imagery data and multiple channels of digital voice communication. We believe this will enable reliable and efficient space-based tactical communications in environments in which it has historically been difficult to conduct communications-intensive operations.

Space-Qualified Sensors

We have a deep heritage in manufacturing space-qualified sensors. Every satellite that goes into orbit requires at least one star tracker, sun sensor and avionics package and we have developed advanced capabilities in these critical subsectors of the space supply chain. We also provide narrow and wide-field-of-view camera systems, in addition to camera systems that are rated for human space flight, to our customers across civil, national security and commercial space.

Structures & Deployables

We provide a variety of deployable space structure offerings to help meet our customers' mission requirements. We believe that our instrument booms are instrumental to the DoD's goal of achieving space domain awareness. Our composite instrument booms can allow Smallsats to deploy high-power solar arrays, large antennas for high data rate communications and large drag augmentation devices for rapid end-of-life deorbiting. We have provided our ROSA technology to NASA to upgrade the ISS's solar arrays since 2021. We have also developed rigid solar panels that we expect PlanetIQ to use for its HD GPS-RO weather satellite constellation. We also develop cost-effective composite booms that deploy antennas and instruments from Smallsats, enabling a new generation of satellite constellations to provide science measurements and communications from space.

Space-enabled Manufacturing Payloads

Space-enabled manufacturing is a form of in-space manufacturing that leverages microgravity to produce materials with superior performance and broader applications when compared to comparable terrestrial materials. We have a suite of space-enabled manufacturing payloads configured for installation and operation aboard the ISS for demonstrating a variety of advanced manufacturing techniques and facilities with broad applications. We offer payloads capable of additive manufacturing, optical fiber manufacturing, ceramic turbine blisk manufacturing, industrial crystal manufacturing, hybrid metal / polymer manufacturing and more. These techniques may one day have the potential to transform the LEO commercial environment by providing solutions in space for space and in space for Earth.

Space-enabled Biotechnology Payloads

Redwire develops advanced space biotechnology payloads for the purpose of pharmaceutical and medical research and development and human space flight operations and sustainment. For example, the 3D BioFabrication Facility (BFF) and the ADvanced Space Experiment Processor (ADSEP), together comprise the first-ever system capable of manufacturing human tissue in the microgravity condition of space. Utilizing adult human cells (such as pluripotent or stem cells), the system can create viable tissue in space through technology that enables it to precisely place and build ultra-fine layers of bioink — layers that may be several times smaller than the width of a human hair — involving the smallest print tips in existence.

Additionally, we have developed critical biotechnology payloads for the research of musculoskeletal disease, osteoarthritis, regenerative medicine, and space plant/food production.

Cloud-enabled Digital Engineering Enterprise Software Platform

Redwire sells a proprietary enterprise software suite that enables advanced digital engineering and generation of high fidelity, interactive modeling and simulations of individual components, entire spacecraft and full constellations in a cloud-based Software as a Service (SaaS) business model. This software suite supports spacecraft and constellation developers in the design, development, deployment, management, maintenance and cyber protection of their space assets.

Engineering, Support Services, Testing and Operation Solutions

We are a one-stop-shop for mechanism design and manufacturing, power supply design and analysis, project planning and management, control processes, structural and thermal analysis, and system engineering solutions for space-based products and applications. We provide our engineering services at any stage of the design process for our customers, whether it be final testing or initial project schematics. This service offering allows us to introduce customers to our capabilities and demonstrate our ability to help optimize and enable the success of their missions.

Backlog

We view growth in backlog as a key measure of our business growth. As of March 31, 2022, our total backlog was \$273.9 million, which includes contracted and uncontracted backlog of \$137.3 million and \$136.6 million, respectively. Contracted backlog represents the estimated dollar value of firm funded executed contracts for which work has not been performed (also known as the remaining performance obligations on a contract). Uncontracted backlog represents the anticipated contract value, or portion thereof, of goods and services to be delivered under existing contracts which have not been appropriated or otherwise authorized. For further information, refer to “Backlog” in “Management’s Discussion and Analysis of Financial Condition and Results of Operations.”

Seasonality

No material portion of our business is considered to be seasonal. Various factors can affect the distribution of our revenue between accounting periods, including the timing of contract awards and the timing and availability of U.S. Government funding, as well as the timing of product deliveries and customer acceptance.

Customers and Strategic Partnerships / Relationships

Our product and solution offerings are designed to meet the needs of a wide variety of public and private entities operating in space. We have formalized contracts and strategic partnerships with numerous customers, and we plan to continue pursuing additional agreements and partnerships.

Civil Space Community Relationships

Civilian space agencies currently make up the largest portion of our current revenue base. Projects for these customers are typically meant to gather data for the public’s use, advance research objectives, further the exploration and utilization of space, and/or develop new scientific and commercial applications and uses of the space domain. Contracts are primarily fielded by governmental entities that are not funded by defense budgets. Many of these

contracts will have a research and demonstration phase which may later convert to full-scale production contracts or commercial opportunities.

NASA

NASA is one of our largest and most long-standing customers. We participate in numerous large, high-profile contracts, our largest by revenue currently being the Archinaut One program, also known as OSAM-2. Our Archinaut One program includes the design, manufacture, test, integration and operation of the first satellite to construct a portion of its own structure on-orbit. The Archinaut One satellite combines our additive manufacturing and robotic assembly capabilities for the construction of large, complex structures in space. We have provided services and products supporting a number of other NASA missions, including sun sensors and star trackers for exploration missions like Perseverance, thermal control solutions for technology demonstrators, camera systems for upcoming human spaceflight missions, and development of various additive manufacturing methods on the ISS.

Luxembourg Space Agency and European Space Agency

We are working with the Luxembourg Space Agency and the European Space Agency to develop a robotic arm for space applications. This scalable robotic arm system is expected to meet growing demand for space-capable robotic solutions in mission profiles ranging from lunar surface activities to on-orbit satellite servicing and beyond.

National Security Community Relationships

We supply a wide variety of technologies and solutions supporting the U.S. and allied countries' national security objectives in space. As space becomes an increasingly contested domain and near peer threats continue to emerge, the DoD has articulated a need for significant investment in both improving the resiliency of existing space assets and the deployment of new, next-generation capabilities.

Commercial Community Relationships

Through our numerous strategic partnerships with large and high-profile commercial customers, we believe that our technologies are enabling the commercialization of LEO and potentially beyond. We view the commercial market opportunity as one with significant growth possibilities as launch costs continue to decrease, making industrial and other commercial pursuits increasingly viable and prolific.

Customer Concentration

The majority of the Company's revenues are derived from government contracts. Refer to Note S of the accompanying notes to the audited consolidated financial statements for further information on sales by major customers and location.

Space Economy Overview

Prior to the 1990's, access to the global space industry was largely limited to federal governments and a few select telecommunications providers, providing little incentive to lower launch costs or innovate. Over the past three decades, the advent of lower-cost launch technology has driven a paradigm shift and democratized access to space. This has created a vibrant commercial landscape that is driving innovation across major terrestrial industries on Earth. The entrepreneurial energy dedicated to space is disrupting industries including telecommunications, internet infrastructure, weather, aviation, agriculture, advanced materials science, insurance and Earth observation. The military and scientific communities have continued to pursue and fund technological advancement, bolstering a myriad of technologies that have both national security and commercial applications.

We believe that the space industry is at the dawn of a new economic era driven by significant investment. In addition to government contracting, private capital entering the space market has accelerated its growth. Over the last 10 years, there has been approximately \$253 billion of equity investment across 1,694 space companies per Space Capital (2021 Q4 Analysis). This has led to a wave of new companies reimagining parts of the traditional space industry.

Today's space market is primarily driven by satellite technologies and applications but is quickly expanding to include tangential capabilities such as space tourism, in-space manufacturing, LEO commercialization, deep space exploration and space-based resource extraction. The global space economy generated approximately \$420 billion of total revenue in 2019 and is expected to grow to an estimated \$2 trillion by 2040, per the Space Report (2020 Q2 Analysis). The rapid deployment of satellite constellations coinciding with an increasingly competitive landscape in the launch industry is creating unprecedented access to space.

Government agencies have realized the value of the private commercial space industry and have become increasingly supportive and reliant on private companies to catalyze innovation and advance national space objectives. In the U.S., this has been evidenced by notable policy initiatives and commercial contractors' growing share of federally funded space activity.

Launch Costs and Small Satellite Proliferation

The emergence of large reusable rockets, such as SpaceX's Falcon 9 and Blue Origin's upcoming New Glenn rocket, has brought launch costs down by as much as approximately 95% over the past decade according to a July 2018 report by NASA. Additionally, small launch providers have been actively pursuing the market for delivering smaller satellites into LEO. The competition among launch providers is creating a unique opportunity for new space entrants to grow quickly and take advantage of the fact that the per-kilogram cost of launching satellites to LEO is as low as approximately \$2,700/kg. Improving launch economics have driven an increase in assets sent to orbit, with both commercial providers and governments participating.

The satellite market has gone through a paradigm shift over the past 10 years, with larger numbers of Smallsats, defined as any satellite under 600 kg, replacing large, exquisite satellites that have traditionally been placed into geosynchronous Earth orbit, or GEO. Smallsat adoption has increased as satellite technology has miniaturized. In LEO, more capability can be offered without the need for redundancy and radiation tolerance that is expected for the harsher GEO environment. The annual number of Smallsats launched has increased almost eightfold since 2012. In 2021, 94% of all launches included a smallsat, up from 24% in 2012, per Bryce Space and Technology. We anticipate continued growth in the satellite constellation market given the relatively short lifespan, need for larger constellations to provide global coverage and continued technological advancements.

In the U.S., the Space Development Agency is planning to launch thousands of Smallsats in support of the NDSA. The advent of the Space Force and interest in Smallsats from the intelligence community has established the DoD as a significant stakeholder in the space economy as space becomes a contested domain. Missile defense capabilities and hardened, low-latency military communications networks are critical for the U.S. to counter aggression from near-peer threats. Additionally, hundreds of commercial providers of internet broadband, imagery and other value-added services have applied to launch over 50,000 Smallsats in the next decade as they seek to secure market share in the new space economy. This compares to just 6,000 satellites in orbit as of April 2020.

LEO Commercialization & On-Orbit Servicing, Assembly and Manufacturing

A major growth opportunity for the global space economy is the increased commercialization of LEO. Increased accessibility to space has given rise to a growing number of start-up technology companies that aim to serve diverse end-markets including energy, telecommunications, tourism and Internet-of-things connectivity. There are increasingly attractive economics for manufacturing advanced materials in space for industrial use on Earth, including ZBLAN optical fiber and advanced ceramic materials. Ceramic parts manufactured in microgravity have a myriad of applications on Earth, including components for turbines and nuclear plants. Other fast currents in LEO include space tourism and sustainable human space habitats. The ISS has served as a breeding ground for the commercialization of space and many well-funded operators have announced a vision to enable millions of humans visiting and living in space.

We anticipate that the most dramatic disruption in the space industry will come from capabilities surrounding on-orbit servicing, assembly and manufacturing of spacecraft. With sustainable in-space solutions, we believe OSAM will be instrumental in enabling the next generation of growth in the space industry.

Competition

We operate in highly competitive markets that are sensitive to technological advances and generally encounter intense competition to win contracts from many other firms, including lower and mid-tier federal contractors with specialized capabilities, large defense contractors and the federal government. Some of our competitors in each of our markets are larger than we are and can maintain higher levels of expenditures for research and development. In each of our markets, we concentrate on the opportunities that we believe are compatible with our resources, overall technological capabilities and objectives. Principal competitive factors in these markets are product quality and reliability; technological capabilities, including reliable, resilient and innovative space infrastructure technologies; service; past performance; ability to develop and implement complex, integrated solutions; ability to meet delivery schedules; and cost-effectiveness. We believe that we compete favorably on the basis of these factors.

We frequently “partner” or are involved in subcontracting and teaming relationships with companies that are, from time to time, competitors on other programs. We compete domestically and internationally against (i) non-traditional aerospace and defense contractors, principally Blue Canyon Technologies, Inc. (a subsidiary of Raytheon Technologies), York Space Systems and Tyvak Nano-Satellite Systems, Inc., Space Micro Inc., Amergient Technologies, Sodern, and (ii) occasionally large aerospace and defense companies, principally, Northrop Grumman Corporation, L3Harris, Moog, Ball Aerospace, and Maxar Technologies. Our defense prime contractor customers could decide to pursue one or more of our product development areas as a core competency and insource that technology development and production rather than purchase that capability from us as a supplier. This competition could result in fewer customer orders and a loss of market share.

In addition, some of our foreign competitors currently benefit from, and others may benefit in the future from, protective measures by their home countries where governments are providing financial support, including significant investments in the development of new technologies. Government support of this nature greatly reduces the commercial risks associated with aerospace technology development activities for these competitors. This market environment may result in increased pressures on our pricing and other competitive factors.

Resources

Research and Development

Our research and product development programs are intended to advance the future of space infrastructure. We have both internally and externally funded research and development projects. Our business strategy is dependent on technological advancements that support our existing and future products and solutions. Our focus for research and development aligns with our strategic focus areas outlined above with particular emphasis on areas of significant growth and long-term opportunity. Looking forward, we expect to continue our investment in fields that we believe offer the greatest opportunities for long-term growth and profitability.

We conduct research and development principally in the United States and Luxembourg. Research and development expenses were \$4.5 million for the year ended December 31, 2021 and \$1.7 million for the three months ended March 31, 2022.

Intellectual Property

We own a substantial intellectual property portfolio that includes many U.S. and foreign patents, as well as many U.S. trademarks, domain names and copyrights. We actively pursue internal development of intellectual property. In addition to our patent portfolio, we own other intellectual property such as unpatented trade secrets, know-how, data and software. Additionally, we rely on licenses of certain intellectual property to conduct our business operations, including certain proprietary rights licensed to and from third parties.

While our intellectual property rights in the aggregate are important to our operations, we do not believe that any particular trade secret, patent, trademark, copyright, license or other intellectual property right is of such importance that its loss, expiration or termination would have a material effect on our business.

Raw Materials and Suppliers

We are generally engaged in light manufacturing activities and have limited exposure to fluctuations in the supply of raw materials. When we manufacture and sell products and systems, most of the value that we provide is labor oriented, such as design, engineering, assembly and test activities. In manufacturing our products, we use our own production capabilities as well as a base of third-party suppliers and subcontractors.

Certain aspects of our manufacturing activities require relatively scarce raw materials; occasionally, we have experienced difficulty in our ability to procure raw materials, components, sub-assemblies and other supplies required in our manufacturing process.

Regulatory

Federal Communications Commission

The regulations, policies and guidance issued by the FCC apply to the operation of our spacecraft. When we communicate with our spacecraft using any part of the electromagnetic spectrum, we are operating a space station to which FCC regulations apply. Operators of regulated space stations are required to hold and maintain compliance with proper licenses throughout the duration of any given mission. We are currently preparing an FCC license application in connection with the Archinaut One program.

The FCC recently enacted a new set of licensing guidelines for Smallsats and related systems that may apply to future spacecraft. As a result, we may face a transition to the small satellite licensing guidelines. Additionally, the FCC is currently considering additional rules which could change the operational, technical and financial requirements for commercial space operators subject to U.S. jurisdiction. If these, proposed rules become final, they could change system design and financial costs in order to comply with or secure new Redwire spectrum licensure.

National Oceanic and Atmospheric Administration

Redwire spacecraft will operate with space-qualified photographic equipment installed. While primarily intended to function as mission assurance tools, these cameras may be capable of capturing incidental Earth imagery while in orbit. As such, these cameras may be subject to the licensing requirements and regulations of National Oceanic and Atmospheric Association's ("NOAA") Commercial Report Sensing Regulatory Affairs office. We are currently assessing the applicability of NOAA's licensing requirements and exclusions in connection with the Archinaut One program.

The Federal Aviation Administration

As a participant in launch activities, we are indirectly subject to the license requirements of the Federal Aviation Administration's ("FAA") Office of Commercial Space Transportation ("AST"). The FAA regulates the airspace of the United States, through which launch vehicles must fly during launch to orbit. The AST office predominantly processes launch license requests submitted by launch vehicle operators, which include information on the constituent payloads flying on any given mission. As a result, reviews of our payloads by AST will occur during, for example, the processing of a launch vehicle provider launch license.

International Traffic in Arms Regulations and Export Controls

Our orbital infrastructure business is subject to, and we must comply with, stringent U.S. import and export control laws, including ITAR and EAR of the Bureau of Industry and Security of the U.S. Department of Commerce. The ITAR generally restricts the export of hardware, software, technical data and services that have defense or strategic applications. The EAR similarly regulates the export of hardware, software and technology that has commercial or "dual-use" applications (i.e., for both military and commercial applications) or that have less sensitive military or space-related applications that are not subject to the ITAR. The regulations exist to advance the national security and foreign policy interests of the United States.

Human Capital

We are committed to technical excellence and mission success which is reinforced by our core values:

- **Integrity:** We stand for honesty, fairness, and commitment in all that we do, and an uncompromising adherence to ethical behavior.
- **Innovation:** We are change agents. We find new ways to solve our customers' most challenging problems. Our thought leadership will create new opportunities for better ways to accomplish our goals.
- **Impact:** We will have a positive impact on our industry, community, nation and humanity. We focus on solving important problems that will shape future outcomes in a positive way.
- **Inclusion:** We believe in the value of diverse perspectives. Individuals from all backgrounds, experiences and skill sets are needed to make Redwire successful. We value each other.
- **Excellence:** We are focused professionals who are committed to delivering results.

We strive to be the employer of choice in the space community. As of March 31, 2022, we had 612 employees, all of whom are based in the United States and Luxembourg.

We have established and experienced human resources team that is leading this effort. Most of our employees fall into one or more of the following categories: (a) graduates from well-regarded engineering universities with a desire to make a long-term impact, (b) experienced engineers from other aerospace companies who are excited about the ongoing innovation and industry transformations that we believe we are driving, and (c) founders and employees from companies we have acquired. Many of these employees are highly accomplished in their fields and earned advanced degrees in concentrations such as aerospace engineering, mechanical engineering, physics, chemistry, robotics and astronomy.

Recruitment

Based on existing programs, we are planning to increase the size of our workforce by approximately one third to support already contracted work. We have established an experienced talent acquisition team and anticipate that we will be able to achieve this goal based on our past record. Our recruitment efforts have been successful over the past year leading to approximately 34% of our current employees having been hired in the previous twelve months.

As we continue to grow, we are increasing our recruiting capacity by expanding our talent acquisition team of professionals and enhancing internal incentives for recruitment. In addition, we are continuing to develop our compensation and benefits programs to compete for talent in a tight labor market. One particular recruitment advantage the Company has is the ability to offer equity participation through the Redwire Corporation 2021 Omnibus Incentive Plan (the "2021 Plan"). This program encourages the "founder mentality" we hope all of our employees maintain.

Diversity and Inclusion

Redwire is committed to recruiting, retaining and promoting a diverse workforce. We support several organizations supporting diversity in the aerospace field, such as: the Brooke Owens Fellowship, the Matthew Isakowitz Fellowship, and the ZED Factor Fellowship program. At Redwire, Inclusion is a core value. We are implementing programs that celebrate the diversity of our workforce and highlight the contributions of under-represented communities. Through our leadership communications, community sponsorships and policy development, we are committed to a culture that promotes diversity and inclusion throughout the company and our industry.

Compensation and Benefits

We strive to offer competitive salaries and benefits. Management monitors the changing labor conditions at a national and local level and adjusts compensation packages in order to attract and retain high performing

individuals. The Company offers short- and long-term incentive programs, a defined contribution plan, healthcare benefits, flexible paid time off as well as employee assistance programs. The Company's incentives programs are intended to motivate and reward strong performance.

Support for Our Employees During the COVID-19 Pandemic

The Company has been actively engaged in promoting the health and welfare of our employees during the COVID-19 pandemic. A COVID-19 task force was created and met regularly to implement COVID-19 health protocols in compliance with federal, state and local recommendations. During the height of the pandemic, employees were permitted to work remotely when possible. Management also implemented changes to physical office layouts and work schedules as well as encouraged masking, vaccination and social distancing to ensure our employees remained protected from illness. Management continues to monitor cases of exposure and contagion on a weekly basis to respond quickly to COVID-19 incidents as they occur.

Available Information

Copies of our Annual Report on Form 10-K, Quarterly Reports on Form 10-Q, Current Reports on Form 8-K, and amendments to these reports filed or furnished pursuant to Section 13(a) or 15(d) of the Exchange Act are available free of charge through our website (www.redwirespace.com) as soon as reasonably practicable after we electronically file the material with, or furnish it to, the SEC. The information contained on the Company's website is not included in, nor incorporated by reference into, this prospectus.

MANAGEMENT

Directors and Executive Officers

Redwire's directors and executive officers and their ages as of June 1, 2022 were as follows:

Name	Age	Position
Executive Officers		
Peter Cannito	49	Chief Executive Officer and Chairman
Andrew Rush	37	President and Chief Operating Officer
Jonathan E. Baliff	58	Chief Financial Officer and Director
Nathan O'Konek	40	Executive Vice President, General Counsel and Secretary
Non-Employee Directors		
Les Daniels ⁽²⁾⁽³⁾	75	Director
Reggie Brothers ⁽¹⁾	62	Director
Joanne Isham	66	Director
Kirk Konert ⁽²⁾⁽³⁾	35	Director
John S. Bolton ⁽¹⁾⁽²⁾	54	Director
David Kornblatt ⁽¹⁾⁽³⁾	62	Director

(1) Member of the Audit Committee.

(2) Member of the Compensation Committee.

(3) Member of the Nominating and Corporate Governance Committee.

Executive Officers

Peter Cannito. Mr. Cannito has served on our Board and as our Chief Executive Officer since September 2021. Mr. Cannito served on the board of Holdings from March 2020 until our Merger in September 2021. Prior to his current role, Mr. Cannito served from October 2016 until December 2018 as the CEO of Polaris Alpha, a high-tech solutions provider developing systems for the Department of Defense and Intelligence Community. Prior to that, Mr. Cannito held executive roles, including CEO and COO, at EOIR Technologies and led a team of software and systems engineers at Booz Allen Hamilton focused on critical defense and intelligence programs. Mr. Cannito served from January 1, 2019 through June 2019 as a consultant for NSNext, LLC. Mr. Cannito has been an operating partner with AE Industrial Partners, LP from June 2019 to present. Mr. Cannito received a bachelor's degree in Finance from the University of Delaware and an MBA from the University of Maryland. Mr. Cannito also served as an officer in the U.S. Marine Corps. We believe that Mr. Cannito's extensive experience in the defense, technology and government service industries qualifies him to serve as a director of our Board.

Jonathan E. Baliff. Mr. Baliff has served on our Board since September 2021 and began serving as our Chief Financial Officer in June 2022. Mr. Baliff previously served as an Operating Partner at Genesis Park from March 2020 to May 2022 and President and Chief Financial Officer of Genesis Park Acquisition Corp (previously trading under the ticker symbol "GNPK") prior to the Merger. He has been a leader in the aviation and infrastructure sectors for over 25 years, acting as a public company senior executive in addition to an investment and commercial banker. Most recently, Mr. Baliff was at Bristow (formerly NYSE: BRS), the world's largest commercial helicopter and industrial aviation company serving the energy and government sectors, where he served first as Chief Financial Officer from 2010 to 2014 and President and Chief Executive Officer from 2014 to 2019. Prior to joining Bristow, Mr. Baliff acted as Executive Vice President for Strategy at NRG (NYSE: NRG) from 2007 to 2010. Prior to NRG, Mr. Baliff acted as a Managing Director in Credit Suisse's Global Energy Group from 1996 to 2007 and an associate in J.P. Morgan's Natural Resources Group from 1995 to 1996. Additionally, Mr. Baliff served on active duty in the U.S. Air Force from 1985 to 1993 as an aviator flying the F-4 Phantom fighter aircraft. Currently, Mr. Baliff serves on the board of directors and Risk Committee of Texas Capital Bancshares, Inc. (NYSE: TCBI), the parent company of Texas Capital Bank. Mr. Baliff has served on the board of TCBI since 2017. Mr. Baliff holds a Bachelor of

Aerospace Engineering from the Georgia Institute of Technology and a Master of Science in Foreign Service from Georgetown University. We believe that Mr. Baliff's industry and public company experience qualifies him to be a director of our Board.

Andrew Rush. Mr. Rush has served as our President and Chief Operating Officer since September 2021. Previously, Mr. Rush served as the President and Chief Operating Officer of Holdings, beginning in January 2021 and June 2021, respectively, until our Merger in September 2021. Mr. Rush was the President & CEO of Made In Space from March 2015 to June 2020. Mr. Rush is a member of the NASA Advisory Council and currently serves on the Technology, Innovation and Engineering Committee of the council and previously served as Chairman of the council's Regulatory and Policy Committee. Prior to joining Made In Space, Mr. Rush was employed at PCT Law Group from March 2012 to March 2015, where he rose to the role of intellectual property law partner. Mr. Rush earned a bachelor's degree in physics from the University of North Florida and a Juris Doctorate degree from Stetson University.

Nathan O'Konek. Mr. O'Konek has served as the Company's Executive Vice President, General Counsel and Secretary since September of 2021. Mr. O'Konek served as the Executive Vice President and General Counsel of Holdings from June 2020 until our Merger in September 2021. Previously Mr. O'Konek was Executive Vice President, Strategic Development and General Counsel of Made In Space from February 2019 to June 2020. Prior to joining Made In Space, Mr. O'Konek was Senior Director, Commercial Space from July 2018 to February 2019 and Director, Commercial Space from July 2017 to July 2018 of Space Florida, the aerospace economic development agency of the State of Florida. Mr. O'Konek previously served as the Director of Business Operations and Corporate Secretary of Masten Space Systems from December 2011 until July 2017. Mr. O'Konek began his career as a capital markets attorney in the London and New York offices of Latham & Watkins. Mr. O'Konek graduated from Carleton College and from the University of Minnesota Law School.

Non-Employee Directors

Les Daniels. Mr. Daniels has served on our Board since September 2021. Mr. Daniels has been an Operating Partner at AE Industrial Partners, LP since October 2017. Mr. Daniels currently sits on the boards of Moeller Aerospace, as well as GAMCO Investors, Inc. (NYSE: GBL) and Anterix Inc. (NASDAQ: ATEX). Mr. Daniels also serves on The Advisory Committee on Trade Policy and Negotiation (ACTPN) as a presidential appointee. Mr. Daniels was a founding partner of CAI Managers & Co., L.P., a private equity firm located in New York City, where he served from 1989 to 2014. Prior to CAI Managers, Mr. Daniels served as President of Burdge, Daniels & Co., Inc., a company engaged as a principal in venture capital and buyout investments and trading of private placement securities. Mr. Daniels also served as Senior Vice President of Blyth, Eastman, Dillon & Co., where he was responsible for its corporate fixed-income sales and trading departments. Mr. Daniels earned his undergraduate degree from Fordham University. We believe that Mr. Daniels extensive experience in aerospace, in business and on public company boards, as well as his perspective as a representative of our largest shareholder, qualifies him to serve as a director of our Board.

Reggie Brothers. Dr. Brothers has served on our Board since September 2021. Dr. Brothers has served as CEO of BigBear.ai (NYSE: BBAD) since June 2020. Previously, Dr. Brothers served as Chief Technology Officer at Peraton Corporation from January 2018 to June 2020 and as Principal at The Chertoff Group from January 2017 to January 2018. From April 2014 to February 2017, Dr. Brothers served as the Under Secretary for Science and Technology at the Department of Homeland Security. Dr. Brothers received an undergraduate degree from Tufts University, a master's degree from Southern Methodist University and a PhD from Massachusetts Institute of Technology. We believe that Dr. Brother's 30 year career and extensive experience in senior leadership positions in science and technology spanning academia, government and industry qualifies him to serve as a director of our Board.

Joanne Isham. Ms. Isham has served on our Board since September 2021 and served on the board of Holdings from March 2020 until our Merger in September 2021. Ms. Isham is the Founder of Veros Global Solutions, LLC, and President of Isham Associates, LLC, both advisory firms focused on national security and innovative technologies, and she has served at each since January 2020 and December 2011, respectively. From June 2006 through December 2010 Ms. Isham served as Vice President, Deputy General Manager of Network Systems at BAE

Systems plc, Chief Operations Officer of HPTi, and Vice President of L1. Ms. Isham previously served as a Senior Executive in the Central Intelligence Agency from 1977 to 2006 during which time she served as the Deputy Director for Science and Technology from 1998 to 2001 and as Deputy Director of the National Geospatial-Intelligence Agency from 2001 until 2006. Ms. Isham is currently a board member of Maxar Technologies Inc. Ms. Isham earned her undergraduate degree from the University of Notre Dame. We believe that Ms. Isham's professional trajectory and experience in relevant industries qualifies her to serve as a director of our Board.

Kirk Konert. Mr. Konert began serving on our Board in September of 2021 and served on the board of Holdings from March 2020 until our Merger in September 2021. Mr. Konert has served with AE Industrial Partners, LP, as a Partner since October 2019 and as a Principal starting in August 2014. Previously, Mr. Konert was a Senior Associate at Sun Capital Partners from July 2011 to July 2014. Mr. Konert currently sits on the board of BigBear.ai (NYSE: BBAI). Mr. Konert earned his undergraduate degree from Davidson College. We believe that Mr. Konert's experience and history in portfolio company management qualifies him to be a director of our Board.

John S. Bolton. Mr. Bolton began serving on our Board in September 2021. Mr. Bolton was previously a member of the Advisory Board of GPAC since July 2020. Mr. Bolton has over 30 years of industry executive experience, including serving as President of Honeywell's (NYSE: HON) Aerospace Air Transport & Regional business, a global business enterprise that provides original equipment and aftermarket products and services to the aviation segments, from January 2009 to April 2016. He also spent three years as Vice President leading Honeywell's Aftermarket for the Business & General Aviation Strategic Business Unit, where he leveraged extensive cross-functional, product and customer experience to provide strategic and tactical leadership. Since 2017, Mr. Bolton has been the Owner and President of Blu Sky Edge Corp, an aviation commercial propulsion engine leasing and product sales company. Mr. Bolton holds a B.S. from Clarkson University in New York and an M.B.A. from Duke University. We believe that Mr. Bolton's extensive experience and professional trajectory in the aerospace industry, as well as his senior leadership experience in a public company, qualifies him to be a director of our Board.

David Kornblatt. Mr. Kornblatt began serving on our Board in June 2022. Mr. Kornblatt served as Chief Financial Officer of Triumph Group, Inc. (NYSE:TGI) from June 2007 through February 2014 and as Director of Corporate Development from February 2014 to July 2016. Mr. Kornblatt also served as the Chief Financial Officer of Carpenter Technology Corporation (NYSE: CRS) and York International Corporation (previously trading under the ticker symbol "YKR") from 2006 to 2007 and 2002 to 2005, respectively. Mr. Kornblatt currently sits on the board of directors of Universal Stainless & Alloy Products, Inc. (NASDAQ: USAP) and has served in this role since 2008. Mr. Kornblatt holds a bachelor's degree in Accounting from Drexel University, where he previously served as a member of the Dean's Advisory Board to the Lebow School of Business. We believe that Mr. Kornblatt's experience and financial sophistication qualifies him to be a director of our Board.

Family Relationships

There are no family relationships among any of our directors or executive officers.

Status as a Controlled Company

Because Holdings possesses the ability to vote a majority of our outstanding voting Common Stock, we are a controlled company under the NYSE Listing Rules. A controlled company need not comply with the NYSE corporate governance rules that require its board of directors to have a majority of independent directors and independent compensation and nominating and governance committees. Subject to the requirements under the Investor Rights Agreement, dated as of March 25, 2021, by and among Genesis Park II, LP, Genesis Park Holdings ("GNPK" and collectively with Holdings, the "Principal Shareholders"), GPAC, Holdings and Jefferies LLC (the "Investor Rights Agreement") that a total of four independent directors be nominated to the Board, we are able to rely on these exemptions. Notwithstanding our status as a controlled company, we remain subject to the NYSE corporate governance requirement that our Audit Committee be composed entirely of independent directors. Upon ceasing to be a controlled company, if not in compliance with the independence requirements applicable to non-controlled companies, we intend to take all action necessary to comply with the NYSE rules, including appointing a majority of independent directors to our Board and ensuring we have a compensation committee and a nominating

and governance committee, each composed entirely of independent directors, subject to a permitted “phase-in” period.

Board Composition

Our business and affairs are organized under the direction of the Board, which meets on a regular basis and additionally as required. In accordance with our Bylaws, and subject to our Certificate of Incorporation and the Investor Rights Agreement, the Board may establish the authorized number of directors from time to time by resolution. The Board consists of seven members. Our directors are classified and designated as Class I, Class II and Class III directors. Pursuant to the Investor Rights Agreement, (i) the Class I directors consist of two directors nominated by Holdings, (ii) the Class II directors consist of one director nominated by GNPk and two directors nominated by Holdings and (iii) the Class III directors consist of one director nominated by GNPk and one director nominated by AE. The Investor Rights Agreement further provides that (A) the initial term of the Class I directors will expire immediately following our 2022 Annual Meeting, (B) the initial term of the Class II directors will expire immediately following our 2023 Annual Meeting of Shareholders and (C) the initial term of the Class III directors will expire immediately following our 2024 Annual Meeting of Shareholders. At each succeeding Annual Meeting of Shareholders, directors will be elected for a full term of three years to succeed the directors of the class whose terms expire at such Annual Meeting of Shareholders.

Board Leadership Structure

The following section describes our Board leadership structure, the reasons our Board considers that this structure is appropriate at this time, the roles of various positions, and related key governance practices. Our Board believes that the mix of experienced independent directors and directors affiliated with Holdings and GNPk, that currently make up our Board and our Board committee composition benefit the Company and its shareholders.

Chair and Chief Executive Officer

With respect to the roles of Chair and Chief Executive Officer, the Corporate Governance Guidelines provide that the roles may be separated or combined, and the Board will exercise its discretion in combining or separating these positions as it deems appropriate in light of prevailing circumstances. Since the Merger, the roles of Chair and Chief Executive Officer have been held by Peter Cannito. Given Mr. Cannito’s deep knowledge and understanding of the Company’s business model, strategy, operations and culture, the Board combined the offices of Chair and Chief Executive Officer and determined that Mr. Cannito is best positioned to lead the Board in its ongoing oversight of the Company’s operations and strategy.

Self-Evaluation

Our Nominating and Corporate Governance Committee was established upon the completion of the Merger in September 2021. Going forward, our Nominating and Corporate Governance Committee will conduct an annual performance evaluation to determine whether the Board and its committees are functioning effectively. We expect that this will include survey materials as well as individual conversations between each director and the Chair of the Nominating and Corporate Governance Committee. However, the Nominating and Corporate Governance Committee will conduct the evaluation in such manner as it deems appropriate. The Nominating and Corporate Governance Committee evaluation will focus on the Board’s and the committees’ contributions to the Company, with an enhanced focus on areas in which the Board or management believes that the Board could improve.

As part of the annual Board self-evaluation, the Board will evaluate whether the current leadership structure continues to be appropriate for the Company and its shareholders. Our Corporate Governance Guidelines provide the flexibility for our Board to modify our leadership structure in the future as appropriate.

Director Independence

NYSE listing standards require that a majority of the board of directors of a company listed on the NYSE be composed of “independent directors,” which is defined generally as a person other than an officer or employee of the company or its subsidiaries or any other individual having a relationship, which, in the opinion of the company’s

board of directors, would interfere with the director's exercise of independent judgment in carrying out the responsibilities of a director. Our Board has determined that each of Les Daniels, Reggie Brothers, Joanne Isham, Kirk Konert, David Kornblatt and John S. Bolton is an independent director under the NYSE rules and each of David Kornblatt, John Bolton and Reggie Brothers is an independent director under Rule 10A-3 of the Exchange Act. In making these determinations, the Board considered the current and prior relationships that each non-employee director has with the Company and all other facts and circumstances that our Board deems relevant in determining independence, including the beneficial ownership of the Company's Common Stock by each non-employee director, and the transactions involving them described in the section entitled "Certain Relationships and Related Party Transactions."

Role of the Board in Risk Oversight

Our Board oversees an enterprise-wide approach to risk management, designed to support the achievement of organizational objectives, to improve long-term organizational performance, and to enhance shareholder value. A fundamental part of risk management is not only understanding the most significant risks a company faces and what steps management is taking to manage those risks but also understanding what level of risk is appropriate for a given company. The involvement of our full Board in reviewing our business is an integral aspect of its assessment of the Company's risk profile and also its determination of what constitutes an appropriate level of risk.

While our full Board has overall responsibility for risk oversight, it has delegated primary oversight of certain risks to its committees. Our Audit Committee monitors our major financial risk exposures and cybersecurity risks, and the steps our management has taken to monitor and control these exposures, including guidelines and policies to govern the process by which risk assessment and management is undertaken. Our Audit Committee is committed to the prevention, timely detection, and mitigation of the effects of cybersecurity threats or incidents to the Company. Our Audit Committee also monitors compliance with legal and regulatory requirements, strategies and progress of audits and remediation efforts. Our Compensation Committee oversees the design and implementation of our compensation and benefits programs and policies and monitors the incentives created by these programs and policies to determine whether they encourage excessive risk-taking. Our Compensation Committee also assesses the relationship between risk management policies and practices and compensation, and evaluates compensation policies and practices that could mitigate any such risk. Our Nominating and Corporate Governance Committee oversees our major corporate governance risks.

In connection with its reviews of the operations of our business, our full Board addresses the primary risks associated with our business, such as regulatory and legal risks, financial and liquidity risks, and strategic planning. Our Board appreciates the evolving nature of our business and industry and is actively involved with monitoring new threats and risks as they emerge.

We are committed to ensuring our Board and its committees are consistently updated on threats to our business and receive consistent updates on risk mitigation processes. At periodic meetings of our Board and its committees, management reports to and seeks guidance from our Board and its committees with respect to what we believe are the most significant risks that could affect our business, such as legal, regulatory, privacy, financial, tax and audit related risks.

Board Committees

Our Board has an Audit Committee, a Compensation Committee, and a Nominating and Corporate Governance Committee. The composition, duties and responsibilities of these committees are as set forth below. Each of our standing committees has a written charter which is available on the Investor Relations page of our website at <https://ir.redwirespace.com> and each such charter complies with the current SEC and NYSE rules. The information contained on or accessible through this website is not a part of this prospectus and the inclusion of such website address in this prospectus is an inactive textual reference only.

Audit Committee

Our Audit Committee is composed of David Kornblatt, John Bolton and Reggie Brothers, with David Kornblatt serving as Chair thereof. We comply with the audit committee requirements of the SEC and NYSE. Our Board has

determined that David Kornblatt, John Bolton and Reggie Brothers meet the independence requirements of Rule 10A-3 under the Exchange Act and the applicable listing standards of the NYSE. Our Board determined that David Kornblatt is an “audit committee financial expert” within the meaning of SEC regulations and applicable listing standards of the NYSE. The Audit Committee’s responsibilities include:

- appointing, approving the compensation of, and assessing the qualifications, performance and independence of our independent registered public accounting firm;
- pre-approving audit and permissible non-audit services, and the terms of such services, to be provided by our independent registered public accounting firm;
- reviewing our policies on risk assessment and risk management;
- reviewing and discussing with management and the independent registered public accounting firm our annual and quarterly financial statements and related disclosures as well as critical accounting policies and practices used by us;
- reviewing and discussing with our independent registered public accounting firm the Company’s internal audit function, the scope and performance of the internal audit plan and evaluating the head of internal audit;
- reviewing the adequacy of our internal controls over financial reporting;
- establishing policies and procedures for the receipt and retention of accounting-related complaints and concerns;
- recommending, based upon the Audit Committee’s review and discussions with management and the independent registered public accounting firm, whether our audited financial statements shall be included in our Annual Report on Form 10-K;
- monitoring our compliance with legal and regulatory requirements as they relate to our financial statements and accounting matters;
- preparing the Audit Committee Report required by the rules of the SEC to be included in our annual proxy statement;
- reviewing all related party transactions for potential conflict of interest situations and approving all such transactions; and
- reviewing and discussing with management and our independent registered public accounting firm our earnings releases.

Nominating and Corporate Governance Committee

Our Nominating and Corporate Governance Committee is composed of Kirk Konert, Les Daniels and David Kornblatt, with Les Daniels serving as Chair thereof. The Nominating and Corporate Governance Committee’s responsibilities include:

- developing and recommending to our Board criteria for board and committee membership;
- subject to the rights of the Principal Shareholders under the Investor Rights Agreement, identifying and recommending to our Board the persons to be nominated for election as directors and to each of our Board’s committees;
- developing and recommending to our Board best practices and corporate governance principles;
- developing and recommending to our Board a set of corporate governance guidelines; and

- reviewing and recommending to our Board the functions, duties and compositions of the committees of our Board.

Compensation Committee

Our Compensation Committee is composed of John Bolton, Kirk Konert and Les Daniels, with Kirk Konert serving as Chair thereof. The Compensation Committee's responsibilities include:

- annually reviewing and approving corporate goals and objectives relevant to the compensation of our Chief Executive Officer;
- evaluating the performance of our Chief Executive Officer in light of such corporate goals and objectives and recommending to the Board the approval of the compensation of our Chief Executive Officer;
- reviewing and approving the compensation of our other executive officers;
- appointing, compensating and overseeing the work of any compensation consultant, legal counsel or other advisor retained by the Compensation Committee;
- conducting the independence assessment outlined in NYSE rules with respect to any compensation consultant, legal counsel or other advisor retained by the Compensation Committee;
- annually reviewing and reassessing the adequacy of the committee charter in its compliance with the listing requirements of the NYSE;
- reviewing and establishing our overall management compensation, philosophy and policy;
- overseeing and administering our compensation and similar plans;
- reviewing and making recommendations to our Board with respect to director compensation; and
- reviewing and discussing with management, when applicable, the compensation discussion and analysis to be included in our annual proxy statement or Annual Report on Form 10-K.

The Compensation Committee has the authority to delegate any of its responsibilities, along with the authority to take action in relation to such responsibilities, to one or more subcommittees as the Committee may deem appropriate in its sole discretion, so long as such subcommittee is solely comprised of one or more members of the Committee and such delegation is not otherwise inconsistent with law and applicable rules and regulations of the SEC and NYSE. The Compensation Committee has not delegated any of its responsibilities to a subcommittee.

Compensation Committee Interlocks

None of our executive officers currently serves, and in the past year has not served, as a member of the compensation committee of any entity that has one or more executive officers serving on our Board.

Limitation on Liability and Indemnification of Directors and Officers

The Delaware General Corporation Law ("DGCL") authorizes corporations to limit or eliminate the personal liability of directors to corporations and their stockholders for monetary damages for breaches of directors' fiduciary duties, subject to certain exceptions. Our Certificate of Incorporation includes a provision that eliminates the personal liability of directors for monetary damages for any breach of fiduciary duty as a director, except to the extent such exemption from liability or limitation thereof is not permitted under the DGCL. The effect of these provisions will be to eliminate the rights of us and our stockholders, through stockholders' derivative suits on our behalf, to recover monetary damages from a director for breach of fiduciary duty as a director, including breaches resulting from grossly negligent behavior. However, exculpation will not apply to any director if the director has acted in bad faith, knowingly or intentionally violated the law, authorized illegal dividends or redemptions or derived an improper benefit from his or her actions as a director.

Our Bylaws provide that we must indemnify and advance expenses to our directors and officers to the fullest extent authorized by the DGCL. We are also expressly authorized to carry directors' and officers' liability insurance providing indemnification for our directors, officers and certain employees for some liabilities. We believe that these indemnification and advancement provisions and insurance will be useful to attract and retain qualified directors and officers.

The limitation of liability, indemnification and advancement provisions that are included in our Certificate of Incorporation and Bylaws may discourage stockholders from bringing a lawsuit against directors for breaches of their fiduciary duty. These provisions also may have the effect of reducing the likelihood of derivative litigation against directors and officers, even though such an action, if successful, might otherwise benefit us and our stockholders. In addition, your investment may be adversely affected to the extent we pay the costs of settlement and damage awards against directors and officers pursuant to these indemnification provisions.

There is currently no pending material litigation or proceeding involving any of our directors, officers or employees for which indemnification is sought.

Code of Conduct and Ethics

We have adopted a Code of Conduct and Ethics that applies to our directors, officers and employees in accordance with applicable federal securities laws, a copy of which is available under the Governance heading, Governance Documents subheading, on the Investor Relations page of our website at <https://ir.redwirespace.com>. We will make a printed copy of the Code of Conduct and Ethics available to any shareholder who so requests.

If we amend or grant a waiver of one or more of the provisions of our Code of Conduct and Ethics, we intend to satisfy the requirements under Item 5.05 of Item 8-K regarding the disclosure of amendments to or waivers from provisions of our Code of Conduct and Ethics that apply to our principal executive officer, principal financial officer and principal accounting officer by posting the required information on our website at <https://redwirespace.com>. The information on this website is not part of this Prospectus.

EXECUTIVE COMPENSATION

This section discusses the material components of the executive compensation program for our executive officers named in the “— Summary Compensation Table” below.

Overview

We are currently considered an “emerging growth company” within the meaning of the Securities Act for purposes of the SEC’s executive compensation disclosure rules. Accordingly, we are required to provide a Summary Compensation Table and an Outstanding Equity Awards at Fiscal Year-End Table, as well as limited narrative disclosures regarding executive compensation for our last completed fiscal year.

Furthermore, our reporting obligations extend only to the following “Named Executive Officers,” which are the individuals who served as principal executive officer and the next two most-highly compensated executive officers for the year ended December 31, 2021:

- Peter Cannito, Chief Executive Officer;
- Andrew Rush, Chief Operating Officer; and
- William Read, Chief Financial Officer (through June 1, 2022).

Summary Compensation Table

The following table presents summary information regarding the total compensation paid to, earned by, and awarded to each of our Named Executive Officers for the fiscal year ended December 31, 2021.

Name and Principal Position	Year	Salary	Bonus	Stock Awards ⁽¹⁾	Option Awards ⁽²⁾	Other Compensation ⁽³⁾	Total
Peter Cannito, Chief Executive Officer	2021	\$ 375,000	\$ 112,118	\$ 1,575,000	\$ 997,200	\$ 6,138	\$ 3,065,456
	2020	\$ 234,231	\$ 117,115	\$ —	\$ 418,000	\$ —	\$ 769,346
Andrew Rush, Chief Operating Officer	2021	\$ 381,750	\$ 75,573	\$ 801,675	\$ 507,575	\$ 4,350	\$ 1,770,923
	2020	\$ 198,204	\$ 65,407	\$ —	\$ 225,720	\$ —	\$ 489,331
William Read, Chief Financial Officer	2021	\$ 300,000	\$ 93,575	\$ 801,675	\$ 507,575	\$ 7,909	\$ 1,710,734
	2020	\$ 114,583	\$ 68,750	\$ —	\$ 167,200	\$ —	\$ 350,533

(1) Amounts reported in this column represent the aggregate grant date fair value of restricted stock units (“RSUs”) granted in 2021 to the Named Executive Officers, as computed in accordance with Financial Accounting Standards Board Accounting Standards Codification Topic 718 (“ASC 718”). The assumptions used in calculating the grant date fair value of the RSUs pursuant to Topic 718 reported in this column are set forth in Note Q to the consolidated financial statements included in our Annual Report on Form 10-K filed with the SEC on April 11, 2022. For further detail regarding these awards, see “— Narrative Disclosure to Summary Compensation Table — Stock Options and Restricted Stock Units.”

(2) For 2021, the amounts reported in the Option Awards column represent the grant date fair value of stock options with respect to the Company’s Common Stock granted in 2021 to the Named Executive Officers, as computed in accordance with ASC 718. The assumptions used in calculating the grant date fair value of the stock options pursuant to Topic 718 reported in this column are set forth in Note Q to the consolidated financial statements included in our Annual Report on Form 10-K filed with the SEC on April 11, 2022. For further detail regarding these awards, see “— Narrative Disclosure to Summary Compensation Table — Stock Options and Restricted Stock Units” below for additional details.

(3) The amounts reported in the “All Other Compensation” column represent matching contributions under the Company’s 401(k) Plan. See below under “— Additional Narrative Disclosure — Retirement Benefits” for additional information regarding 401(k) plan contributions.

Narrative Disclosure to Summary Compensation Table

Employment Agreements with Named Executive Officers

Mr. Cannito is party to an offer letter with Holdings, formerly known as Redwire, LLC, formerly known as Cosmos Parent LLC, and Messrs. Rush and Read are parties to employment agreements with Redwire Holdings, LLC, formerly known as Cosmos Acquisition LLC and a wholly-owned subsidiary of the Company. The employment agreements and offer letter each provide for annual base salary, target bonus opportunity, an initial grant of incentive units, paid vacation, reimbursement of reasonable business expenses and eligibility to participate in our benefit plans generally. The amount of base salary and bonus opportunity provided for each of our Named Executive Officers under their respective employment agreement or offer letter are as follows: for Mr. Cannito, a base salary of \$375,000 and target annual bonus of 50% of his base salary; for Mr. Rush, a base salary of \$375,000 and target annual bonus of 33% of his base salary; and for Mr. Read, a base salary of \$275,000 and target annual bonus of 60% of his base salary.

The employment agreements also provide for certain severance benefits upon a resignation by the applicable Named Executive Officer for “Good Reason,” upon a termination by us without “Cause,” or due to the Named Executive Officer’s death or “Disability.” Please see “— Additional Narrative Disclosure — Potential Payments Upon Termination or Change in Control” below for more details regarding the severance benefits provided to our Named Executive Officers under the employment agreements.

Stock Options and Restricted Stock Units

On September 2, 2021, the Company adopted the Redwire Corporation the “2021 Plan, under which the Named Executive Officers were granted stock options and RSUs. Both the stock options and the RSUs generally vest with respect to one-third of the award on each of the first three anniversaries of the date of grant, subject to the continued employment of the Named Executive Officer through each vesting date. See “— Additional Narrative Disclosure — Potential Payments Upon Termination or Change in Control” below for details regarding the accelerated vesting provisions applicable to the stock options and RSUs held by our Named Executive Officers.

Outstanding Equity Awards at Fiscal Year-End

The following table summarizes the outstanding stock and option awards held by each of our Named Executive Officers as of December 31, 2021.

Name	Grant Date	Option Awards				Stock Awards	
		Number of Securities Underlying Unexercised Options ⁽⁶⁾ Exercisable ⁽¹⁾	Number of Securities Underlying Unexercised Options ⁽⁶⁾ Unexercisable ⁽²⁾	Option Exercise Price ⁽³⁾ (\$) ⁽³⁾	Option Expiration Date	Number of Shares or Units of Stock That Have Not Vested ⁽⁶⁾	Market Value of Shares or Units of Stock That Have Not Vested ⁽⁴⁾ (\$) ⁽⁴⁾
Peter Cannito	8/22/2020 ⁽⁵⁾	825,000	550,000	—	N/A	—	—
	9/2/2021 ⁽⁶⁾	—	300,000	\$ 10.03	N/A	—	—
	11/1/2021 ⁽⁷⁾	—	—	—	—	150,000	\$ 1,012,500
Andrew Rush	8/22/2020 ⁽⁵⁾	445,500	297,000	—	N/A	—	—
	9/2/2021 ⁽⁶⁾	—	152,700	\$ 10.03	N/A	—	—
	11/1/2021 ⁽⁷⁾	—	—	—	—	76,350	\$ 515,363
William Read	8/22/2020 ⁽⁵⁾	330,000	220,000	—	N/A	—	—
	9/2/2021 ⁽⁶⁾	—	152,700	\$ 10.03	N/A	—	—
	11/1/2021 ⁽⁷⁾	—	—	—	—	76,350	\$ 515,363

(1) This column reflects information regarding Class P Units in Holdings (“Class P Units”) held by our Named Executive Officers that were outstanding and vested as of December 31, 2021. The Class P Units represent membership interests that are intended to constitute “profits interests” for federal income tax purposes. Despite the fact that the Class P Units do not require the payment of an exercise price, they are most similar

- economically to stock options. Accordingly, they are classified as “options” under the definition provided in Item 402(a)(6)(i) of Regulation S-K as an instrument with an “option-like feature.”
- (2) For awards granted in 2020, this column reflects information regarding Class P Units held by our Named Executive Officers that were outstanding and unvested as of December 31, 2021.
 - (3) The Class P Units are not traditional options and, therefore, there is no exercise price or option expiration date associated with them.
 - (4) Calculated by multiplying the number of shares or units of stock that have not vested by the closing price of the Company’s Common Stock as reported on the NYSE on December 31, 2021 of \$6.75.
 - (5) Each of our Named Executive Officers were granted awards of Class P Units on October 22, 2020. Under the terms of the applicable award documentation, the Class P Units are divided into three tranches: Tranche I Units (40% of the units granted), Tranche II Units (40% of the units granted) and Tranche III Units (20% of the units granted). The Tranche I and Tranche III Units fully vested upon the consummation of the Merger. The Tranche II Units are subject to performance-based vesting only and vest if certain investor inflows over investor outflows are achieved upon a “Sale of the Company” (as defined in “— Additional Narrative Disclosure — Potential Payments Upon Termination or Change in Control,” below) or the payment of an extraordinary cash dividend, so long as the Named Executive Officer remains employed through such sale.
 - (6) Each of our Named Executive Officers was granted stock options under the 2021 Plan. The unvested stock options will vest and become exercisable as follows: (i) 33.3% on the first anniversary of the grant date, (ii) 33.3% vest on the second anniversary of the grant date, and (iii) 33.4% on the third anniversary of the grant date, subject to the continued employment of Named Executive Officer through each vesting date.
 - (7) Each of our Named Executive Officers was granted RSUs under the 2021 Plan that vest as follows: (i) 33.3% on the first anniversary of the grant date, (ii) 33.3% vest on the second anniversary of the grant date, and (iii) 33.4% on the third anniversary of the grant date, subject to the continued employment of Named Executive Officer through each vesting date.

Additional Narrative Disclosure

Retirement Benefits

We do not have a defined benefit pension plan or nonqualified deferred compensation plan. We currently maintain a retirement plan intended to provide benefits under Section 401(k) of the Code, pursuant to which employees, including the Named Executive Officers, can make voluntary pre-tax contributions. In 2021, we made the following Company matching contributions to the participants’ retirement plans: for Mr. Cannito \$6,138, for Mr. Rush \$4,350, and for Mr. Read \$7,909, and the Company has also provided matching contributions to all eligible employees. All contributions under the plan are subject to certain annual dollar limitations, which are periodically adjusted for changes in the cost of living.

Potential Payments Upon Termination or Change in Control

Class P Units. As described in the footnotes to the “— Outstanding Equity Awards at Fiscal Year-End” table above, Tranche II of the Class P Units will fully vest upon a Sale of the Company only if certain performance metrics are achieved. The Class P Units are not subject to accelerated vesting in any other scenario, including a termination of the Named Executive Officer’s employment or services.

For purposes of the Class P Units, a “Sale of the Company” means either (i) the sale, lease, transfer, conveyance or other disposition (whether in one transaction or a series of transactions) of all or substantially all of the assets of Holdings and its subsidiaries to an independent third party or (ii) a transaction or series of transactions, the result of which is that Holdings unitholders and their affiliates immediately prior to the transaction (or series of transactions) are no longer the “beneficial owners” (as defined in Rule 13d-3 and Rule 13d-5 under the Exchange Act) of more than 50% of the voting power of the outstanding voting securities of Holdings. Notwithstanding the previous sentence, if AEI provides written notice to Holdings that a transaction or series of transactions will not be deemed a Sale of the Company, then such transaction or transactions will not be deemed a Sale of the Company.

Stock Options and RSUs. Under the terms of the award agreements evidencing the grant of the stock options and RSUs to each of the Named Executive Officers, if a Named Executive Officer’s employment is terminated due

to death or disability, 100% of the unvested portion of the Named Executive Officer's Options and RSUs will become vested as of the date of such termination. If a Named Executive Officer's employment is terminated without "Cause" (as defined in the 2021 Plan) within 24 months following the occurrence of a "Change in Control," (as defined in the 2021 Plan), 100% of the unvested portion of the stock options and RSUs will immediately vest as of the date of such termination. The stock options and RSUs will also fully vest in the event of a Change in Control if the options and RSUs are not assumed by the surviving entity in connection with the Change in Control.

For purposes of the 2021 Plan:

"Cause" means any of the following: (i) the participant's plea of nolo contendere to, conviction of or indictment for, any crime (whether or not involving the Company or its affiliates) (a) constituting a felony or (b) that has, or could reasonably be expected to result in, an adverse impact on the performance of the participant's duties, or otherwise has, or could reasonably be expected to result in, an adverse impact on the business or reputation of the Company or its affiliates, (ii) conduct of the participant, in connection with his or her employment or service, that has resulted, or could reasonably be expected to result, in injury to the business or reputation of the Company or its affiliates, (iii) any material violation of the policies of the participant's employer, including, but not limited to, those relating to sexual harassment or the disclosure or misuse of confidential information, or those set forth in the manuals or statements of policy of the employer; (iv) the participant's act(s) of negligence or willful misconduct in the course of his or her employment or service; (v) misappropriation by the participant of any assets or business opportunities of the Company or its affiliates; (vi) embezzlement or fraud committed by the participant, at the participant's direction, or with the participant's prior actual knowledge; or (vii) willful neglect in the performance of the participant's duties or willful or repeated failure or refusal to perform such duties.

"Change in Control" means any of the following: (i) a change in ownership or control of the Company effected through a transaction or series of transactions whereby any person directly or indirectly acquires more than 50% of the total combined voting power of the Company's securities eligible to vote in the election of the Board; (ii) within two years of the effective date of the 2021 Plan, the Board members who constituted the Board as of the effective date cease to constitute at least a majority of the Board (unless individuals appointed to the Board have been approved by the majority of the members constituting the Board as of the effective date), excluding any such individual whose initial assumption of office occurs as a result of an actual or threatened election contest (including, but not limited to, a consent solicitation) with respect to the election or removal of directors or other actual or threatened solicitation of proxies or consents by or on behalf of a person other than the Board; (iii) the consummation of a merger, consolidation, share exchange, or similar form of corporate transaction involving the Company or any of its affiliates that requires the approval of the Company's stockholders, unless immediately following such transaction the voting power among the holders thereof is in substantially the same proportion as the voting power immediately prior to such transaction; (iv) the sale or disposition, in one or a series of related transactions, of all or substantially all of the assets of the Company to any person other than the Company's affiliates.

Employment Agreements and Offer Letters. Mr. Cannito's offer letter with Holdings does not provide for severance benefits upon a termination of his employment.

Mr. Rush's employment agreement provides that upon a termination of his employment by us for any reason other than for "Cause" or upon his resignation for "Good Reason," he will receive: (i) any accrued but unpaid benefits; (ii) any unpaid annual bonus for the completed fiscal year ending immediately prior to termination; (iii) continued payments of Mr. Rush's then-current base salary for six months; and (iv) payment of the company portion of COBRA premiums for up to six months to continue health insurance coverage for Mr. Rush and his eligible dependents. If Mr. Rush's employment is terminated due to his death or "Disability," he will be entitled to receive any accrued but unpaid benefits and any unpaid annual bonus for the completed fiscal year ending prior to the termination. The severance benefits described in this paragraph are subject to Mr. Rush's execution of a general release of claims and continuing compliance with restrictive covenants, including a one year non-competition and non-solicitation period.

Mr. Read's employment agreement provides that upon a termination of his employment by us for any reason other than for "Cause" or upon his resignation for "Good Reason," he will receive: (i) any accrued but unpaid

benefits; (ii) any unpaid annual bonus for the completed fiscal year ending immediately prior to termination; (iii) continued payments of Mr. Read's then-current base salary for six months (which will increase to 12 months in the case of a termination on or after August 4, 2022); (iv) payment of the company portion of COBRA premiums for up to six months (or 12 months, in the case of a termination on or after August 4, 2022) to continue health insurance coverage for Mr. Read and his eligible dependents; and (v) his target annual bonus, prorated for the portion of the year worked prior to the termination. If Mr. Read's employment is terminated due to his death or "Disability," he will be entitled to receive any accrued but unpaid benefits and any unpaid annual bonus for the completed fiscal year ending prior to the termination. The severance benefits described in this paragraph are subject to Mr. Read's execution of a general release of claims and continuing compliance with restrictive covenants, including a one year non-competition and non-solicitation period, and certain cooperation covenants.

For purposes of Messrs. Rush's and Read's employment agreements:

"Cause" means, subject to certain notice and cure provisions, any of the following: (i) indictment for, conviction of or plea of nolo contendere to a felony or a fraud, or other act involving dishonesty or disloyalty to any member of the Company Group; (ii) conduct by the executive that brings or could reasonably be expected to bring any member of the Company Group into substantial public disgrace or disrepute or otherwise materially or demonstrably injures the integrity, character or reputation of any member of the Company Group; (iii) gross negligence or willful misconduct by the executive in connection with his duties, obligations or responsibilities to any member of the Company Group; (iv) material non-performance of the duties reasonably assigned other than in connection with a disability; (v) breach of the restrictive covenants set forth in the employment agreement or any other applicable restrictive covenants with any member of the Company Group; (vi) material breach of a material employment policy of any member or the Company Group; or (vii) any other material breach by the executive of the employment agreement or any other material agreement with any member of the Company Group.

"Company Group" means Holdings, Cosmos Acquisition LLC and each of their direct and indirect subsidiaries and affiliates.

"Disability" means that, because of an accident, disability, or physical or mental illness, the executive is incapable of performing his duties to any member of the Company Group, as determined by the CEO. The executive will be deemed to have become incapable of performing the executive's duties if: (i) the executive is incapable of doing so for periods amounting in the aggregate to 90 days within any 120-day period and remains so incapable at the end of such aggregate 120 days; (ii) the executive qualifies to receive long-term disability payments under the long-term disability insurance program; or (iii) the executive is determined to be totally disabled by the Social Security Administration.

"Good Reason" means, subject to certain notice and cure provisions, (i) a material diminution in the executive's title, job duties, authorities or responsibilities; (ii) a reduction in the executive's base salary or target bonus opportunity (other than a reduction in compensation of not more than 10% that applies to the executive and all other similarly positioned employees); (iii) a relocation of the executive's principal place of employment by more than 30 miles; or (iv) a material breach of the employment agreement by the Company.

Non-Employee Director Compensation

The following table provides information concerning the compensation of each director of the Board who served as a member of the Board, but did not serve as an employee of the Company in the 2021 fiscal year. Other than as set forth in the table and described more fully below, we did not pay any compensation, reimburse any

expense of, make any equity awards or non-equity awards to, or pay any other compensation to, any of the other non-employee members of the Board in 2021.

Name	Fees Earned or Paid in Cash (\$) ⁽¹⁾	Stock awards (\$) ⁽²⁾	Total Compensation (\$)
Les Daniels	\$ 33,070	\$ 131,250	\$ 164,320
Reggie Brothers	\$ 54,651 ⁽³⁾	\$ 131,250	\$ 185,901
Joanne Isham	\$ 49,709 ⁽⁴⁾	\$ 131,250	\$ 180,959
Kirk Konert	\$ 33,769	\$ 131,250	\$ 165,019 ⁽⁵⁾
Jonathan E. Baliff	\$ 37,063	\$ 131,250	\$ 168,313
John S. Bolton	\$ 32,945	\$ 131,250	\$ 164,195

(1) The amounts in this column represent the portion of quarterly fees attributable to board service for the 2021 fiscal year.

(2) The amounts in this column represent the aggregate grant date fair value of RSUs granted in the 2021 fiscal year. The assumptions used in calculating the grant date fair value of the awards reported pursuant to ASC 718 are set forth in Note Q to the consolidated financial statements included in our Annual Report on Form 10-K filed with the SEC on April 11, 2022. The RSUs vest on the one-year anniversary of the grant date, subject to the director's continued service on the Board.

(3) Consists of \$25,000 earned by Mr. Brothers in respect of his service on the Redwire Board prior to the Merger and \$29,651 earned by Mr. Brothers in respect of his service on the Redwire Board following the Merger.

(4) Consists of \$25,000 earned by Ms. Isham in respect of her service on the Redwire Board prior to the Merger and \$24,709 earned by Ms. Isham in respect of her service on the Redwire Board following the Merger.

(5) Pursuant to an assignment agreement, Mr. Konert has transferred all of his beneficial interest in his Board fees and RSUs to AE Industrial Partners, LP.

Director Compensation Policy

In connection with the Merger, the Board adopted a director compensation policy under which our non-employee directors are eligible to receive compensation for service on our Board and committees of our Board. Pursuant to the policy, directors receive an annual retainer of \$75,000. In addition, each non-employee director who serves as a member or chair of a committee will receive the following annual amounts:

Position	Annual Retainer
Audit Committee Chair:	\$ 30,000
Audit Committee Member:	\$ 15,000
Compensation Committee Chair:	\$ 20,000
Compensation Committee Member:	\$ 10,000
Nominating and Corporate Governance Committee Chair:	\$ 15,000
Nominating and Corporate Governance Committee Member:	\$ 7,500

In addition to the cash retainers set forth above, under the director compensation policy, beginning in 2022, each non-employee director will receive an annual grant of RSUs under the 2021 Plan with a grant date fair value equal to approximately \$125,000. The RSUs will fully vest on the first anniversary of the grant date, subject to the director's continued service on the Board. In the event of a Change of Control (as defined in "— Additional Narrative Disclosure — Potential Payments Upon Termination or Change in Control — Stock Options and RSUs"), all outstanding RSUs held by non-employee directors will become fully vested, subject to the non-employee director's continued service on the Board through the date of the Change of Control.

CERTAIN RELATIONSHIPS AND RELATED PARTY TRANSACTIONS

Policies and Procedures for Approval of Related Party Transactions

Our Board has adopted a written policy (“RPT Policy”) with respect to the review, approval and ratification of related party transactions. Under the RPT Policy, our Audit Committee is responsible for reviewing and approving related party transactions. In the course of its review and approval of related party transactions, our Audit Committee considers the relevant facts and circumstances to decide whether to approve such transactions. In particular, our RPT Policy requires the Company’s Audit Committee to take the following considerations into account, among other factors it deems appropriate:

1. whether the transaction was undertaken in the ordinary course of business of the Company;
2. whether the related party transaction was initiated by the Company or the related party;
3. the availability of other sources of comparable products or services;
4. whether the transaction with the related party is proposed to be, or was, entered into on terms no less favorable to the Company than terms that could have been reached with an unrelated third party;
5. the purpose of, and the potential benefits to the Company of, the related party transaction;
6. the approximate dollar value of the amount involved in the related party transaction, particularly as it relates to the related party;
7. the related party’s interest in the related party transaction; and
8. any other information regarding the related party transaction or the related party that would be material to investors in light of the circumstances of the particular transaction.

The Audit Committee may only approve those transactions that are in, or are not inconsistent with, our best interests and those of our shareholders, as the Audit Committee determines in good faith. In addition, under our Code of Conduct and Ethics, our employees, directors and director nominees have an affirmative responsibility to disclose any transaction or relationship that reasonably could be expected to give rise to a conflict of interest. All of the transactions described below were entered into prior to the adoption of the Company’s written RPT Policy, but all were approved by the applicable board of directors considering similar factors to those described above.

Related Party Transactions

Other than compensation arrangements for our directors and executive officers, which are described elsewhere in “Executive Compensation”, below is a description of transactions to which we were a party or will be a party, in which:

- the amounts involved exceeded or will exceed \$120,000; and
- any of our directors, executive officers or holders of more than 5% of our capital stock, or any member of the immediate family of, or person sharing the household with, the foregoing persons, had or will have a direct or indirect material interest.

Trademark Rights

In June 2020, Cosmos acquired the rights to the “Redwire” trademark from three individuals, including two of our executive officers, Peter Cannito and Faith Horowitz, in exchange for an equal share of an aggregate of 300,000 class A common units, which had a total fair value of approximately \$300,000 at the time of the acquisition

Parent Company Support

AEI, AE Industrial Partners Fund II-A, LP and AE Industrial Partners Fund II-B, LP, the Company's largest shareholders, entered into a written support letter, dated as of July 6, 2021, with the Company to provide additional funding of up to \$20 million to support its operating, investing and financing activities, in each case to the extent the Company is unable to obtain such support from another source. This written support letter terminated in connection with the closing of the Merger, and no amounts were paid thereunder.

Consulting Agreement

The Company was a party to a Consulting Agreement, dated March 2, 2020 (the "Consulting Agreement"), as amended June 25, 2020, by and among certain of Redwire's subsidiaries and AE Industrial Partners, LP pursuant to which the Company received consulting services from AE Industrial Partners, LP related to business and financial management. In connection with the closing of the Merger, the parties terminated the Consulting Agreement, and AE Industrial Partners, LP was paid amounts of approximately \$315,000 by the Company for the year ended December 31, 2021.

Investor Rights Agreement

In connection with the Merger, we entered into the Investor Rights Agreement with the Principal Shareholders, and the other parties thereto (collectively, the "Holders") pursuant to which the Holders are entitled to request that we register the Holders' shares on a registration statement on one or more occasions in the future, which registrations may in certain circumstances be "shelf registrations." The Holders will also be entitled to participate in certain of our registered offerings, subject to the restrictions in the Investor Rights Agreement. We will pay certain of the Holders' expenses in connection with the Holders' exercise of these rights. The registration rights described in this paragraph apply to (i) shares of our Common Stock held by the Holders, (ii) any of our Warrants or any shares of Common Stock issued or issuable upon the exercise thereof and (iii) any of our equity securities (or that of our subsidiaries) issued or issuable with respect to the Common Stock described in clauses (i) and (ii) with respect to any dividend, distribution, recapitalization, reorganization, or certain other corporate transactions. These registration rights are also for the benefit of any subsequent holder of Registrable Securities (as defined in the Investor Rights Agreement); provided that any particular securities will cease to be Registrable Securities when: (i) a registration statement with respect to the sale of such securities shall have become effective under the Securities Act and such securities shall have been sold, transferred, disposed of or exchanged in accordance with such registration statement; (ii) such securities shall have been otherwise transferred, new certificates for such securities not bearing a legend restricting further transfer shall have been delivered by us and subsequent public distribution of such securities shall not require registration under the Securities Act; (iii) such securities shall have ceased to be outstanding; (iv) such securities have been sold without registration pursuant to Rule 144 promulgated under the Securities Act (or any successor rule promulgated thereafter by the SEC); or (v) such securities have been sold to, or through, a broker, dealer or underwriter in a public distribution or other public securities transaction.

The Investor Rights Agreement provides Holdings and GNPK the right to designate certain of the nominees for election to the Company's Board as follows: (i) Holdings has the right to appoint (a) five nominees so long as Holdings beneficially owns 50% or greater of the total number of the Company's shares of Common Stock collectively beneficially owned by Holdings upon completion of the Merger (the "AE Original Amount"), (b) four nominees so long as Holdings owns 42.5% or greater, but less than 50%, of the AE Original Amount, (c) three nominees so long as Holdings owns 25% or greater, but less than 42.5%, of the AE Original Amount, (d) two nominees so long as Holdings owns 10% or greater, but less than 25%, of the AE Original Amount and (e) one nominee so long as Holdings owns 5% or greater, but less than 10%, of the AE Original Amount, and (ii) GNPK has the right to appoint (a) two nominees so long as GNPK beneficially owns 50% or greater of the total number of the Company's shares of Common Stock collectively beneficially owned by GNPK upon completion of the Merger (the "GNPK Original Amount") and (b) one nominee so long as GNPK owns 25% or greater, but less than 50%, of the GNPK Original Amount. The Investor Rights Agreement also provides that Holdings and GNPK have the exclusive right to remove their respective nominees from the Board and are entitled to designate the replacement for any of their Board designees whose Board service terminates prior to the end of the director's term. The Investor Rights Agreement will generally terminate with respect to each party at such time that they cease to own any of our

Common Stock, Warrants or other equity securities issuable with respect to our Common Stock and Warrants by way of conversion, dividend, stock split or other distribution, merger, consolidation, exchange, recapitalization or reclassification or similar transaction.

Limited Guaranty

On March 25, 2022, AEI and the AEI Guarantors, provided a limited guarantee for the payment of outstanding revolving loans under our revolving credit facility in excess of \$10.0 million, with a \$15.0 million cap in the aggregate. In the event that the AEI Guarantors are required to make payments to the lenders thereunder pursuant to the terms of the limited guarantee, each AEI Guarantor would be subrogated to the rights of the lenders. In connection with the limited guarantee, we agreed to pay to the AEI Guarantors, a fee equal to 2% of any amount actually paid by such guarantors under the limited guarantee. The fee is waivable by the AEI Guarantors in their discretion.

PRINCIPAL SECURITYHOLDERS

The following table sets forth information regarding the beneficial ownership of shares of Common Stock as of June 8, 2022 by:

- each person known to be the beneficial owner of more than 5% of our outstanding shares of Common Stock;
- each of our current executive officers and directors;
- each of our Named Executive Officers; and
- all of our current executive officers and directors as a group.

The numbers of shares of Common Stock beneficially owned and percentages of beneficial ownership are based on 63,240,810 shares of Common Stock outstanding as of June 8, 2022.

Beneficial ownership is determined according to the rules of the SEC, which generally provide that a person has beneficial ownership of a security if he, she or it possesses sole or shared voting or investment power over that security, including options and warrants that are currently exercisable or exercisable within 60 days of June 8, 2022. Shares of Common Stock issuable pursuant to options or warrants are deemed to be outstanding for purposes of computing the beneficial ownership percentage of the person or group holding such options or warrants but are not deemed to be outstanding for purposes of computing the beneficial ownership percentage of any other person.

Unless otherwise indicated, we believe that all persons named in the table have sole voting and investment power with respect to all shares of Common Stock owned by them and the address of each beneficial owner listed on the table is c/o 8226 Philips Highway, Suite 101, Jacksonville, Florida 32256.

Name of Beneficial Owner	Number of Shares Beneficially Owned	Percentage of Shares Outstanding
5% Shareholders		
AE Red Holdings, LLC ⁽¹⁾	39,200,000 ⁽²⁾	60.1 %
Genesis Park II LP ⁽³⁾	9,841,813 ⁽⁴⁾	14.4 %
Named Executive Officers and Directors		
Jonathan E. Baliff	755,177	1.2 %
John Bolton	228,132	*
Reggie Brothers	—	—
Peter Cannito	15,606	*
Les Daniels	35,000	*
Joanne Isham	—	—
Kirk Konert	—	—
William Read ⁽⁵⁾	14,254	*
Andrew Rush	12,259	*
David Kornblatt	—	—
All Directors and Executive Officers as a Group (9 individuals)	1,060,428	1.7 %

* Indicates less than 1%

(1) As reported on the Schedule 13D filed on September 14, 2021, represents shares of Common Stock held by AE Red Holdings, LLC. AE Red Holdings, LLC is controlled by AE Industrial Partners Fund II, LP, AE Industrial Partners Fund II-A, LP and AE Industrial Partners Fund II-B, LP (collectively the "AE Partners Funds"). The general partner of the AE Partners Funds is AE Industrial Partners Fund II GP, LP, which in turn is managed by its general partner AeroEquity GP, LLC. AeroEquity GP, LLC is controlled by its managing members, Michael

Greene and David Rowe. Messrs. Greene and Rowe make all voting and investment decisions with respect to the securities held by Holdings. Each of the entities and individuals named above disclaims beneficial ownership of the Common Stock held of record by Holdings, except to the extent of its pecuniary interest therein. The business address of each of the foregoing entities and persons is 2500 N. Military Trail, Suite 470, Boca Raton, Florida 33431.

- (2) Includes 2,000,000 shares of Common Stock issuable upon the exercise of currently exercisable warrants.
- (3) As reported on Amendment No. 3 to Schedule 13D filed on June 8, 2022, represents shares of Common Stock held by Genesis Park II LP (“Manager”). Manager as the record holder of 4,710,014 shares of Common Stock, 4,631,799 Private Placement Warrants with 4,631,799 shares of Common Stock underlying such Private Placement Warrants, and 500,000 public Warrants with 500,000 shares of Common Stock underlying such public Warrants, may be deemed to share dispositive and voting power over such shares of Common Stock. Genesis Park II GP LLC (“General Partner”), as the general partner of Manager, has voting and investment discretion with respect to the securities held by Manager and GNPK, and may be deemed to share dispositive and voting power over the (a) 4,710,014 shares of Common Stock held of record by the Manager, (b) 4,631,799 shares of Common Stock underlying the 4,631,799 Private Placement Warrants held of record by the Manager, and (c) the 500,000 shares of Common Stock underlying the 500,000 public Warrants held of record by the Manager, and may be deemed to share dispositive and voting power over any shares of Common Stock held of record by Genesis Park Holdings with the Manager. Paul W. Hobby, (x) as the record holder of 250,000 shares of Common Stock underlying such public Warrants and (y) as the manager of GP III, has voting and investment discretion with respect to securities held by GP III. Steven Gibson, as the record holder of 150,000 shares of Common Stock and 25,000 public Warrants with 25,000 shares of Common Stock underlying such public Warrants has voting and investment discretion with respect to such 150,000 shares of Common Stock and 25,000 shares of Common Stock underlying such public Warrants. Each of the foregoing entities and persons disclaims any beneficial ownership of the reported shares other than to the extent of any pecuniary interest they may have therein, directly or indirectly. The business address of each of the foregoing entities and persons is 2000 Edwards Street, Suite B, Houston, Texas 77007.
- (4) Includes 5,131,799 shares of Common Stock issuable upon the exercise of currently exercisable warrants.
- (5) Mr. Read stepped down from his position as Chief Financial Officer of the Company, effective as of June 1, 2022 (the “Effective Date”), and his employment with the Company ended as of the Effective Date.

SELLING SHAREHOLDERS

This prospectus relates to the possible resale by the Selling Shareholders of shares of Common Stock originally issuable pursuant to the Agreement and Plan of Merger, dated as of November 1, 2021, by and among the Company, Techshot, Tin Man Merger Sub, Sellers and Sellers' Representative. The Selling Shareholders may from time to time offer and sell pursuant to this prospectus any or all of the shares that such Selling Shareholders acquired under the Techshot Merger Agreement. When we refer to the "Selling Shareholders" in this prospectus, we mean the persons listed in the table below, and the pledgees, donees, transferees, assignees, successors, designees and others who later come to hold any of the Selling Shareholders' interest in the Common Stock other than through a public sale.

The following table sets forth, as of the date of this prospectus, the names of the Selling Shareholders, the aggregate number of shares of Common Stock beneficially owned, the aggregate number of shares of Common Stock that the Selling Shareholders may offer pursuant to this prospectus and the number of shares of Common Stock beneficially owned by the Selling Shareholders after the sale of the securities offered hereby. We have based percentage ownership on 63,240,810 shares of Common Stock outstanding as of June 8, 2022.

We have determined beneficial ownership in accordance with the rules of the SEC and the information is not necessarily indicative of beneficial ownership for any other purpose. Unless otherwise indicated below, to our knowledge, the persons and entities named in the table have sole voting and sole investment power with respect to all securities that they beneficially own, subject to community property laws where applicable.

We cannot advise you as to whether the Selling Shareholders will in fact sell any or all of such Common Stock. In addition, the Selling Shareholders may sell, transfer or otherwise dispose of, at any time and from time to time, the Common Stock in transactions exempt from the registration requirements of the Securities Act after the date of this prospectus. For purposes of this table, we have assumed that the Selling Shareholders will have sold all of the securities covered by this prospectus upon the completion of the offering.

Selling Shareholder information for each additional Selling Shareholder, if any, will be set forth by prospectus supplement to the extent required prior to the time of any offer or sale of such Selling Shareholder's shares pursuant to this prospectus. Any prospectus supplement may add, update, substitute, or change the information contained in this prospectus, including the identity of each Selling Shareholder and the number of shares registered on its behalf. A Selling Shareholder may sell or otherwise transfer all, some or none of such shares in this offering. See "Plan of Distribution."

Name of Selling Shareholder	Shares Beneficially Owned Prior to the Offering		Shares Being Offered	Shares Beneficially Owned After the Offering	
	Shares	%		Shares	%
Mark S. Deuser	1,415,135	2.2 %	875,000	540,135	*
John C. Vellinger	1,415,135	2.2 %	875,000	540,135	*

* Less than 1%

DESCRIPTION OF OUR SECURITIES

The following is a summary of the rights of our securities. This summary is qualified by reference to the complete text of our amended and restated certificate of incorporation and amended and restated bylaws filed as exhibits to the registration statement of which this prospectus forms a part.

General

Our authorized capital stock consists of 500,000,000 shares of Common Stock, and 100,000,000 shares of preferred stock, par value \$0.0001 per share, of the Company (the "Preferred Stock").

Common Stock

Dividend Rights

Subject to applicable law and the rights, if any, of the holders of any outstanding series of our Preferred Stock or any class or series of stock having a preference over or the right to participate with our Common Stock with respect to the payment of dividends, dividends may be declared and paid ratably on our Common Stock out of the assets of the Company that are legally available for this purpose at such times and in such amounts as our Board in its discretion shall determine.

Voting Rights

Each outstanding share of our Common Stock is entitled to one vote on all matters submitted to a vote of shareholders. Holders of shares of Common Stock do not have cumulative voting rights.

Preemptive Rights

Our Common Stock is not entitled to preemptive or other similar subscription rights to purchase any of our securities.

Conversion or Redemption Rights

The Company's Common Stock is neither convertible nor redeemable.

Liquidation Rights

Upon our liquidation, the holders of our Common Stock are entitled to receive pro rata the Company's assets that are legally available for distribution, after payment of all debts and other liabilities and subject to the prior rights of any holders of our Preferred Stock then outstanding.

Preferred Stock

Our Board may, without further action by our shareholders, from time to time, direct the issuance of shares of Preferred Stock in series and may, at the time of issuance, determine the designations, powers, preferences, privileges and relative participating, optional or special rights as well as the qualifications, limitations or restrictions thereof, including dividend rights, conversion rights, voting rights, terms of redemption and liquidation preferences, any or all of which may be greater than the rights of our Common Stock. Satisfaction of any dividend preferences of outstanding shares of the Company's Preferred Stock would reduce the amount of funds available for the payment of dividends on shares of the Company's Common Stock. Holders of shares of our Preferred Stock may be entitled to receive a preference payment in the event of our liquidation before any payment is made to the holders of shares of our Common Stock.

Under certain circumstances, the issuance of shares of our Preferred Stock may render more difficult or tend to discourage a merger, tender offer or proxy contest, the assumption of control by a holder of a large block of our securities or the removal of incumbent management. Upon the affirmative vote of a majority of the total number of directors then in office, our Board may issue shares of our Preferred Stock with voting and conversion rights which could adversely affect the holders of shares of our Common Stock.

Warrants

Public Warrants

Each whole Warrant entitles the registered holder to purchase one whole share of our Common Stock at a price of \$11.50 per share, subject to adjustment as discussed below, at any time commencing on November 24, 2021. Pursuant to the warrant agreement, dated November 23, 2020, between GPAC and Continental Stock Transfer & Trust Company, as warrant agent (as may be amended, supplemented or otherwise modified from time to time, the “Warrant Agreement”), a Warrant holder may exercise its Warrants only for a whole number of shares of Common Stock. This means that only a whole Warrant may be exercised at any given time by a Warrant holder. The Warrants will expire on September 2, 2026, at 5:00 p.m., New York City time, or earlier upon redemption or liquidation.

We will not be obligated to deliver any shares of our Common Stock pursuant to the exercise for cash of a Warrant and will have no obligation to settle such Warrant exercise unless a registration statement under the Securities Act with respect to the shares of our Common Stock underlying the Warrants is then effective and a prospectus relating thereto is current, subject to our satisfying our obligations described below with respect to registration. No Warrant will be exercisable and we will not be obligated to issue shares of our Common Stock upon exercise of a Warrant unless our Common Stock issuable upon such Warrant exercise has been registered, qualified or deemed to be exempt from the registration or qualifications requirements of the securities laws of the state of residence of the registered holder of the Warrants.

We may call the Warrants for redemption:

- in whole and not in part;
- at a price of \$0.01 per Warrant;
- upon not less than 30 days’ prior written notice of redemption (the “30-day redemption period”) to each Warrant holder; and
- if, and only if, the reported last sale price of our Common Stock (or the closing bid price of our Common Stock in the event shares of our Common Stock are not traded on any specific day) equals or exceeds \$18.00 per share for any 20 trading days within a 30 trading day period ending three business days before we send the notice of redemption to the Warrant holders.

We have established the last of the redemption criterion discussed above to prevent a redemption call unless there is at the time of the call a significant premium to the Warrant exercise price. If the foregoing conditions are satisfied and we issue a notice of redemption of the Warrants, each Warrant holder will be entitled to exercise its Warrant prior to the scheduled redemption date. However, the price of our Common Stock may fall below the \$18.00 redemption trigger price as well as the \$11.50 (for whole shares) Warrant exercise price after the redemption notice is issued.

If we call the Warrants for redemption as described above, our management will have the option to require any holder that wishes to exercise its Warrant to do so on a “cashless basis.” In determining whether to require all holders to exercise their Warrants on a “cashless basis,” our management will consider, among other factors, our cash position, the number of Warrants that are outstanding and the dilutive effect on our shareholders of issuing the maximum number of shares of our Common Stock issuable upon the exercise of our Warrants. If our management takes advantage of this option, all holders of Warrants would pay the exercise price by surrendering their Warrants for that number of shares of our Common Stock equal to the quotient obtained by dividing (x) the product of the number of shares of our Common Stock underlying the Warrants, multiplied by the difference between the exercise price of the Warrants and the “fair market value” (defined below) by (y) the fair market value. The “fair market value” shall mean the average reported last sale price of our Common Stock for the 10 trading days ending on the third trading day prior to the date on which the notice of redemption is sent to the holders of Warrants. If our management takes advantage of this option, the notice of redemption will contain the information necessary to calculate the number of shares of our Common Stock to be received upon exercise of the Warrants, including the “fair market value” in such case. Requiring a cashless exercise in this manner will reduce the number of shares to be

issued and thereby lessen the dilutive effect of a Warrant redemption. If we call our Warrants for redemption and our management does not take advantage of this option, GNPK and its permitted transferees would still be entitled to exercise their private placement Warrants for cash or on a cashless basis using the same formula described above that other Warrant holders would have been required to use had all Warrant holders been required to exercise their Warrants on a cashless basis, as described in more detail below.

A holder of a Warrant may notify us in writing in the event it elects to be subject to a requirement that such holder will not have the right to exercise such Warrant, to the extent that after giving effect to such exercise, such person (together with such person's affiliates), to the Warrant agent's actual knowledge, would beneficially own in excess of 4.9% or 9.8% (or such other amount as a holder may specify) of the shares of our Common Stock outstanding immediately after giving effect to such exercise.

If the number of outstanding shares of our Common Stock is increased by a stock dividend payable in shares of our Common Stock, or by a split-up of shares of our Common Stock or other similar event, then, on the effective date of such stock dividend, split-up or similar event, the number of shares of our Common Stock issuable on exercise of each Warrant will be increased in proportion to such increase in the outstanding shares of our Common Stock. A rights offering to holders of our Common Stock entitling holders to purchase shares of our Common Stock at a price less than the fair market value will be deemed a stock dividend of a number of shares of our Common Stock equal to the product of (i) the number of shares of our Common Stock actually sold in such rights offering (or issuable under any other equity securities sold in such rights offering that are convertible into or exercisable for our Common Stock) and (ii) one minus the quotient of (x) the price per share of our Common Stock paid in such rights offering divided by (y) the fair market value. For these purposes (A) if the rights offering is for securities convertible into or exercisable for our Common Stock, in determining the price payable for our Common Stock, there will be taken into account any consideration received for such rights, as well as any additional amount payable upon exercise or conversion and (B) fair market value means the volume weighted average price of our Common Stock as reported during the 10 trading day period ending on the trading day prior to the first date on which the shares of our Common Stock trade on the applicable exchange or in the applicable market, regular way, without the right to receive such rights.

If the number of outstanding shares of our Common Stock is decreased by a consolidation, combination, reverse stock split or reclassification of shares of our Common Stock or other similar event, then, on the effective date of such consolidation, combination, reverse stock split, reclassification or similar event, the number of shares of our Common Stock issuable on exercise of each Warrant will be decreased in proportion to such decrease in outstanding shares of our Common Stock.

Whenever the number of shares of our Common Stock purchasable upon the exercise of the Warrants is adjusted, as described above, the Warrant exercise price will be adjusted by multiplying the Warrant exercise price immediately prior to such adjustment by a fraction (x) the numerator of which will be the number of shares of our Common Stock purchasable upon the exercise of the Warrants immediately prior to such adjustment, and (y) the denominator of which will be the number of shares of our Common Stock so purchasable immediately thereafter.

In case of any reclassification or reorganization of the outstanding shares of our Common Stock (other than those described above or that solely affects the par value of such shares of our Common Stock), or in the case of any merger or consolidation of us with or into another corporation (other than a consolidation or merger in which we are the continuing corporation and that does not result in any reclassification or reorganization of our outstanding shares of our Common Stock), or in the case of any sale or conveyance to another corporation or entity of the assets or other property of us as an entirety or substantially as an entirety in connection with which we are dissolved, the holders of the Warrants will thereafter have the right to purchase and receive, upon the basis and upon the terms and conditions specified in the Warrants and in lieu of the shares of our Common Stock immediately theretofore purchasable and receivable upon the exercise of the rights represented thereby, the kind and amount of shares of stock or other securities or property (including cash) receivable upon such reclassification, reorganization, merger or consolidation, or upon a dissolution following any such sale or transfer, that the holder of the Warrants would have received if such holder had exercised their Warrants immediately prior to such event. If less than 70% of the consideration receivable by the holders of our Common Stock in such a transaction is payable in the form of our Common Stock in the successor entity that is listed for trading on a national securities exchange or is quoted in an

established over-the-counter market, or is to be so listed for trading or quoted immediately following such event, and if the registered holder of the Warrant properly exercises the Warrant within thirty days following public disclosure of such transaction, the Warrant exercise price will be reduced as specified in the Warrant Agreement based on the Black-Scholes Warrant Value (as defined in the Warrant Agreement) of the Warrant.

The Warrants were issued in registered form under the Warrant Agreement between Continental Stock Transfer & Trust Company, as warrant agent, and us. The Warrant Agreement provides that the terms of the Warrants may be amended without the consent of any holder to cure any ambiguity or correct any defective provision, but requires the approval by the holders of a majority of the then-outstanding public Warrants to make any change that adversely affects the interests of the registered holders of public Warrants.

The Warrants may be exercised upon surrender of the warrant certificate on or prior to the expiration date at the offices of the warrant agent, with the exercise form on the reverse side of the warrant certificate completed and executed as indicated, accompanied by full payment of the exercise price (or on a cashless basis, if applicable), by certified or official bank check payable to us, for the number of Warrants being exercised. The Warrant holders do not have the rights or privileges of holders of our Common Stock and any voting rights until they exercise their Warrants and receive shares of our Common Stock. After the issuance of shares of our Common Stock upon exercise of the Warrants, each holder will be entitled to one vote for each share held of record on all matters to be voted on by shareholders.

Warrants may be exercised only for a whole number of shares of our Common Stock. No fractional shares will be issued upon exercise of the Warrants. If, upon exercise of the Warrants, a holder would be entitled to receive a fractional interest in a share, we will, upon exercise, round down to the nearest whole number of shares of our Common Stock to be issued to the Warrant holder.

Private Placement Warrants

The private placement Warrants are not redeemable by us, so long as they are held by GNPk, Jefferies LLC, Holdings, or their respective permitted transferees. Additionally, for so long as the private placement Warrants are held by Jefferies LLC or its designees or affiliates, they may not be exercised after November 27, 2025. GNPk, Jefferies LLC, Holdings and their respective permitted transferees have the option to exercise the private placement Warrants on a cashless basis. Except as described below, the private placement Warrants have terms and provisions that are identical to those of the public Warrants. If the private placement Warrants are held by holders other than the GNPk, Jefferies LLC, Holdings or their respective permitted transferees, the private placement Warrants will be redeemable by us and exercisable by the holders on the same basis as the warrants included in the units sold in GPAC's initial public offering.

If holders of the private placement Warrants elect to exercise them on a cashless basis, they would pay the exercise price by surrendering their Warrants for that number of shares of our Common Stock equal to the quotient obtained by dividing (x) the product of the number of shares of our Common Stock underlying the Warrants, multiplied by the excess of the "fair market value" (defined below) of the shares of our Common Stock over the exercise price of the Warrants by (y) the fair market value. The "fair market value" will mean the average reported closing price of the shares of our Common Stock for the 10 trading days ending on the third trading day prior to the date on which the notice of Warrant exercise is sent to the warrant agent. The reason that we have agreed that these Warrants will be exercisable on a cashless basis so long as they are held by the GNPk, Jefferies LLC, Holdings or their respective permitted transferees is because, in the case of GNPk and its permitted transferees, it is not known at this time whether they will be affiliated with us following an initial business combination and, in the case of GNPk, Holdings and their respective permitted transferees, GNPk, Jefferies and Holdings agreed that the private placement Warrants purchased by Jefferies and issued to Holdings in connection with the closing of the Merger would have the same terms as the private placement Warrants purchased by GNPk. If GNPk or Holdings or any of their respective permitted transferees is affiliated with us, their ability to sell our securities in the open market will be significantly limited. We expect that we will have policies in place that prohibit insiders from selling our securities, except during specific periods of time. Even during such periods of time when insiders will be permitted to sell our securities, an insider cannot trade in our securities if such insider is in possession of material nonpublic information. Accordingly, unlike public shareholders who could exercise their Warrants and sell our Common Stock

issuable upon such exercise freely in the open market, the insiders could be significantly restricted from doing so. As a result, we believe that allowing the holders to exercise such Warrants on a cashless basis is appropriate.

Quorum

The holders of a majority of the voting power of the capital stock issued and outstanding and entitled to vote at the meeting, present in person, or represented by proxy, will constitute a quorum at all meetings of the shareholders for the transaction of business except as otherwise required by law, the rules of any stock exchange upon which our securities are listed or provided by the Certificate of Incorporation or Bylaws; provided, however, that where a separate vote by a class or series or classes or series is required, the holders of a majority in voting power of the shares of such class or classes or series of the capital stock of Our issued and outstanding and entitled to vote on such matter, present in person or represented by proxy, shall constitute a quorum entitled to take action with respect to the vote on such matter. If, however, such quorum will not be present or represented at any meeting of the shareholders, the chairperson of the meeting or shareholders holding a majority in voting power of the shares of our stock, present in person or by proxy and entitled to vote thereon, shall have the power to adjourn the meeting from time to time without notice other than announcement at the meeting until a quorum shall be present. If the adjournment is for more than thirty (30) days, or if after the adjournment a new record date is fixed for the adjourned meeting, a notice of the adjourned meeting will be given to each shareholder entitled to vote at such adjourned meeting as of the record date fixed for notice of such adjourned meeting.

Anti-Takeover Effects of Our Certificate of Incorporation and Bylaws

Our Certificate of Incorporation, Bylaws and the DGCL contain provisions, which are summarized in the following paragraphs that are intended to enhance the likelihood of continuity and stability in the composition of our Board. These provisions are intended to avoid costly takeover battles, reduce our vulnerability to a hostile change of control and enhance the ability of our Board to maximize shareholder value in connection with any unsolicited offer to acquire us. However, these provisions may have an anti-takeover effect and may delay, deter or prevent a merger or acquisition of the Company by means of a tender offer, a proxy contest or other takeover attempt that a shareholder might consider in its best interest, including those attempts that may result in a premium over the prevailing market price for the shares of Common Stock held by shareholders.

These provisions include:

- ***Classified Board:*** Our Certificate of Incorporation provides that our Board be divided into three classes of directors, with the classes as nearly equal in number as possible, and with the directors serving three-year terms. As a result, approximately one-third of our Board will be elected each year. The classification of directors will have the effect of making it more difficult for shareholders to change the composition of our Board. Our Certificate of Incorporation also provides that, subject to any rights of holders of our Preferred Stock to elect additional directors under specified circumstances, the number of directors will be fixed exclusively pursuant to a resolution adopted by our Board.
- ***Stockholder Action by Written Consent:*** Our Certificate of Incorporation will preclude shareholder action by written consent at any time when Holdings and its permitted transferees beneficially own, in the aggregate, less than 50% in voting power of our stock entitled to vote generally in the election of directors.
- ***Special Meetings of Stockholders:*** Our Certificate of Incorporation and Bylaws provides that, except as required by law, special meetings of our shareholders may be called at any time only by or at the direction of our Board or the chairman of our Board. Our Bylaws prohibit the conduct of any business at a special meeting other than as specified in the notice for such meeting. These provisions may have the effect of deferring, delaying or discouraging hostile takeovers, or changes in control or management of the Company.
- ***Advance Notice Procedures:*** Our Bylaws establish an advance notice procedure for shareholder proposals to be brought before an annual meeting of our shareholders, including proposed nominations of persons for election to our Board. Shareholders at an annual meeting are only able to consider proposals or nominations specified in the notice of meeting or brought before the meeting by or at the direction of our Board or by a

shareholder who was a shareholder of record on the record date for the meeting, who is entitled to vote at the meeting and who has given our Secretary timely written notice, in proper form, of the shareholder's intention to bring that business before the meeting. Although the Bylaws do not give our Board the power to approve or disapprove shareholder nominations of candidates or proposals regarding other business to be conducted at a special or annual meeting, the Bylaws may have the effect of precluding the conduct of certain business at a meeting if the proper procedures are not followed or may discourage or deter a potential acquirer from conducting a solicitation of proxies to elect its own slate of directors or otherwise attempting to obtain control of us.

- **Removal of Directors; Vacancies:** Our Certificate of Incorporation provides that directors may be removed with or without cause upon the affirmative vote of a majority in voting power of all outstanding shares of stock entitled to vote thereon, voting together as a single class; provided, however, at any time when Holdings and its permitted transferees beneficially own, in the aggregate, less than 50% in voting power of our stock entitled to vote generally in the election of directors, directors may only be removed for cause, and only by the affirmative vote of holders of at least 662/3% in voting power of all the then-outstanding shares of our stock entitled to vote thereon, voting together as a single class. In addition, our Certificate of Incorporation provides that, subject to the rights of any holders of our Common Stock under the Investor Rights Agreement and the rights granted to one or more series of our Preferred Stock then outstanding, at any time when Holdings and its permitted transferees beneficially own, in the aggregate, less than 50% in voting power of our stock, any newly created directorship on our Board that results from an increase in the number of directors and any vacancies on our Board will be filled only by the affirmative vote of a majority of the remaining directors, even if less than a quorum, or by a sole remaining director.
- **Supermajority Approval Requirements:** Our Certificate of Incorporation and Bylaws provide that our Board is expressly authorized to make, alter, amend, change, add to, rescind or repeal, in whole or in part, our Bylaws without a shareholder vote in any matter not inconsistent with the laws of the State of Delaware and our Certificate of Incorporation. The Bylaws may be amended or repealed, and new bylaws may be adopted, by the affirmative vote of the holders of at least 662/3% of the voting power of all the then-outstanding shares of stock entitled to vote on such amendment, repeal or adoption, voting together as a single class; provided, however, that if the our Board recommends that shareholders approve such amendment or repeal at such meeting of shareholders, such amendment or repeal shall only require the affirmative vote of the majority of the outstanding shares of stock entitled to vote on such amendment or repeal, voting together as a single class. At any time when Holdings and its permitted transferees beneficially own, in the aggregate, less than 50% in voting power of all outstanding shares of the stock of the Company entitled to vote generally in the election of directors, any amendment, alteration, rescission or repeal of our Bylaws by our shareholders will require the affirmative vote of the holders of at least 662/3% in voting power of all the then-outstanding shares of our stock entitled to vote thereon, voting together as a single class.

The DGCL provides generally that the affirmative vote of a majority of the outstanding shares entitled to vote thereon, voting together as a single class, is required to amend a corporation's certificate of incorporation, unless the certificate of incorporation requires a greater percentage.

Our Certificate of Incorporation provides that at any time when Holdings and its permitted transferees beneficially own, in the aggregate, less than 50% in voting power of the stock of the Company entitled to vote generally in the election of directors, the following provisions in our Certificate of Incorporation may be amended, altered, repealed or rescinded only by the affirmative vote of the holders of at least 662/3% (as opposed to a majority threshold that would apply if Holdings and its permitted transferees beneficially own, in the aggregate, 50% or more) in voting power of all the then- outstanding shares of our stock entitled to vote thereon, voting together as a single class:

- the provision requiring a 662/3% supermajority vote for stockholders to amend our Bylaws;
- the provisions providing for a classified board of directors (the election and term of our directors);

- the provisions regarding resignation and removal of directors;
- the provisions regarding entering into business combinations with interested stockholders;
- the provisions regarding stockholder action by written consent;
- the provisions regarding calling special meetings of stockholders;
- the provisions regarding filling vacancies on our Board and newly created directorships;
- the provisions eliminating monetary damages for breaches of fiduciary duty by a director;
- the provision requiring exclusive forum in Delaware; and
- the amendment provision requiring that the above provisions be amended only with a 66²/₃% supermajority vote.

The combination of the classification of our Board, the lack of cumulative voting and the supermajority voting requirements will make it more difficult for our existing shareholders to replace our Board as well as for another party to obtain control of us by replacing our Board. Because our Board has the power to retain and discharge our officers, these provisions could also make it more difficult for existing shareholders or another party to effect a change in management.

Authorized but Unissued Shares

Our authorized but unissued shares of our Common Stock and our Preferred Stock will be available for future issuance without shareholder approval, subject to stock exchange rules, at the discretion of our Board. These additional shares may be utilized for a variety of corporate purposes, including future public offerings to raise additional capital, corporate acquisitions and employee benefit plans. One of the effects of the existence of authorized but unissued Common Stock or Preferred Stock may be to enable our Board to issue shares to persons friendly to current management, which issuance could render more difficult or discourage an attempt to obtain control of the Company by means of a merger, tender offer, proxy contest or otherwise, and thereby protect the continuity of our management and possibly deprive our shareholders of opportunities to sell their shares of our Common Stock at prices higher than prevailing market prices.

Dissenters' Rights of Appraisal and Payment

Under the DGCL, with certain exceptions, our shareholders have appraisal rights in connection with a merger or consolidation of us. Pursuant to the DGCL, shareholders who properly request and perfect appraisal rights in connection with such merger or consolidation have the right to receive payment of the fair value of their shares as determined by the Delaware Court of Chancery.

Stockholders' Derivative Actions

Under the DGCL, any of our shareholders may bring an action in our name to procure a judgment in Our favor, also known as a derivative action, provided that the shareholder bringing the action is a holder of Our shares at the time of the transaction to which the action relates or such shareholder's stock thereafter devolved by operation of law.

Exclusive Forum

Our Certificate of Incorporation provides that, unless we consent in writing to the selection of an alternative forum, a state court within the State of Delaware (or, if no state court within the State of Delaware has jurisdiction, the United States District Court for the District of Delaware) will be the sole and exclusive forum for (1) any derivative action or proceeding brought on Our behalf, (2) any action asserting a claim of breach of a fiduciary duty owed by any of Our directors, officers or other employees to us or our shareholders, (3) any action asserting a claim against the Company or any director or officer of the Company arising pursuant to any provision of the DGCL, our Certificate of Incorporation or Our Bylaws, (4) any other action asserting a claim against us or any director or officer

of the Company that is governed by the internal affairs doctrine or (5) any action asserting an “internal corporate claim” as that term is defined in Section 115 of the DGCL; provided that for the avoidance of doubt, the forum selection provision that identifies a state court within the State of Delaware as the exclusive forum for certain litigation, including any “derivative action”, will not apply to suits to enforce a duty or liability created by the Securities Act, the Exchange Act or any other claim for which the federal courts have exclusive jurisdiction. Any person or entity purchasing or otherwise acquiring any interest in shares of our capital stock will be deemed to have notice of and to have consented to the provisions of our Certificate of Incorporation described above. Although we believe these provisions benefit us by providing increased consistency in the application of Delaware law for the specified types of actions and proceedings, the provisions may have the effect of discouraging lawsuits against us or our directors and officers.

Transfer Agent

The transfer agent for our securities is Continental Stock Transfer & Trust Company. The transfer agent’s address is One State Street Plaza, 30th Floor New York, New York 10004.

Listing

Our Common Stock and Warrants are listed on the NYSE under the symbols “RDW” and “RDW.WS”, respectively.

PLAN OF DISTRIBUTION

The Selling Shareholders, which, as used herein, includes their permitted transferees, may, from time to time, sell, transfer or otherwise dispose of any or all of their shares of Common Stock on NYSE or any other stock exchange, market or trading facility on which such securities are traded or in private transactions. These dispositions may be at fixed prices, at prevailing market prices at the time of sale, at prices related to the prevailing market price, at varying prices determined at the time of sale or at negotiated prices.

- ordinary brokerage transactions and transactions in which the broker-dealer solicits purchasers;
- block trades in which the broker-dealer will attempt to sell the shares as agent, but may position and resell a portion of the block as principal to facilitate the transaction;
- purchases by a broker-dealer as principal and resale by the broker-dealer for its account;
- an exchange distribution in accordance with the rules of the applicable exchange;
- privately negotiated transactions;
- in underwritten transactions;
- short sales;
- through the writing or settlement of options or other hedging transactions, whether through an options exchange or otherwise;
- broker-dealers may agree with the Selling Shareholders to sell a specified number of such shares at a stipulated price;
- distribution to members, limited partners or shareholders of Selling Shareholders;
- “at the market” or through market makers or into an existing market for the shares;
- a combination of any such methods of sale; and
- any other method permitted pursuant to applicable law.

The Selling Shareholders may, from time to time, pledge or grant a security interest in some or all of the shares of our Common Stock owned by them and, if they default in the performance of their secured obligations, the pledgees or secured parties may offer and sell their shares, from time to time, under this prospectus, or under an amendment to this prospectus under Rule 424(b) or other applicable provision of the Securities Act amending the list of Selling Shareholders to include the pledgee, transferee or other successors in interest as Selling Shareholders under this prospectus. The Selling Shareholders also may transfer their shares in other circumstances, in which case the transferees, pledgees or other successors in interest will be the selling beneficial owners for purposes of this prospectus.

In connection with the sale of our Common Stock or interests therein, the Selling Shareholders may enter into hedging transactions with broker-dealers or other financial institutions, which may in turn engage in short sales of our securities in the course of hedging the positions they assume. The Selling Shareholders may also sell their securities short and deliver these securities to close out their short positions, or loan or pledge such securities to broker-dealers that in turn may sell these securities. The Selling Shareholders may also enter into option or other transactions with broker-dealers or other financial institutions or the creation of one or more derivative securities which require the delivery to such broker-dealer or other financial institution of the shares offered by this prospectus, which shares such broker-dealer or other financial institution may resell pursuant to this prospectus (as supplemented or amended to reflect such transaction).

The aggregate proceeds to the Selling Shareholders from the sale of our Common Stock offered by them will be the purchase price of our Common Stock less discounts or commissions, if any. The Selling Shareholders reserve the

right to accept and, together with their agents from time to time, to reject, in whole or in part, any proposed purchase of our Common Stock be made directly or through agents. We will not receive any of the proceeds from any offering by the Selling Shareholders.

The Selling Shareholders also may in the future resell a portion of our Common Stock in open market transactions in reliance upon Rule 144 under the Securities Act, provided that they meet the criteria and conform to the requirements of that rule, or pursuant to other available exemptions from the registration requirements of the Securities Act.

The Selling Shareholders and any underwriters, broker-dealers or agents that participate in the sale of our Common Stock or interests therein may be “underwriters” within the meaning of Section 2(11) of the Securities Act. Any discounts, commissions, concessions or profit they earn on any resale of our Common Stock may be underwriting discounts and commissions under the Securities Act. If any selling security holder is an “underwriter” within the meaning of Section 2(11) of the Securities Act, then the selling security holder will be subject to the prospectus delivery requirements of the Securities Act. Underwriters and their controlling persons, dealers and agents may be entitled, under agreements entered into with us and the Selling Shareholders, to indemnification against and contribution toward specific civil liabilities, including liabilities under the Securities Act.

To the extent required, our Common Stock be sold, the respective purchase prices and public offering prices, the names of any agent, dealer or underwriter, and any applicable discounts, commissions, concessions or other compensation with respect to a particular offer will be set forth in an accompanying prospectus supplement or, if appropriate, a post-effective amendment to the registration statement that includes this prospectus.

To facilitate an offering of the securities, certain persons participating in the offering may engage in transactions that stabilize, maintain, or otherwise affect the price of the securities. This may include over-allotments or short sales of the securities, which involves the sale by persons participating in the offering of more securities than we sold to them. In these circumstances, these persons would cover the over-allotments or short positions by making purchases in the open market or by exercising their over-allotment option. In addition, these persons may stabilize or maintain the price of the securities by bidding for or purchasing securities in the open market or by imposing penalty bids, whereby selling concessions allowed to dealers participating in the offering may be reclaimed if securities sold by them are repurchased in connection with stabilization transactions. The effect of these transactions may be to stabilize or maintain the market price of the securities at a level above that which might otherwise prevail in the open market. These transactions may be discontinued at any time.

We have agreed to maintain the effectiveness of this registration statement until all such securities have been sold under this registration statement or Rule 144 under the Securities Act or are no longer outstanding. We are required to pay all fees and expenses incident to the registration of the shares of our Common Stock to be offered and sold pursuant to this prospectus. The Selling Shareholders will bear all commissions and discounts, if any, attributable to their sale of shares of our Common Stock.

The Selling Shareholders may use this prospectus in connection with resales of our Common Stock. This prospectus and any accompanying prospectus supplement will identify the Selling Shareholders, the terms of our Common Stock and any material relationships between us and the Selling Shareholders. The Selling Shareholders may be deemed to be underwriters under the Securities Act in connection with our Common Stock they resell and any profits on the sales may be deemed to be underwriting discounts and commissions under the Securities Act. Unless otherwise set forth in a prospectus supplement, the Selling Shareholders will receive all the net proceeds from the resale of our Common Stock.

A Selling Shareholder that is an entity may elect to make an in-kind distribution of Common Stock to its members, partners or shareholders pursuant to the registration statement of which this prospectus is a part by delivering a prospectus. To the extent that such members, partners or shareholders are not affiliates of ours, such members, partners or shareholders would thereby receive freely tradable Common Stock pursuant to the distribution through a registration statement.

LEGAL MATTERS

The validity of the securities offered hereby will be passed upon for us by Kirkland & Ellis LLP, Chicago, Illinois.

EXPERTS

The financial statements of Redwire Corporation (“Successor”) as of December 31, 2021 and 2020 and for the year ended December 31, 2021 and for the period from February 10, 2020 to December 31, 2020 included in this Prospectus have been so included in reliance on the report of PricewaterhouseCoopers LLP, an independent registered public accounting firm, given on the authority of said firm as experts in auditing and accounting.

The financial statements of In Space Group, Inc. (“Predecessor”) for the period from January 1, 2020 to June 21, 2020 included in this Prospectus have been so included in reliance on the report of PricewaterhouseCoopers LLP, an independent registered public accounting firm, given on the authority of said firm as experts in auditing and accounting.

WHERE YOU CAN FIND MORE INFORMATION

We have filed with the SEC a registration statement on Form S-1 under the Securities Act, with respect to the securities described in this prospectus. This prospectus, which constitutes part of the registration statement, does not contain all of the information in the registration statement and its exhibits. For further information with respect to Redwire and the securities offered by this prospectus, we refer you to the registration statement and its exhibits. Statements contained in this prospectus as to the contents of any contract or any other document referred to are not necessarily complete, and in each instance, we refer you to the copy of the contract or other document filed as an exhibit to the registration statement. Each of these statements is qualified in all respects by this reference. You can read our SEC filings, including the registration statement, over the internet at the SEC’s website at www.sec.gov.

We are subject to the information reporting requirements of the Exchange Act, and we file reports, proxy statements and other information with the SEC. These reports, proxy statements and other information will be available for review at the SEC’s website at www.sec.gov. We also maintain a website at www.redwirespace.com, at which you may access these materials free of charge as soon as reasonably practicable after they are electronically filed with, or furnished to, the SEC. The information contained in, or that can be accessed through, our website is not part of this prospectus.

REDWIRE CORPORATION

TABLE OF CONTENTS

	Page
Financial Statements (Audited)	
Report of Independent Registered Public Accounting Firm	F-2
Consolidated Balance Sheets	F-4
Consolidated Statements of Operations and Comprehensive Income (Loss)	F-5
Consolidated Statements of Changes in Equity	F-6
Consolidated Statements of Cash Flows	F-7
Notes to Consolidated Financial Statements	F-8
Financial Statements (Unaudited)	
Condensed Consolidated Balance Sheets	F-54
Condensed Consolidated Statements of Operations and Comprehensive Income (Loss)	F-55
Condensed Consolidated Statements of Changes in Equity	F-56
Condensed Consolidated Statements of Cash Flows	F-57
Notes to Condensed Consolidated Financial Statements	F-58

Report of Independent Registered Public Accounting Firm

To the Board of Directors and Shareholders of Redwire Corporation

Opinion on the Financial Statements

We have audited the accompanying consolidated balance sheets of Redwire Corporation and its subsidiaries (Successor) (the "Company") as of December 31, 2021 and 2020, and the related consolidated statements of operations and comprehensive income (loss), of changes in shareholders' equity and of cash flows for the year ended December 31, 2021 and for the period from February 10, 2020 to December 31, 2020, including the related notes (collectively referred to as the "consolidated financial statements"). In our opinion, the consolidated financial statements present fairly, in all material respects, the financial position of the Company as of December 31, 2021 and 2020, and the results of its operations and its cash flows for the year ended December 31, 2021 and for the period from February 10, 2020 to December 31, 2020 in conformity with accounting principles generally accepted in the United States of America.

Basis for Opinion

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

We conducted our audits of these consolidated financial statements in accordance with the standards of the PCAOB. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free of material misstatement, whether due to error or fraud.

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

/s/ PricewaterhouseCoopers LLP
Jacksonville, Florida
April 8, 2022

We have served as the Company's auditor since 2020.

Report of Independent Registered Public Accounting Firm

To the Board of Directors and Shareholders of In Space Group, Inc.

Opinion on the Financial Statements

We have audited the consolidated statements of operations and comprehensive income (loss), of changes in shareholders' equity and of cash flows of In Space Group, Inc. and its subsidiaries (Predecessor) (the "Company") for the period from January 1, 2020 to June 21, 2020, including the related notes (collectively referred to as the "consolidated financial statements"). In our opinion, the consolidated financial statements present fairly, in all material respects, the results of operations and cash flows of the Company for the period from January 1, 2020 to June 21, 2020, in conformity with accounting principles generally accepted in the United States of America.

Basis for Opinion

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

We conducted our audit of these consolidated financial statements in accordance with the standards of the PCAOB and in accordance with the auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free of material misstatement, whether due to error or fraud.

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

/s/ PricewaterhouseCoopers LLP

Jacksonville, Florida

May 11, 2021

We have served as the Company's auditor since 2020.

REDWIRE CORPORATION
CONSOLIDATED BALANCE SHEETS

(In thousands of U.S. dollars, except share data)

	Successor	
	December 31, 2021	December 31, 2020
Assets		
Current assets:		
Cash and cash equivalents	\$ 20,523	\$ 22,076
Accounts receivable, net	16,262	6,057
Contract assets	11,748	4,172
Inventory	688	330
Income tax receivable	688	688
Related party receivable	—	4,874
Prepaid insurance	2,819	—
Prepaid expenses and other current assets	2,488	1,109
Total current assets	55,216	39,306
Property, plant and equipment, net	19,384	3,262
Goodwill	96,314	52,711
Intangible assets, net	90,842	60,961
Other non-current assets	—	534
Total assets	\$ 261,756	\$ 156,774
Liabilities and Equity		
Current liabilities:		
Accounts payable	\$ 13,131	\$ 7,158
Notes payable to sellers	1,000	1,827
Short-term debt, including current portion of long-term debt	2,684	1,074
Accrued expenses	17,118	7,462
Deferred revenue	15,734	15,665
Other current liabilities	1,571	378
Total current liabilities	51,238	33,564
Long-term debt	74,867	76,642
Warrant liabilities	19,098	—
Deferred tax liabilities	8,601	7,367
Other non-current liabilities	730	6
Total liabilities	154,534	117,579
Shareholders' Equity:		
Preferred stock, \$0.0001 par value, 100,000,000 shares authorized; none issued and outstanding as of December 31, 2021	—	—
Common stock, \$0.0001 par value, 500,000,000 shares authorized; 62,690,869 issued and outstanding as of December 31, 2021 and 37,200,000 issued and outstanding as of December 31, 2020	6	4
Additional paid-in capital	183,024	53,059
Accumulated deficit	(75,911)	(14,374)
Accumulated other comprehensive income (loss)	103	506
Shareholders' equity	107,222	39,195
Total liabilities and shareholders' equity	\$ 261,756	\$ 156,774

The accompanying notes are an integral part of the consolidated financial statements.

REDWIRE CORPORATION

CONSOLIDATED STATEMENTS OF OPERATIONS AND COMPREHENSIVE INCOME (LOSS)

(In thousands of U.S. dollars, except share and per share data)

	Successor		Predecessor
	Year Ended December 31, 2021	Period from February 10, 2020 to December 31, 2020	Period from January 1, 2020 to June 21, 2020
Revenues	\$ 137,601	\$ 40,785	\$ 16,651
Cost of sales	108,224	32,676	12,623
Gross margin	29,377	8,109	4,028
Operating expenses:			
Selling, general and administrative	78,695	13,103	5,260
Contingent earnout expense	11,337	—	—
Transaction expenses	5,016	9,944	—
Research and development	4,516	2,008	387
Operating income (loss)	(70,187)	(16,946)	(1,619)
Interest expense, net	6,456	1,072	76
Other (income) expense, net	(3,837)	15	23
Income (loss) before income taxes	(72,806)	(18,033)	(1,718)
Income tax expense (benefit)	(11,269)	(3,659)	(384)
Net income (loss)	\$ (61,537)	\$ (14,374)	\$ (1,334)
Net income (loss) per share, basic and diluted	\$ (1.36)	\$ (0.39)	\$ —
Weighted-average shares outstanding:			
Basic and diluted	45,082,544	37,200,000	—
Comprehensive income (loss):			
Net income (loss)	\$ (61,537)	\$ (14,374)	\$ (1,334)
Foreign currency translation gain (loss), net of tax	(403)	506	2
Total other comprehensive income (loss), net of tax	(403)	506	2
Total comprehensive income (loss)	\$ (61,940)	\$ (13,868)	\$ (1,332)

The accompanying notes are an integral part of the consolidated financial statements.

REDWIRE CORPORATION
CONSOLIDATED STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY

(In thousands of U.S. dollars, except share and unit data)

For the Predecessor Period

	Common Stock		Class F Common Stock		Additional Paid-in Capital	Accumulated Deficit	Accumulated Other Comprehensive Income (Loss)	Total Shareholders' Equity (Deficit)
	Shares	Par Value	Shares	Par Value				
Predecessor Balance as of December 31, 2019	2,401,881	\$ —	1,316,467	\$ —	10	(13,198)	(8)	\$ (13,196)
Equity-based compensation expense	—	—	—	—	998	—	—	998
Foreign currency translation, net of tax	—	—	—	—	—	—	2	2
Net income (loss)	—	—	—	—	—	(1,334)	—	(1,334)
Predecessor Balance as of June 21, 2020	2,401,881	\$ —	1,316,467	\$ —	1,008	(14,532)	(6)	\$ (13,530)

For the Successor Period

	Common Stock		Additional Paid-in Capital	Accumulated Deficit	Accumulated Other Comprehensive Income (Loss)	Total Shareholders' Equity (Deficit)
	Shares	Amount				
Successor Balance as of February 10, 2020	—	\$ —	\$ —	\$ —	\$ —	\$ —
Holdings' contributions ⁽¹⁾	37,200,000	4	53,059	—	—	53,063
Foreign currency translation, net of tax	—	—	—	—	506	506
Net income (loss)	—	—	—	(14,374)	—	(14,374)
Successor Balance as of December 31, 2020	37,200,000	\$ 4	53,059	\$ (14,374)	\$ 506	\$ 39,195
GPAC shares net of redemptions, including PIPE, warrant liability, and Merger costs	22,461,273	2	52,919	—	—	52,921
Holdings' contributions	3,029,596	—	40,646	—	—	40,646
Earnout settlement in Holdings' equity	—	—	9,288	—	—	9,288
Equity-based compensation expense	—	—	27,112	—	—	27,112
Foreign currency translation, net of tax	—	—	—	—	(403)	(403)
Net income (loss)	—	—	—	(61,537)	—	(61,537)
Successor Balance as of December 31, 2021	62,690,869	\$ 6	\$ 183,024	\$ (75,911)	\$ 103	\$ 107,222

(1) The units of the Company prior to the Merger (as defined in Note A) have been retroactively restated to reflect the exchange ratio established in the Merger (computed as 37,200,000 shares of common stock to 100 Company units).

The accompanying notes are an integral part of the consolidated financial statements.

REDWIRE CORPORATION
CONSOLIDATED STATEMENTS OF CASH FLOWS
(In thousands of U.S. dollars)

	Successor		Predecessor
	Year Ended December 31, 2021	Period from February 10, 2020 to December 31, 2020	Period from January 1, 2020 to June 21, 2020
Cash flows from operating activities:			
Net income (loss)	\$ (61,537)	\$ (14,374)	\$ (1,334)
Adjustments to reconcile net income (loss) to net cash provided by (used in) operating activities:			
Depreciation and amortization expense	10,584	3,107	59
Amortization of debt issuance costs and discount	304	30	134
Holdings' contribution non-cash	—	705	—
Equity-based compensation expense	27,112	—	997
Loss on disposal of property and equipment	—	227	—
Contingent earnout expense not yet settled	448	—	—
Earnout settlement in Holdings' equity	9,288	—	—
Change in fair value of warrants	(2,629)	—	—
Deferred provision (benefit) for income taxes	(11,405)	(3,658)	—
Other	(6)	—	—
Changes in assets and liabilities:			
(Increase) decrease in accounts receivable	(6,819)	(1,625)	(548)
(Increase) decrease in contract assets	(4,995)	11	(433)
(Increase) decrease in inventory	(195)	(67)	(30)
(Increase) decrease in prepaid insurance	(2,819)	—	—
(Increase) decrease in prepaid expenses and other assets	(527)	(568)	(354)
Increase (decrease) in accounts payable and accrued expenses	10,379	2,647	4,647
Increase (decrease) in deferred revenue	(4,497)	3,621	64
Increase (decrease) in other liabilities	564	(5,706)	(40)
Increase (decrease) in notes payable to seller	(608)	—	—
Net cash provided by (used in) by operating activities	<u>(37,358)</u>	<u>(15,650)</u>	<u>3,162</u>
Cash flows from investing activities:			
Acquisition of businesses, net of cash acquired	(40,558)	(79,531)	—
Purchases of property, plant and equipment, net	(2,094)	(917)	(250)
Purchase of intangible assets	(763)	—	—
Advance to related party	—	(4,874)	—
Settlement of related party receivable	4,874	—	—
Net cash provided by (used in) investing activities	<u>(38,541)</u>	<u>(85,322)</u>	<u>(250)</u>
Cash flows from financing activities:			
Repayments of loans	(52,800)	(4,661)	(102)
Payment of loan fees to third parties	(62)	—	—
Proceeds received from loans	53,024	81,289	1,463
Payments for the Merger transaction costs	(35,935)	—	—
Proceeds from the Merger	110,583	—	—
Payment of contingent earnout	(600)	—	—
Holdings' contribution	—	46,077	—
Net cash provided by (used in) financing activities	<u>74,210</u>	<u>122,705</u>	<u>1,361</u>
Effect of foreign currency rate changes on cash and cash equivalents	136	343	(6)
Net increase (decrease) in cash and cash equivalents	(1,553)	22,076	4,267
Cash and cash equivalents at beginning of period	22,076	—	9,292
Cash and cash equivalents at end of period	<u>\$ 20,523</u>	<u>\$ 22,076</u>	<u>\$ 13,559</u>
Cash paid (received) during the period for:			
Interest	\$ 6,017	\$ 196	\$ 70
Income taxes	—	135	41
Earnout settlement	1,602	—	—
Supplemental Schedule of Non-Cash Investing and Financing Activities:			
Holdings' contribution for acquisition of businesses	40,646	(5,981)	—
Purchase of intangible assets settled by Holdings	—	(300)	—
Initial fair value of warrants at closing of Merger	21,727	—	—
Capital expenditures not yet paid	1,576	83	—

The accompanying notes are an integral part of the consolidated financial statements.

Note A – Description of the Business

Redwire Corporation develops and manufactures mission critical space solutions and high reliability components for the next generation space economy. With decades of flight heritage combined with the agile and innovative culture of a commercial space platform, Redwire Corporation is uniquely positioned to assist our customers in solving the complex challenges of future space missions.

AE Industrial Partners Fund II, LP (“AEI”), a private equity firm specializing in aerospace, defense, and government services, formed a series of acquisition vehicles on February 10, 2020, which included Cosmos Parent, LLC, Cosmos Intermediate, LLC, Cosmos Finance, LLC and Cosmos Acquisition, LLC, with Cosmos Parent, LLC being the top holding company. Cosmos Parent, LLC owned 100% of the equity in Cosmos Intermediate, LLC; Cosmos Intermediate, LLC owned 100% of the equity in Cosmos Finance, LLC; Cosmos Finance, LLC owned 100% of the equity in Cosmos Acquisition, LLC. Upon the formation of these acquisition vehicles, Cosmos Intermediate, LLC (“Successor”) effected a number of acquisitions through its wholly owned subsidiary, Cosmos Acquisition, LLC. Following the acquisitions, the Successor became a wholly owned subsidiary of AE Red Holdings, LLC formerly known as Redwire, LLC (“Holdings”).

Strategic acquisitions that augment our technology and product offerings are a key part of our growth strategy. The Company has completed eight acquisitions since March 2020, which collectively have provided us with a wide variety of complementary technologies and solutions to serve our target markets and customers. These acquisitions included: Adcole Space, LLC (“Adcole”), Deep Space Systems, Inc. (“DSS”), In Space Group, Inc. and its subsidiaries (collectively, “MIS” or “Predecessor”), Rocco, LLC (“Rocco”), and LoadPath, LLC (“LoadPath”) as of December 31, 2020.

During the year ended December 31, 2021, the following acquisitions were completed:

- *January 2021* – Acquired Oakman Aerospace, Inc. (“Oakman”), which specializes in the development of modular open system architecture, rapid spacecraft design and development, and custom missions, payloads, and data distribution services.
- *February 2021* – Acquired Deployable Space Systems, Inc. (“DPSS”), whose mission is to develop new and enabling deployable technologies for space applications, transition emerging technologies to industry for infusion into future Department of Defense (“DoD”), National Aeronautics and Space Administration (“NASA”), and/or commercial programs and design, analyze, build, test and deliver on-time the deployable solar arrays, deployable structures and space system products. DPSS’s product portfolio includes the award-winning and patented ROSA (Roll-Out Solar Array), Integrated Modular Blanket Assembly; Rigid-Panel and Functional Advanced Concentrator Technology solar array technologies; a multitude of elastically and articulated deployable structures and booms, open-lattice booms, telescopic booms; and a variety of mission-enabling mechanisms for space applications.
- *November 2021* – Acquired Techshot, Inc. (“Techshot”), a leader in on-orbit manufacturing, biotechnology in microgravity, and bioprinting needed for commercial space-based biotechnology and pharmaceutical research and development.

On September 2, 2021, the previously announced merger (the “Merger”) with Genesis Park Acquisition Corp. (“GPAC”) was consummated pursuant to the Agreement and Plan of Merger dated March 25, 2021 by and among GPAC, Shepard Merger Sub Corporation, a Delaware corporation and direct, wholly owned subsidiary of GPAC, Cosmos Intermediate, LLC and Holdings. Upon the closing of the Merger, GPAC was renamed to Redwire Corporation (“Redwire” or the “Company”), the SEC registrant. As a result of the Merger, the Company received aggregate gross proceeds of \$110.6 million from the trust account of GPAC and PIPE proceeds. Proceeds from the Merger were partially used to repay the \$41.6 million outstanding under the Silicon Valley Bank (“SVB”) Loan, including interest of \$0.1 million, and Merger transaction costs and other costs paid through the funds flow of \$38.7 million, consisting of marketing, legal and other professional fees.

The Merger was accounted for as a reverse recapitalization in which GPAC was treated as the acquired company. A reverse recapitalization does not result in a new basis of accounting, and the consolidated financial

statements of the combined entity represent the continuation of the consolidated financial statements of Cosmos Intermediate, LLC in many respects. Immediately prior to the closing of the Merger, but following the consummation of the Company's domestication to a Delaware corporation, the authorized capital stock of the Company consisted of 600,000,000 shares of capital stock, including (i) 500,000,000 shares of Redwire common stock with a par value \$0.0001 per share and (ii) 100,000,000 shares of Redwire preferred stock. At the effective time of the Merger, the 100 company units of Cosmos Intermediate, LLC were cancelled and automatically deemed for all purposes to represent Holdings' right to receive, in the aggregate, \$75.0 million of cash, 37,200,000 shares of common stock and 2,000,000 warrants to purchase one share of common stock per warrant (with such amount of warrants corresponding to the forfeiture of certain private placement warrants acquired by Genesis Park Holdings (the "Sponsor") and Jefferies LLC ("Jefferies") in connection with GPAC's initial public offering). The exchanged 37,200,000 shares of common stock consideration to Holdings, the GPAC common stock shares outstanding at the time of closing of 13,961,273, and the PIPE financing shares issued at closing of 8,500,000 made up the total of the 59,661,273 shares of common stock outstanding as of September 2, 2021. The 100 units of the Company prior to the Merger were retroactively restated to reflect the exchange ratio established in the Merger (computed as 37,200,000 shares of common stock to 100 Company units).

The Company includes the Predecessor, which is comprised of MIS before its acquisition date, and the Successor, including Adcole, DSS, MIS, Roccor, LoadPath, Oakman, DPSS, and Techshot, after the acquisition of each, respectively.

COVID-19 Operational Posture and Impact

Since early 2020, the COVID-19 pandemic has created a climate of uncertainty which has significantly impacted global economies and the Company's operating environment. Such impacts include, among others, supply chain disruptions, labor shortages, regulatory challenges, inflationary pressures, as well as market volatility. In addition, decreases in the availability, cost and delivery of supplies have caused shortages and delays for the procurement of raw materials, components and other supplies required to fulfill the Company's performance obligations. The long-term impacts of COVID-19 on government budgets and other funding priorities are difficult to predict and could adversely affect the Company's operations and financial results. There can be no assurances that actions or responsive measures taken on the part of the Company or governmental authorities will be successful in mitigating increased risks associated with COVID-19.

Note B – Summary of Significant Accounting Policies

Basis of Presentation

The accompanying consolidated financial statements are presented for the following periods:

- as of December 31, 2021 and the year ended December 31, 2021 (the "Successor 2021 Period"), which includes the results of Adcole, DSS, MIS, Roccor and LoadPath from the beginning of the period as well as 2021 acquisitions Oakman, DPSS and Techshot from their respective acquisition dates.
- as of December 31, 2020 and the period from February 10, 2020 (inception) to December 31, 2020 (the "Successor 2020 Period"), which includes the results of Adcole, DSS, MIS, Roccor and LoadPath from from their respective acquisition dates.
- the period from January 1, 2020 to June 21, 2020 (the "Predecessor 2020 Period"), which only includes the results of MIS.

MIS was identified as the Predecessor through an analysis of various factors, including the size, financial characteristics, ongoing management, and order in which the acquired entities were acquired.

The accompanying consolidated financial statements have been prepared in accordance with United States Generally Accepted Accounting Principles ("U.S. GAAP"). All intercompany balances and transactions have been eliminated in consolidation.

Use of Estimates

The preparation of financial statements in conformity with U.S. GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, disclosures of contingent liabilities as of the date of the financial statements, and the reported amounts of revenues and expenses during the reporting periods.

Management has prepared the estimates using the most current and best available information that are considered reasonable under the circumstances. However, actual results could differ materially from those estimates. Accounting policies subject to estimates include, but are not limited to, valuation of goodwill and intangible assets, contingent consideration, revenue recognition, income taxes, and warrant liabilities.

Business Combinations

The Company utilizes the acquisition method of accounting in Accounting Standards Codification (“ASC”) 805, Business Combinations (“ASC 805”), for all transactions and events in which it obtains control over one or more other businesses (even if less than 100% ownership is acquired), to recognize the fair value of all assets acquired and liabilities assumed and to establish the acquisition date fair value as of the measurement date.

While the Company uses its best estimates and assumptions as part of the purchase price allocation process to accurately value assets acquired and liabilities assumed at the business combination date, the estimates and assumptions are inherently uncertain and subject to refinement. As a result, during the measurement period, which may be up to one year from the business combination date, the Company records adjustments to the assets acquired and liabilities assumed, with the corresponding offset to goodwill. For changes in the valuation of intangible assets between the preliminary and final purchase price allocation, the related amortization is adjusted in the period it occurs. Subsequent to the measurement period, any adjustment to assets acquired or liabilities assumed is included in operating results in the period in which the adjustment is identified. Transaction costs that are incurred in connection with a business combination, other than costs associated with the issuance of debt or equity securities, are expensed as incurred.

Contingent consideration is classified as a liability or as equity on the basis of the definitions of a financial liability and an equity instrument; contingent consideration payable in cash is classified as a liability. The Company recognizes the fair value of any contingent consideration that is transferred to the seller in a business combination on the date at which control of the acquiree is obtained. Contingent consideration payments related to acquisitions are measured at fair value each reporting period using Level 3 unobservable inputs (Level 3). Any changes in the fair value of these contingent consideration payments are included in operating income in the consolidated statements of operations and comprehensive income (loss).

Revenue Recognition

Based on the specific analysis of its contracts, the Company has determined that its contracts are subject to revenue recognition in accordance with ASC 606, Revenue from Contracts with Customers (“ASC 606”). Recognition under the ASC 606 five-step model involves (i) identification of the contract, (ii) identification of performance obligations in the contract, (iii) determination of the transaction price, (iv) allocation of the transaction price to the previously identified performance obligations, and (v) revenue recognition as the performance obligations are satisfied.

During step one of the five step model, the Company considers whether contracts should be combined or separated, and based on this assessment, the Company combines closely related contracts when all the applicable criteria are met. The combination of two or more contracts requires judgment in determining whether the intent of entering into the contracts was effectively to enter into a single contract, which should be combined to reflect an overall profit rate. Similarly, the Company may separate an arrangement, which may consist of a single contract or group of contracts, with varying rates of profitability, only if the applicable criteria are met. Judgment is involved in determining whether a group of contracts may be combined or separated based on how the arrangement and the related performance criteria were negotiated. The conclusion to combine a group of contracts or separate a contract could change the amount of revenue and gross profit recorded in a given period.

A performance obligation is a promise in a contract to transfer a distinct good or service to the customer. A contract's transaction price is allocated to each distinct performance obligation and recognized as revenue when the performance obligation is satisfied. The Company's contracts with customers generally do not include a right of return relative to delivered products. In certain cases, contracts are modified to account for changes in the contract specifications or requirements. In most instances, contract modifications are accounted for as part of the existing contract. Certain contracts with customers have options for the customer to acquire additional goods or services. In most cases, the pricing of these options are reflective of the standalone selling price of the good or service. These options do not provide the customer with a material right and are accounted for only when the customer exercises the option to purchase the additional goods or services. If the option on the customer contract was not indicative of the standalone selling price of the good or service, the material right would be accounted for as a separate performance obligation.

The Company's revenues are derived from the design and sales of components for spacecraft and satellites and the performance of engineering, modeling and simulation services related to spacecraft design and mission execution. Each promised good or service within a contract is accounted for separately under the guidance of ASC 606, if they are distinct. Promised goods or services not meeting the criteria for being a distinct performance obligation are bundled into a single performance obligation with other goods or services that together meet the criteria for being distinct. The appropriate allocation of the transaction price and recognition of revenue is then applied for the bundled performance obligation. The Company has concluded that its service contracts generally contain a single performance obligation given the interrelated nature of the activities which are significantly customized and not distinct within the context of the contract.

Once the Company identifies the performance obligations, the Company determines the transaction price, which includes estimating the amount of variable consideration to be included in the transaction price, if any. The Company's contracts generally do not contain penalties, credits, price concessions, or other types of potential variable consideration. Prices are fixed at contract inception and are not contingent on performance or any other criteria.

The Company engages in long-term contracts for production and service activities and recognizes revenue for performance obligations over time. These long-term contracts involve the design, development, manufacture, or modification of components for spacecraft and satellites. Revenue is recognized over time (versus point in time recognition), as the Company's performance creates an asset with no alternative use to the Company and the Company has an enforceable right to payment for performance completed to date, and the customer receives the benefit as the Company builds the asset. The Company considers the nature of these contracts and the types of products and services provided when determining the proper accounting for a particular contract. These contracts include both fixed-price and cost reimbursable contracts. The Company's cost reimbursable contracts typically include cost-plus fixed fee and time and material ("T&M") contracts.

For long-term contracts, the Company typically recognizes revenue using the input method, using a cost-to-cost measure of progress. The Company believes that this method represents the most faithful depiction of the Company's performance because it directly measures value transferred to the customer. Contract estimates are based on various assumptions to project the outcome of future events that may span several years. These assumptions include, but are not limited to, the amount of time to complete the contract, including the assessment of the nature and complexity of the work to be performed; the cost and availability of materials; the availability of subcontractor services and materials; and the availability and timing of funding from the customer. The Company bears the risk of changes in estimates to complete on a fixed-price contract, which may cause profit levels to vary from period to period. For cost reimbursable contracts, the Company is reimbursed periodically for allowable costs and is paid a portion of the fee based on contract progress. In the limited instances where the Company enters into T&M contracts, revenue recognized reflects the number of direct labor hours expended in the performance of a contract multiplied by the contract billing rate, as well as reimbursement of other direct billable costs. For T&M contracts, the Company recognizes revenue in the amount for which the Company has a right to invoice the customer based on the control transferred to the customer. For over time contracts, the Company recognizes anticipated contract losses as soon as they become known and estimable.

Accounting for long-term contracts requires significant judgment relative to estimating total contract revenues and costs, in particular, assumptions relative to the amount of time to complete the contract, including the assessment of the nature and complexity of the work to be performed. The Company's estimates are based upon the professional knowledge and experience of its engineers, program managers and other personnel, who review each long-term contract monthly to assess the contract's schedule, performance, technical matters and estimated cost at completion. Changes in estimates are applied retrospectively and when adjustments in estimated contract costs are identified, such revisions may result in current period adjustments to earnings applicable to performance in prior periods.

On long-term contracts, the portion of the payments retained by the customer is not considered a significant financing component. At contract inception, the Company also expects that the lag period between the transfer of a promised good or service to a customer and when the customer pays for that good or service will not constitute a significant financing component. Many of the Company's long-term contracts have milestone payments, which align the payment schedule with the progress towards completion on the performance obligation. On some contracts, the Company may be entitled to receive an advance payment, which is not considered a significant financing component because it is used to facilitate inventory demands at the onset of a contract and to safeguard the Company from the failure of the other party to abide by some or all of their obligations under the contract.

Contract Balances

Contract balances result from the timing of revenue recognized, billings and cash collections, and the generation of contract assets and liabilities.

Contract assets represent revenue recognized in excess of amounts invoiced to the customer and the right to payment is not subject to the passage of time. Contract liabilities are presented as deferred revenue on the Company's consolidated balance sheets and consist of deferred product revenue, billings in excess of revenues, deferred service revenue, and customer advances. Deferred product revenue represents amounts that have been invoiced to customers but are not yet recognizable as revenue because the Company has not satisfied its performance obligations under the contract. Billings in excess of revenues represent milestone billing contracts where the billings of the contract exceed recognized revenues.

Remaining Performance Obligations

The Company includes in its computation of remaining performance obligations customer orders for which it has accepted signed sales orders. The definition of remaining performance obligations excludes those contracts accounted for under the "right to invoice" practical expedient.

Cash and Cash Equivalents

Cash and cash equivalents includes cash on hand, cash balances with banks and similar institutions and all highly liquid investments with an original maturity of three months or less.

Fair Value of Financial Instruments

The Company measures certain financial assets and liabilities, including, but not limited to, contingent consideration, at fair value. ASC 820, Fair Value Measurement and Disclosures ("ASC 820"), specifies a hierarchy of valuation techniques based on whether the inputs to those valuation techniques are observable or unobservable. Observable inputs reflect market data obtained from independent sources, while unobservable inputs reflect the Company's market assumptions. These two types of inputs have created the following fair-value hierarchy:

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

Concentration of Credit Risk

Financial instruments which potentially subject the Company to concentrations of credit risk consist primarily of cash and cash equivalents, certificates of deposit, and accounts receivable. The Company places its cash and cash equivalents with financial institutions of high-credit quality. At times, such amounts may exceed federally insured limits. Cash and cash equivalents on deposit or invested with financial and lending institutions was \$20.5 million and \$22.1 million, as of December 31, 2021 and December 31, 2020, respectively.

The Company provides credit to customers in the normal course of business. The carrying amount of current accounts receivable is stated at cost, net of an allowance for doubtful accounts. The Company performs ongoing credit evaluations of its customers' financial condition and limits the amount of credit extended when deemed necessary. The Company maintains an allowance for doubtful accounts to provide for the estimated amount of accounts receivable that will not be fully collected. The allowance is based on the assessment of the following factors: customer creditworthiness, historical payment experience, age of outstanding accounts receivable and any applicable collateral.

Inventory

Inventory is stated at the lower of cost or net realizable value. Cost is calculated on a first-in, first-out ("FIFO") basis. Inventory may consist of raw materials, work-in-process, and finished goods. Net realizable value is the estimated selling price in the ordinary course of business, less the estimated costs of completion and selling expense. Inventory is impaired when it is probable that inventory values exceed their net realizable value. Changes in these estimates are included in cost of sales in the consolidated statements of operations and comprehensive income (loss).

Segment Information

Operating segments are defined as components of an entity for which separate financial information is available and that is regularly reviewed by the Chief Operating Decision Maker ("CODM") in deciding how to allocate resources and in assessing performance. The Company's CODM is its Chief Executive Officer. The Company has concluded that it operates in one operating segment and one reportable segment, space infrastructure, as the CODM reviews financial information presented on a consolidated basis for purposes of making operating decisions, allocating resources, and evaluating financial performance.

Goodwill and Intangible Assets

Goodwill is the amount by which the purchase price exceeded the fair value of the net identifiable assets acquired and liabilities assumed in a business combination on the date of acquisition (refer to Note H). Goodwill is assessed for impairment at least annually as of October 1, on a reporting unit basis, or when events and circumstances occur indicating that the recorded goodwill may be impaired. The Company assesses impairment first on a qualitative basis to determine if a quantitative assessment is necessary. In circumstances where our qualitative analysis indicates that it is more likely than not that the fair value of a reporting unit does not exceed its carrying value, the Company would perform a quantitative analysis and the goodwill impairment loss, if any, is measured as the amount by which a reporting unit's carrying amount exceeds its fair value, not to exceed the carrying amount of goodwill.

Intangible assets include those acquired from the Company's various business combinations (refer to Note C) as well as licensed software for internal-use. Licensed software is acquired solely to meet the Company's internal needs which provides the right to take possession of the software and is hosted on the Company's specific hardware components as well as the capitalization of qualifying costs during the application development stage. Indefinite-lived intangible assets include tradenames and in-process research and development ("IPR&D"), Finite-lived intangible assets include customer relationships, technology trademarks, and internal-use software. Finite-lived intangible assets are reported at cost, net of accumulated amortization, and are either amortized on a straight-line basis over their estimated useful lives or over the period the economic benefits of the intangible assets are consumed.

All indefinite-lived assets are reviewed for impairment annually, and as necessary if indicators of impairment are present.

Property, Plant and Equipment

Property, plant and equipment are the long-lived, physical assets of the Company, acquired for use in the Company’s normal business operations and not intended for resale by the Company. These assets are recorded at cost. Renewals and betterments that increase the useful lives of the assets are capitalized. Repair and maintenance expenditures that increase the efficiency of the assets are expensed as incurred. Assets under capital lease are recorded at the present value of the minimum lease payments required during the lease period. Depreciation is based on the estimated useful lives of the assets using the straight-line method and is included in selling, general and administrative or cost of sales based upon the asset; depreciation and amortization expense includes the amortization of assets under capital leases.

Expected useful lives are reviewed at least annually. Estimated useful lives are as follows:

Property, plant and equipment	Estimated useful life in years
Computer equipment	3
Furniture and fixtures	7
Laboratory equipment	3-10
Software	3-5
Leasehold improvements	5 or lease term

As assets are retired or sold, the related cost and accumulated depreciation are removed from the accounts and any resulting gain or loss is included in other (income) expense, net in the consolidated statements of operations and comprehensive income (loss).

Finite-Lived Assets

The Company regularly evaluates its property, plant and equipment and finite-lived intangible assets for impairment when events or changes in circumstances indicate that the carrying amount of an asset or asset group may not be recoverable, in accordance with ASC 360, Property, Plant, and Equipment (“ASC 360”) and ASC 350, Intangibles—Goodwill and Other (“ASC 350”). If the Company determines that the carrying amount of an asset or asset group is not recoverable based upon the undiscounted expected future cash flows of the asset or asset group, the Company records an impairment loss equal to the excess of carrying amount over the estimated fair value of the asset or asset group.

Income Taxes

The Company accounts for income taxes under ASC 740, Income Taxes (“ASC 740”). The Company computes its provision for income taxes using the asset and liability method, under which deferred tax assets and liabilities are calculated based on the basis difference for financial reporting and tax basis of assets and liabilities using enacted tax rates for the year in which the differences are expected to reverse. All deferred income taxes are classified as non-current in the Company’s consolidated balance sheets. The Company records a valuation allowance against net deferred tax assets if, based upon the available evidence, it is more likely than not that some or all of the deferred tax assets will not be realized.

The Company recognizes a tax benefit only if it is more likely than not the tax position will be sustained on examination by the taxing authorities, based on the technical merits of the position. The tax benefits recognized in the financial statements from such positions are then measured based on the largest benefit that has a greater than 50% likelihood of being realized upon settlement. The Company recognizes interest and penalties accrued on any unrecognized tax benefits as a component of income tax expense.

Research and Development Costs

Research and development costs are primarily made up of labor charges, prototype material, and development expenses. Research and development costs are expensed in the period incurred.

Advertising Costs

All advertising, promotional and marketing costs are expensed when incurred and are included in Selling, general and administrative within the consolidated statements of operations and comprehensive income (loss). The table below presents the advertising cost for the following periods:

	Successor		Predecessor
	Year Ended December 31, 2021	Period from February 10, 2020 to December 31, 2020	Period from January 1, 2020 to June 21, 2020
Advertising costs	\$ 1,156	\$ 147	\$ 86

Equity-based Compensation

The Company's equity-based compensation plans are classified as equity plans and compensation expense is generally recognized over the vesting period of stock awards. The Company issues stock awards in the form of incentive units, non-qualified stock options and restricted stock units. The fair value of incentive units and stock options are calculated on the grant date using the Black-Scholes Option Pricing Model ("OPM"). Given the absence of adequate historical data, the Company uses the Simplified Method to estimate the term of stock options granted to employees. The fair value of the restricted stock units are calculated based on the closing market price of the Company's common stock on the grant date.

The vesting of the incentive units is contingent on service-based, performance-based, and market conditions and, as such, the recognition of compensation expense is deferred until it is probable the performance conditions will be satisfied. Once it is probable that the performance conditions will be satisfied, unrecognized compensation expense is recognized based on the portion of the requisite service period that has been rendered. If the requisite period is complete, compensation expense is recognized regardless of market conditions being met and recognizes forfeitures as they occur.

For non-qualified stock options and restricted stock units, the Company recognizes the grant date fair value as compensation expense on a straight-line method over the vesting period (typically three years) and recognizes forfeitures as they occur.

Warrants

As part of the Merger, public warrants were established as equity and private warrants were established as a liability. Classification of the public warrants as equity instruments and the private warrants as liability instruments is based on management's analysis of the guidance in ASC 815 Derivatives and Hedging and in a statement issued by the Staff of the SEC regarding the accounting and reporting considerations for warrants issued by special purpose acquisition companies entitled "Staff Statement on Accounting and Reporting Considerations for Warrants Issued by Special Purpose Acquisition Companies." Management determined that while the public warrants meet the definition of a derivative, they meet the equity scope exception in ASC 815-10-15-74(a) to be classified in stockholders' equity and are not subject to remeasurement provided that the Company continues to meet the criteria for equity classification. Management considered whether the private warrants display the three characteristics of a derivative under ASC 815, and concluded that the private warrants meet the definition of a derivative. However, the private warrants fail to meet the equity scope exception in ASC 815-10-15-74(a) and thus are classified as a liability measured at fair value, subject to remeasurement at each reporting period. The Company measured the private warrant liability at fair value at the closing of the Merger and then at each reporting period with changes in fair value recognized as other (income) expense, net in the consolidated statements of operations and comprehensive income (loss).

Foreign Currency Translation

The Company's consolidated financial statements are presented in United States dollars ("USD"), which is the functional currency of the Company. The local currency of our operations in Luxembourg, the euro, is considered to be the functional currency of that operation. Assets and liabilities of the Company's foreign subsidiaries, where the functional currency is the local currency, are translated into USD at exchange rates effective as of the balance sheet date. Revenues and expenses are translated using average exchange rates in effect for the periods presented.

Balance sheet translation adjustments are reported in accumulated other comprehensive income (loss). Realized gains and losses on foreign currency transactions are included in other (income) expense, net on the consolidated statements of operations and comprehensive income (loss).

Emerging Growth Company

Section 102(b)(1) of the Jumpstart Our Business Startups Act of 2012 (the "JOBS Act") exempts emerging growth companies from being required to comply with new or revised financial accounting standards until private companies (that is, those that have not had a Securities Act registration statement declared effective or do not have a class of securities registered under the Exchange Act) are required to comply with the new or revised financial accounting standards. The JOBS Act provides that an emerging growth company can elect to opt out of the extended transition period and comply with the requirements that apply to non-emerging growth companies but any such an election to opt out is irrevocable. The Company has elected not to opt out of such extended transition period, which means that when a standard is issued or revised and it has different application dates for public or private companies, the Company, as an emerging growth company, can adopt the new or revised standard at the time private companies adopt the new or revised standard.

This may make comparison of the Company's financial statements with another public company that is neither an emerging growth company nor an emerging growth company that has opted out of using the extended transition period difficult or impossible because of the potential differences in accounting standards used.

Recently Issued Accounting Pronouncements

In February 2016, the Financial Accounting Standards Board ("FASB") issued Accounting Standards Update ("ASU") No. 2016-02, *Leases (Topic 842)*, which supersedes the current lease requirements in ASC 840, *Leases*. ASU 2016-02 requires lessees to recognize a right-of-use asset and related lease liability for all leases, with a limited exception for short-term leases. Leases will be classified as either finance or operating, with the classification affecting the pattern of expense recognition in the consolidated statements of operations and comprehensive income (loss). Currently, leases are classified as either capital or operating, with any capital leases recognized on the consolidated balance sheets. The reporting of lease-related expenses in the consolidated statements of operations and comprehensive income (loss) and consolidated statements of cash flows will be generally consistent with the current guidance.

Effective January 1, 2022, the Company adopted the new lease standard using a modified retrospective transition method with a cumulative effect adjustment in the period of adoption. In accordance with ASC 842, the Company elected the following package of practical expedients: (i) to use hindsight analysis on expired or existing leases as of the effective date; (ii) to not apply this standard to short-term leases (i.e. with a term less than 12 months); and (iii) to not reassess the lease classification for existing or expired contracts. The Company currently estimates that the adoption of this standard will result in the recognition of right of use assets and lease liabilities ranging from approximately \$8.0 million to \$11.0 million. Adoption of this standard is not expected to have a material impact on the Company's results of operations or cash flows.

In June 2016, the FASB issued ASU No. 2016-13, *Financial Instruments—Credit Losses (Topic 326)*, an amendment of the FASB ASC. Subsequent to the issuance of ASU 2016-13, there were various updates that amended and clarified the impact of ASU 2016-13. ASU 2016-13 broadens the information that an entity must consider in developing its expected credit loss estimate for assets measured either collectively or individually. The amendments in ASU 2016-13 will require an entity to record an allowance for credit losses for certain financial instruments and financial assets, including accounts receivable, based on expected losses rather than incurred losses.

The measurement of expected credit losses is based on relevant information about past events, including historical experience, current conditions, and reasonable and supportable forecasts that affect the collectability of the reported amount. An entity must use judgment in determining the relevant information and estimation methods that are appropriate in its circumstances. The use of forecasted information incorporates more timely information in the estimate of expected credit losses. The new guidance will be effective for the year beginning January 1, 2023. The Company does not expect this guidance to have a material impact on its consolidated financial statements or related disclosures.

In October 2021, the FASB issued ASU No. 2021-08, "Business Combinations (Topic 805): Accounting for Contract Assets and Contract Liabilities from Contracts with Customers." ASU 2021-08 requires the company acquiring contract assets and contract liabilities obtained in a business combination to recognize and measure them in accordance with ASC 606, "Revenue from Contracts with Customers". Prior to adoption, such amounts were recognized by the acquiring company at fair value on the acquisition date. The amendments in ASU 2021-08 are effective for fiscal years beginning after December 15, 2022, including interim periods within those fiscal years. Early adoption is permitted, including in interim periods, for any financial statements that have not yet been issued. Effective January 1, 2021, the Company elected to early adopt these requirements prospectively which did not have a material impact for business combinations completed in the Successor 2021 Period.

Note C – Business Combinations

Adcole Acquisition

On March 2, 2020, the Successor acquired 100% of the equity interest of Adcole in exchange for cash. The acquisition supports the Company's growth in its offering of space structures.

The following table summarizes the fair value of the consideration transferred and the estimated fair values of the major classes of assets acquired and liabilities assumed as of the acquisition date.

	March 2, 2020
Cash paid	\$ 32,640
Purchase consideration	\$ 32,640
Assets:	
Cash	\$ 156
Accounts receivable	840
Contract assets	1,427
Inventory	212
Prepaid expenses and other current assets	661
Property, plant and equipment	444
Intangible assets	9,690
Total assets	13,430
Liabilities:	
Accounts payable	894
Accrued expenses	644
Deferred revenue	777
Total liabilities	2,315
Fair value of net identifiable assets acquired	11,115
Goodwill	\$ 21,525

The following table summarizes the intangible assets acquired by class:

	March 2, 2020	Weighted average useful life in years
Trademark	\$ 1,000	10
Technology	2,400	10
Customer relationships	6,100	20
In-process research and development	190	
Total intangible assets	<u>\$ 9,690</u>	

The fair value of the acquired trademark and technology was estimated using the relief from royalty (“RFR”) method. The fair value of the acquired customer relationships was estimated using the excess earnings method. The fair value of the IPR&D was estimated using the replacement cost method.

The acquisition was accounted for as a business combination, whereby the excess of the consideration paid over the fair value of identifiable net assets was allocated to goodwill. The goodwill reflects the potential synergies and expansion of the Company’s offerings across product lines and markets complementary to its existing products and markets. For tax purposes, the goodwill is deductible over 15 years.

The results of operations of Adcole for the period from March 2, 2020 to December 31, 2020 have been included in the results of operations for the Successor 2020 Period. The table below presents the post-acquisition revenues, net income (loss), and acquisition-related costs (included in transaction expenses) of Adcole included in the consolidated statements of operations and comprehensive income (loss) for the following period:

	Successor Period Ended December 31, 2020
Post-acquisition revenues	<u>\$ 8,096</u>
Net income (loss)	<u>\$ (1,878)</u>
Transaction expenses	<u>\$ 2,055</u>

DSS Acquisition

On June 1, 2020, the Successor acquired 100% of the equity interest of DSS in exchange for cash and 1,000,000 units of the Successor’s Holdings’ equity (“Parent Units”). The acquisition supported the Company’s growth in its offering of engineering solutions.

The following table summarizes the fair value of the consideration transferred and the estimated fair values of the major classes of assets acquired and liabilities assumed as of the acquisition date.

	June 1, 2020
Cash paid	\$ 3,940
Equity issued	1,000
Purchase consideration	<u>\$ 4,940</u>
Assets:	
Cash	\$ 1,071
Accounts receivable	1,282
Contract assets	107
Inventory	39
Prepaid expenses and other current assets	37
Property, plant and equipment	710
Intangible assets	850
Other non-current assets	26
Total assets	<u>4,122</u>
Liabilities:	
Accounts payable	284
Deferred revenue	103
Current portion of long-term debt	353
Other current liabilities	1,178
Long-term debt	705
Deferred tax liabilities	458
Total liabilities	<u>3,081</u>
Fair value of net identifiable assets acquired	<u>1,041</u>
Goodwill	<u>\$ 3,899</u>

The following table summarizes the intangible assets acquired by class:

	June 1, 2020	Weighted average useful life in years
Trademark	\$ 150	5
Customer relationships	700	20
Total intangible assets	<u>\$ 850</u>	

The fair value of the acquired trademark was determined using the RFR method. The fair value of the acquired customer relationships was determined using the excess earnings method.

The acquisition was accounted for as a business combination, whereby the excess of the purchase consideration over the fair value of identifiable net assets was allocated to goodwill. The goodwill reflects the potential synergies and expansion of the Company's offerings across product lines and markets complementary to its existing products and markets. For tax purposes, the goodwill is not deductible.

During the Successor 2021 Period, there was a measurement period adjustment to goodwill of \$0.1 million, decreasing the balance to \$3.9 million. Refer to Note H for further discussion.

The results of operations of DSS for the period from June 1, 2020 to December 31, 2020 have been included in the results of operations for the Successor 2020 Period. The table below presents the post-acquisition revenues, net

loss, and acquisition-related costs (included in transaction expenses) of DSS included in the consolidated statements of operations and comprehensive income (loss) for the following period:

	<u>Successor Period Ended</u> <u>December 31, 2020</u>
Post-acquisition revenues	\$ 5,381
Net income (loss)	\$ (1,707)
Transaction expenses	\$ 434

MIS Acquisition

On June 22, 2020, the Successor acquired 100% of the equity interest of MIS in exchange for cash and 2,615,726 Parent Units. The acquisition supports the Company's growth in its offering of space structures.

The purchase agreement with the sellers of MIS awarded such sellers with a contingent right to an earnout payment from the Company upon the achievement of certain revenue milestones over the year ended December 31, 2020. The earnout amount would be computed as \$1.50 for every \$1.00 of MIS Revenue (as defined in the purchase agreement), in excess of \$40.0 million for the year ended December 31, 2020, and the contingent earnout would not exceed \$5.0 million or be less than \$0.

The fair value of the earnout is arrived at using the Black-Scholes option pricing model ("OPM") using the following assumptions:

MIS Black-Scholes OPM Assumptions

Risk-free interest rate	0.05 %
Revenue volatility	51.7 %

Including the equity component, the total fair value of the contingent earnout payment of \$1.5 million was settled as of December 31, 2021 for \$2.2 million in cash and \$9.3 million in equity of Holdings of which \$10.9 million was reflected in contingent earnout expense on the consolidated statements of operations and comprehensive income (loss) for the Successor 2021 Period as the adjustment in fair value occurred subsequent to the MIS measurement period.

The following table summarizes the fair value of the consideration transferred and the estimated fair values of the major classes of assets acquired and liabilities assumed as of the acquisition date.

	June 22, 2020
Cash paid	\$ 42,177
Equity issued	2,616
Contingent consideration	600
Purchase consideration	<u>\$ 45,393</u>
Assets:	
Cash	\$ 13,559
Accounts receivable	1,097
Contract assets	665
Property, plant and equipment	451
Intangible assets	35,000
Other non-current assets	676
Total assets	<u>51,448</u>
Liabilities:	
Accounts payable	3,689
Deferred revenue	7,128
Other current liabilities	2,749
Deferred tax liabilities	7,297
Total liabilities	<u>20,863</u>
Fair value of net identifiable assets acquired	<u>30,585</u>
Goodwill	<u>\$ 14,808</u>

The following table summarizes the intangible assets acquired by class:

	June 22, 2020	Weighted average useful life in years
Trademarks	\$ 3,400	6
Technology	16,000	10
Customer relationships	15,600	20
Total intangible assets	<u>\$ 35,000</u>	

The fair value of the acquired trademark and technology was estimated using the RFR method. The fair value of the acquired customer relationships was estimated using the excess earnings method.

The acquisition was accounted for as a business combination, whereby the excess of the purchase consideration over the fair value of identifiable net assets was allocated to goodwill. The goodwill reflects the potential synergies and expansion of the Company's offerings across product lines and markets complementary to its existing products and markets. For tax purposes, the goodwill is not deductible.

During the Successor 2021 Period, there was a measurement period adjustment to goodwill of \$0.5 million, decreasing the balance to \$14.8 million. Refer to Note H for further discussion.

The results of operations of MIS for the period from June 22, 2020 to December 31, 2020 have been included in the results of operations for the Successor 2020 Period. The table below presents the post-acquisition revenues, net

loss, and acquisition-related costs (included in transaction expenses) of MIS included in the consolidated statements of operations and comprehensive income (loss) for the following period:

	<u>Successor Period Ended</u> <u>December 31, 2020</u>
Post-acquisition revenues	\$ 22,061
Net income (loss)	\$ (1,186)
Transaction expenses	\$ 4,132

Roccor Acquisition

On October 28, 2020, the Successor acquired 100% of the equity interest of Roccor in exchange for cash and 1,564,531 Parent Units. The acquisition supports the Company's growth in its offering of space structures.

The purchase agreement with the sellers of Roccor awarded such sellers with a contingent right to an earnout payment from the Company upon the achievement of certain revenue milestones for the year ended December 31, 2021. The earnout amount would be based on one of the following: (i) \$0 if Roccor revenue for the year ended December 31, 2021 is less than \$30.0 million, (ii) \$1.0 million if Roccor revenue for the year ended December 31, 2021 is equal to or greater than \$30.0 million but less than \$40.0 million, (iii) \$2.0 million if Roccor revenue for the year ended December 31, 2021 is equal to or greater than \$40.0 million. The fair value of the Roccor contingent earnout was estimated using the Black-Scholes OPM; the fair value of the Roccor contingent earnout was \$0.6 million as of the acquisition date.

The assumptions used in the Black-Scholes OPM were as follows:

Roccor Black-Scholes OPM Assumptions

Risk-free interest rate	0.1 %
Revenue discount rate	7.0 %
Revenue volatility	30.0 %
Earnout payment discount rate	4.0 %

During the Successor 2021 Period, the revenue based earnout described above and accrued to date of \$0.5 million was recorded in contingent earnout expense on the consolidated statements of operations and comprehensive income (loss). As the Roccor revenue for the year ended December 31, 2021 is equal to or greater than \$30.0 million but less than \$40.0 million, the earnout to be paid to the sellers of Roccor is \$1.0 million, which was fully accrued as of December 31, 2021 and reported as Notes payable to sellers on the consolidated balance sheets.

The purchase agreement also stipulated that certain funds in the amount of \$0.5 million were to be held in escrow (the "PBR Escrow"), subject to a variance (the "PBR Variance"), for the benefit of the sellers. The PBR Variance was defined as the excess revenue recorded by Roccor for the year ended December 31, 2020, based on the difference between Roccor's forecasted revenues and Roccor's actual revenues for the eight months ended August 31, 2020. Upon determination of the PBR Variance, an amount equal to (i) the PBR Escrow less (ii) the PBR Variance will be disbursed to the sellers of Roccor; any remaining PBR Escrow funds will be disbursed to the Company. Since the transfer of the PBR Escrow funds is contingent upon the PBR Variance, the Company's obligation to deliver the PBR Escrow funds net of PBR Variance was determined to be a contingent consideration. The fair value of the PBR Variance was determined to be \$0.4 million as of the acquisition date, therefore contingent consideration related to PBR Escrow was determined to be \$0.1 million. PBR Escrow amount of \$0.1 million was paid to sellers of Roccor in March 2021.

The following table summarizes the fair value of the consideration transferred and the estimated fair values of the major classes of assets acquired and liabilities assumed as of the acquisition date.

	October 28, 2020
Cash paid	\$ 14,999
Equity issued	1,565
Contingent consideration	657
Purchase consideration	<u>\$ 17,221</u>
Assets:	
Cash	\$ 6,161
Accounts receivable	517
Contract assets	1,797
Property, plant and equipment	1,128
Intangible assets	13,400
Other non-current assets	361
Total assets	<u>23,364</u>
Liabilities:	
Accounts payable	1,880
Deferred revenue	3,240
Other current liabilities	5,112
Deferred tax liabilities	1,952
Total liabilities	<u>12,184</u>
Fair value of net identifiable assets acquired	<u>11,180</u>
Goodwill	<u>\$ 6,041</u>

The following table summarizes the intangible assets acquired by class:

	October 28, 2020	Weighted average useful life in years
Trademarks	\$ 1,200	10
Technology	6,500	15
Customer relationships	5,700	20
Total intangible assets	<u>\$ 13,400</u>	

The fair value of the acquired trademark and technology was estimated using the RFR method. The fair value of the acquired customer relationships was estimated using the excess earnings method.

The acquisition was accounted for as a business combination, whereby the purchase consideration over the fair value of identifiable net assets was allocated to goodwill. The goodwill reflects the potential synergies and expansion of the Company's offerings across product lines and markets complementary to its existing products and markets. For tax purposes, the goodwill is not deductible.

During the Successor 2021 Period, there was a measurement period adjustment to goodwill of \$0.7 million, decreasing the balance to \$6.0 million. Refer to Note H for further discussion.

The results of operations of Roccor for the period from October 28, 2020 to December 31, 2020 have been included in the results of operations for the Successor 2020 Period. The table below presents the post-acquisition

revenues, net loss, and acquisition-related costs (included in transaction expenses) of Roccor included in the consolidated statements of operations and comprehensive income (loss) for the following period:

	<u>Successor Period Ended</u> <u>December 31, 2020</u>
Post-acquisition revenues	\$ 5,003
Net income (loss)	\$ 338
Transaction expenses	\$ 1,838

LoadPath Acquisition

On December 11, 2020, the Successor acquired 100% of the equity interest of LoadPath in exchange for cash and 800,000 Parent Units. The acquisition supports the Company's growth in its offering of engineering solutions.

The following table summarizes the fair value of the consideration transferred and the estimated fair values of the major classes of assets acquired and liabilities assumed as of the acquisition date.

	<u>December 11, 2020</u>
Cash paid	\$ 7,598
Equity issued	800
Purchase consideration	\$ 8,398
Assets	
Cash	\$ 995
Accounts receivable	1,208
Contract assets	187
Prepaid expenses and other current assets	2
Property, plant and equipment	42
Intangible assets	4,230
Total assets	6,664
Liabilities	
Accounts payable	334
Deferred revenue	115
Other current liabilities	1,203
Total liabilities	1,652
Fair value of net identifiable assets acquired	5,012
Goodwill	\$ 3,386

The following table summarizes the intangible assets acquired by class:

	December 11, 2020	Weighted average useful life in years
Trademarks	\$ 560	10
Technology	370	10
Customer relationships	3,300	15
Total intangible assets	<u>\$ 4,230</u>	

The fair value of the acquired trademark and technology was estimated using the RFR method. The fair value of the acquired customer relationships was estimated using the excess earnings method.

The acquisition was accounted for as a business combination, whereby the excess of purchase consideration over the fair value of identifiable net assets was allocated to goodwill. The goodwill reflects the potential synergies and expansion of the Company's offerings across product lines and markets complementary to its existing products and markets. For tax purposes, the goodwill is deductible.

During the Successor 2021 Period, there was a measurement period adjustment to goodwill of \$1.4 million, decreasing the balance to \$3.4 million. Refer to Note H for further discussion.

The results of operations of LoadPath for the period from December 11, 2020 to December 31, 2020 have been included in the results of operations for the Successor 2020 Period. The table below presents the post-acquisition revenues, net loss, and acquisition-related costs (included in transaction expenses) of LoadPath included in the consolidated statements of operations and comprehensive income (loss) for the following period:

	Successor Period Ended December 31, 2020
Post-acquisition revenues	<u>\$ 245</u>
Net income (loss)	<u>\$ (32)</u>
Transaction expenses	<u>\$ 1,485</u>

Oakman Acquisition

On January 15, 2021, the Successor acquired 100% of the equity interest of Oakman for cash and 1,000,000 Parent Units. The acquisition supports the Company's growth in its offering of engineering solutions.

The following table summarizes the fair value of the consideration transferred and the estimated fair values of the major classes of assets acquired and liabilities assumed as of the acquisition date.

	January 15, 2021
Cash paid	\$ 12,142
Equity issued	2,110
Purchase consideration	<u>\$ 14,252</u>
Assets:	
Accounts receivable	\$ 1,279
Contract assets	121
Inventory	40
Prepaid expenses and other current assets	50
Property, plant and equipment	493
Intangible assets	7,980
Total assets	<u>9,963</u>
Liabilities:	
Accounts payable	\$ 46
Accrued expenses	2,022
Deferred revenue	253
Other current liabilities	45
Deferred tax liabilities	2,128
Total liabilities	<u>4,494</u>
Fair value of net identifiable assets acquired	<u>5,469</u>
Goodwill	<u>\$ 8,783</u>

The following table summarizes the intangible assets acquired by class:

	January 15, 2021	Weighted average useful life in years
Trademark	\$ 80	1
Technology	4,400	15
Customer relationships	3,500	20
Total intangible assets	<u>\$ 7,980</u>	

The fair value of the acquired trademark and technology was estimated using the RFR method. The fair value of the acquired customer relationships was estimated using the excess earnings method.

The acquisition was accounted for as a business combination, whereby the excess of the consideration paid over the fair value of identifiable net assets was allocated to goodwill. The goodwill reflects the potential synergies and expansion of the Company's offerings across product lines and markets complementary to its existing products and markets. For tax purposes, the goodwill is not deductible.

During the Successor 2021 Period, there was a measurement period adjustment to goodwill of \$1.9 million, increasing the balance to \$8.8 million. Refer to Note H for further discussion.

The results of operations of Oakman for the period from January 15, 2021 to December 31, 2021 have been included in the results of operations for the Successor 2021 Period. The table below presents the post-acquisition

revenues, net income (loss), and acquisition-related costs (included in transaction expenses) of Oakman included in the consolidated statements of operations and comprehensive income (loss) for the following period:

	<u>Successor Period Ended</u> <u>December 31, 2021</u>
Post-acquisition revenues	\$ 4,531
Net income (loss)	\$ (1,762)
Transaction expenses	\$ 657

DPSS Acquisition

On February 17, 2021, the Successor acquired 100% of the equity interest of DPSS in exchange for cash. The acquisition supports the Company's growth in its offering of deployable technology.

The following table summarizes the fair value of the consideration transferred and the estimated fair values of the major classes of assets acquired and liabilities assumed as of the acquisition date.

	<u>February 17, 2021</u>
Cash paid	\$ 27,305
Purchase consideration	\$ 27,305
Assets:	
Cash	\$ 711
Accounts receivable	1,270
Contract assets	1,534
Inventory	3
Prepaid expenses and other current assets	53
Property, plant and equipment	734
Intangible assets	24,370
Other non-current assets	48
Total assets	28,723
Liabilities:	
Accounts payable	1,186
Accrued expenses	1,282
Deferred revenue	4,003
Other current liabilities	63
Deferred tax liabilities	6,138
Total liabilities	12,672
Fair value of net identifiable assets acquired	16,051
Goodwill	\$ 11,254

The following table summarizes the intangible assets acquired by class:

	February 17, 2021	Weighted average useful life in years
Trademark	\$ 170	1
Technology	11,900	20
Customer relationships	12,300	20
Total intangible assets	<u>\$ 24,370</u>	

The fair value of the acquired trademark was determined using the RFR method. The fair value of the acquired customer relationships was determined using the excess earnings method.

The acquisition was accounted for as a business combination, whereby the excess of the purchase consideration over the fair value of identifiable net assets was allocated to goodwill. The goodwill reflects the potential synergies and expansion of the Company's offerings across product lines and markets complementary to its existing products and markets. For tax purposes, the goodwill is not deductible.

During the Successor 2021 Period, there was a measurement period adjustment to goodwill of \$0.4 million, increasing the balance to \$11.3 million. Refer to Note H for further discussion.

The results of operations of DPSS for the period from February 17, 2021 to December 31, 2021 have been included in the results of operations for the Successor 2021 Period. The table below presents the post-acquisition revenues, net income (loss), and acquisition-related costs (included in transaction expenses) of DPSS included in the consolidated statements of operations and comprehensive income (loss) for the following period:

	Successor Period Ended December 31, 2021
Post-acquisition revenues	<u>\$ 26,678</u>
Net income (loss)	<u>\$ (554)</u>
Transaction expenses	<u>\$ 1,605</u>

Techshot Acquisition

On November 1, 2021, the Successor acquired 100% of the equity interest of Techshot in exchange for cash and 3,029,596 shares of common stock. The acquisition supports the Company's growth in its offering of mission solutions.

The following table summarizes the fair value of the consideration transferred and the estimated fair values of the major classes of assets acquired and liabilities assumed as of the acquisition date.

	November 1, 2021
Cash paid	\$ 2,228
Common stock issued	38,493
Purchase consideration	<u>\$ 40,721</u>
Assets:	
Cash	\$ 406
Accounts receivable and other receivable	287
Contract assets	926
Inventory	120
Prepaid expenses and other current assets	86
Property, plant and equipment	14,818
Intangible assets	<u>4,120</u>
Total assets	<u>20,763</u>
Liabilities:	
Accounts payable	39
Accrued expenses	293
Deferred revenue	675
Other current liabilities	35
Deferred tax liabilities	<u>5,521</u>
Total liabilities	<u>6,563</u>
Fair value of net identifiable assets acquired	<u>14,200</u>
Goodwill	<u>\$ 26,521</u>

The following table summarizes the intangible assets acquired by class:

	November 1, 2021	Weighted average useful life in years
Trademark	\$ 240	3
Technology	1,800	10
Customer relationships	1,400	9
IPR&D	680	
Total intangible assets	<u>\$ 4,120</u>	

The amounts above represent the current preliminary fair value estimates but the measurement period is still open and subject to further adjustments as additional information becomes available and as additional analyses and final allocations are completed.

The fair value of the acquired trademark, technology, and IPR&D was estimated using the relief from royalty ("RFR") method. The fair value of the acquired customer relationships was estimated using the excess earnings method.

The acquisition was accounted for as a business combination, whereby the excess of the consideration paid over the fair value of identifiable net assets was allocated to goodwill. The goodwill reflects the potential synergies and expansion of the Company's offerings across product lines and markets complementary to its existing products and markets. For tax purposes, the goodwill is not deductible.

The results of operations of Techshot for the period from November 1, 2021 to December 31, 2021 have been included in the results of operations for the Successor 2021 Period. The table below presents the post-acquisition revenues, net income (loss), and acquisition-related costs (included in transaction expenses) of Techshot included in the consolidated statements of operations and comprehensive income (loss) for the following period:

	Successor Period Ended	
	December 31, 2021	
Post-acquisition revenues	\$	1,563
Net income (loss)		(\$392)
Transaction expenses	\$	1,620

Pro Forma Financial Data (Unaudited)

The tables below present the pro forma combined results of operations for the business combinations for the years ended December 31, 2021 and 2020 as though the acquisitions of Adcole, DSS, MIS, Rocco, and LoadPath (the “2020 business combinations”) had been completed as of January 1, 2019, and the acquisitions of Oakman, DPSS, and Techshot (the “2021 business combinations”) had been completed as of January 1, 2020.

The pro forma information for the year ended December 31, 2021 includes the Successor 2021 Period and the pre-acquisition 2021 results of Oakman, DPSS, and Techshot for the year ended December 31, 2021. The pro forma information for the year ended December 31, 2020 includes the Predecessor 2020 Period, the Successor 2020 Period, and the pre-acquisition results of Adcole, DSS, Rocco, LoadPath, Oakman, DPSS, and Techshot for the year ended December 31, 2020.

	Pro forma for Year Ended			
	December 31, 2021		December 31, 2020	
Revenues	\$	149,295	\$	126,999
Net income (loss)		(57,766)		(7,902)

The amounts included in the pro forma information are based on the historical results and do not necessarily represent what would have occurred if the 2021 business combinations had taken place as of January 1, 2020 and the 2020 business combinations had taken place as of January 1, 2019, nor do they represent the results that may occur in the future. Accordingly, the pro forma financial information should not be relied upon as being indicative of the results that would have been realized had the business combination occurred as of the date indicated or that may be achieved in the future.

During the Successor 2021 Period, the Company incurred \$5.0 million of acquisition related costs attributable to the business combinations, included in the Successor 2021 Period transaction expenses on the consolidated statements of operations and comprehensive income (loss). These expenses are reflected in the pro forma earnings for the year ended December 31, 2020, in the table above.

Note D – Fair Value of Financial Instruments

Cash and cash equivalents, accounts receivable, inventories, prepaid expenses and other current assets, accounts payable, salaries and benefits payable, accrued interest, other accrued expenses and current liabilities are reflected on the consolidated balance sheets at amounts that approximate fair value because of the short-term nature of these financial assets and liabilities.

The fair value of the Company’s debt approximates its carrying value and is classified as a Level 2 fair value in the fair value hierarchy as it is based on discounted cash flows using a current borrowing rate.

The private warrants were valued using a modified Black-Scholes OPM, which is considered to be a Level 3 fair value measurement. Refer to Note P for information on the Level 3 inputs used to value the private warrants.

As of December 31, 2021, contingent consideration consists of estimated future payments related to the Successor's acquisition of Roccor. As certain inputs are not observable in the market, contingent consideration payments are classified as Level 3 instruments and included in notes payable to seller on the Successor's consolidated balance sheets. Significant changes in the significant unobservable inputs used in the Black-Scholes OPM to determine the fair value of contingent consideration would result in a significantly lower or higher fair value measurement. The Company adjusts the previous fair value estimate of contingent consideration at each reporting period while considering changes in forecasted financial performance and overall change in risk based on the period of time elapsed. Refer to Note C for information on the Level 3 inputs used to value the contingent consideration.

Financial liabilities measured at fair value on a recurring basis are as follows:

		Successor			
		December 31, 2021			
	Balance Sheet Location	Level 1	Level 2	Level 3	Total
Liabilities:					
Private warrants	Warrant liabilities	\$ —	\$ —	\$ 19,098	\$ 19,098
Contingent consideration	Notes payable to sellers	—	—	1,000	1,000
Total		<u>\$ —</u>	<u>\$ —</u>	<u>\$ 20,098</u>	<u>\$ 20,098</u>

		Successor			
		December 31, 2020			
	Balance Sheet Location	Level 1	Level 2	Level 3	Total
Liabilities:					
Private warrants	Warrant liabilities	\$ —	\$ —	\$ —	\$ —
Contingent consideration	Notes payable to sellers	—	—	1,257	1,257
Total		<u>\$ —</u>	<u>\$ —</u>	<u>\$ 1,257</u>	<u>\$ 1,257</u>

The changes in the Level 3 fair values of private warrants and contingent consideration are as follows:

	Private Warrants	Contingent Consideration	Total Level 3
Predecessor			
January 1, 2020	\$ —	\$ —	\$ —
Additions	—	—	—
Changes in fair value	—	—	—
Settlements	—	—	—
June 21, 2020	<u>\$ —</u>	<u>\$ —</u>	<u>\$ —</u>
Successor			
February 10, 2020	\$ —	\$ —	\$ —
Additions	—	1,257	1,257
Changes in fair value	—	—	—
Settlements	—	—	—
December 31, 2020	<u>—</u>	<u>1,257</u>	<u>1,257</u>
Additions	21,727	450	22,177
Changes in fair value	(2,629)	10,891	8,262
Settlements	—	(11,598)	(11,598)
December 31, 2021	<u>\$ 19,098</u>	<u>\$ 1,000</u>	<u>\$ 20,098</u>

Note E – Accounts Receivable, net

The accounts receivable, net balance was as follows:

	Successor	
	December 31, 2021	December 31, 2020
Accounts receivable, net		
Billed receivables	\$ 14,820	\$ 5,352
Unbilled receivables	1,442	705
Total accounts receivable, net	<u>\$ 16,262</u>	<u>\$ 6,057</u>

Accounts receivable are recorded for amounts to which the Company is entitled and has invoiced to the customer. Unbilled receivables consist of unbilled amounts as of December 31, 2021 under T&M contracts where billing and payment is subject solely to the passage of time. There was no allowance for doubtful accounts as of December 31, 2021 and December 31, 2020.

Note F – Inventory

The inventory balance was as follows:

	Successor	
	December 31, 2021	December 31, 2020
Raw materials	\$ 414	\$ 330
Work in process	117	—
Finished goods	157	—
Inventory, net	<u>\$ 688</u>	<u>\$ 330</u>

Note G – Property, Plant and Equipment, net

The property, plant and equipment, net balances were as follows:

	Successor	
	December 31, 2021	December 31, 2020
Computer equipment	\$ 1,380	\$ 739
Furniture and fixtures	783	442
Laboratory equipment	16,856	1,357
Software	—	359
Leasehold improvements	2,205	672
Construction in process	415	—
Less: accumulated depreciation	(2,255)	(307)
Total property, plant and equipment, net	<u>\$ 19,384</u>	<u>\$ 3,262</u>

The table below presents the depreciation expense related to property, plant and equipment for the following periods:

	Successor		Predecessor
	Year Ended December 31, 2021	Period from February 10, 2020 to December 31, 2020	Period from January 1, 2020 to June 21, 2020
Depreciation expense	<u>\$ 1,944</u>	<u>\$ 307</u>	<u>\$ 59</u>

The depreciation expense for the Successor 2021 Period, included \$0.1 million of accelerated depreciation due to a reduction of the estimated useful life for certain assets as a result of the early termination of the underlying lease. Refer to Note K for further information.

The Company occasionally designs and builds its own machinery. The cost of these projects, including direct material and labor, and other indirect costs attributable to the construction, are capitalized as construction in progress. No provision for depreciation is made on construction in progress until the related assets are completed and placed in service.

Note H – Goodwill

The Company performed an annual qualitative assessment of impairment of goodwill as of October 1, 2021 and 2020 for each of the three reporting units, Mission Solutions, Space Components, and Engineering Services, concluding there was no impairment. The Company also concluded that there were no indicators of goodwill impairment requiring further testing during the Successor 2021 Period.

The changes in the carrying amount of goodwill were as follows:

	Successor
Balance of goodwill as of February 10, 2020	\$ —
Goodwill arising from the Adcole acquisition	21,525
Goodwill arising from the DSS acquisition	3,984
Goodwill arising from the MIS acquisition	15,320
Goodwill arising from the Roccoor acquisition	6,725
Goodwill arising from the LoadPath acquisition	4,813
Change arising from impact of foreign currency	344
Balance of goodwill as of December 31, 2020	52,711
Goodwill arising from the Oakman acquisition	6,866
Goodwill arising from the DPSS acquisition	10,904
Goodwill arising from the Techshot acquisition	26,521
Measurement period adjustment — DSS acquisition	(85)
Measurement period adjustment — MIS acquisition	(512)
Measurement period adjustment — Roccoor acquisition	(684)
Measurement period adjustment — DPSS acquisition	350
Measurement period adjustment — Oakman acquisition	1,917
Measurement period adjustment — LoadPath acquisition	(1,427)
Change arising from impact of foreign currency	(247)
Balance of goodwill as of December 31, 2021	\$ 96,314

The Company's estimate of the amount payable to/receivable from the seller as of the acquisition date changed during the Successor 2021 Period resulting in measurement period adjustments for DSS, MIS, Roccoor and DPSS. These changes primarily related to the settlement of net working capital adjustments.

During the Successor 2021 Period, LoadPath finalized its predecessor tax return which included an election for which assets and liabilities are recorded at fair value and no differences between book and tax basis exist at the acquisition date, resulting in a measurement period adjustment to the deferred tax liability recorded at acquisition. Based on the Company's continued refinement of estimates around the LoadPath percentage of completion calculation, during the Successor 2021 Period, the Company recorded a measurement period adjustment to reduce the deferred revenue balance with a corresponding reduction to the goodwill balance as of the acquisition date.

Also during the Successor 2021 Period, the Company continued to refine its estimates around the valuation of intangible assets from the acquisition of Oakman. Based on the fair value methodologies described in Note C, a measurement period adjustment was recognized to reduce the fair value of intangible assets with a corresponding increase in goodwill as of the acquisition date.

Note I – Intangible Assets, net

The intangible asset gross carrying amount and accumulated amortization were as follows:

	Successor			
	December 31, 2021			
	Gross carrying amount	Accumulated amortization	Net carrying amount	Weighted average useful life in years
Finite-lived intangible assets:				
Customer relationships	\$ 48,612	\$ (3,592)	\$ 45,020	19
Technology	43,339	(5,894)	37,445	14
Trademarks	6,807	(1,572)	5,235	7
Internal-use software licenses	2,292	(385)	1,907	3
Indefinite-lived intangible assets:				
Cosmos Tradename	300	—	300	
IPR&D	935	—	935	
Total intangible assets	\$ 102,285	\$ (11,443)	\$ 90,842	

	Successor			
	December 31, 2020			
	Gross carrying amount	Accumulated amortization	Net carrying amount	Weighted average useful life in years
Finite-lived intangible assets:				
Customer relationships	\$ 31,541	\$ (899)	\$ 30,642	19
Technology	25,368	(1,508)	23,860	12
Trademarks	6,344	(393)	5,951	9
Indefinite-lived intangible assets:				
Cosmos Tradename	300	—	300	
IPR&D	208	—	208	
Total intangible assets	\$ 63,761	\$ (2,800)	\$ 60,961	

The table below presents the amortization expense related to intangible assets for the following periods:

	Successor		Predecessor
	Year Ended December 31, 2021	Period from February 10, 2020 to December 31, 2020	Period from January 1, 2020 to June 21, 2020
Amortization expense	\$ 8,640	\$ 2,800	\$ —

The table below presents the future amortization expense on intangible assets as of December 31, 2021:

Year	Total
2022	\$ 9,443
2023	9,304
2024	8,664
2025	7,768
2026	7,221
Thereafter	47,207
Total future amortization expense on intangible assets	<u>\$ 89,607</u>

Note J – Debt

Adams Street Capital Credit Agreement

On October 28, 2020, the Company entered into a credit agreement with Adams Street Capital (the “Adams Street Credit Agreement”). The Adams Street Credit Agreement includes a \$31.0 million term loan commitment, \$5.0 million revolving credit facility commitment, and \$15.0 million delayed draw term loan, all of which mature on October 28, 2026. On January 15, 2021, the Company drew \$15.0 million on the delayed draw term loan to finance the Oakman acquisition. On February 17, 2021, the Company amended the Adams Street Capital Credit Agreement to increase the principal amount of the Adams Street Term Loan by an additional \$ 32.0 million, which was incurred to finance the DPSS acquisition. On July 30, 2021, we drew \$3.0 million on the revolving credit facility and repaid the \$3.0 million draw down on September 23, 2021. There were no borrowings outstanding under the revolving credit facility as of December 31, 2021 and December 31, 2020.

On September 2, 2021, the Adams Street Credit Agreement was amended to provide that the consolidated total net leverage ratio not exceed 6.50:1.00 on the last day of any quarter (“the Financial Covenant”), to remove the cap on the amount of unrestricted cash which may be netted for purposes of the Financial Covenant, to redefine “Consolidated EBITDA”, and to reset the call protection terms.

In December 2021, the Company entered into a Consent to Credit Agreement whereby Adams Street Capital agreed to an extension of the delivery of periodic financial statements required under the Adams Street Credit Agreement. As of December 31, 2021 and December 31, 2020, the Company was in compliance with the covenant requirements.

Silicon Valley Bank Loan Agreement

On August 31, 2020, the Company entered into a \$45.4 million loan agreement with Silicon Valley Bank, which was subsequently modified to increase the principal to \$51.1 million on October 28, 2020 (the “SVB Loan”). On April 2, 2021, the Company amended the SVB Loan Agreement to extend the term from August 2021 to September 30, 2022. On September 2, 2021, the Company repaid the full outstanding principal and interest on the SVB Loan.

Paycheck Protection Program (“PPP”) Loan

On May 1, 2020, prior to its acquisition, DSS received a PPP Loan for \$1.1 million (the “DSS PPP Loan”). Under the terms of the DSS PPP Loan, DSS could apply for forgiveness under the PPP regulations if DSS used the proceeds of the loan for its payroll costs and other expenses in accordance with the requirements of the PPP. Proceeds from the DSS PPP loan, including interest calculated at a nominal and effective interest rate of 1.00% per annum, were included in a DSS savings account as of the DSS acquisition date. Any amount of the DSS PPP Loan forgiven and proportionate interest amount will be released to the seller of DSS. The Company did not use any of the DSS PPP Loan funds assumed as part of the DSS acquisition. On June 18, 2021, \$0.6 million of the DSS PPP Loan was forgiven and as a result was reclassified as a note payable to the seller of DSS. During the Successor 2021 Period, the Company repaid the \$0.6 million note payable to the seller of DSS and the remaining outstanding principal and interest of \$0.5 million on the DSS PPP loan.

D&O Financing Loan

On September 3, 2021, the Company entered into a \$3.0 million loan (the “D&O Financing Loan”) with BankDirect Capital Finance to finance the Company’s directors and officers insurance premium. The D&O Financing Loan has an interest rate of 1.74% per annum and a maturity date of May 3, 2022.

The table below presents details of the Company’s debt as of the following periods including the effective interest rate as of December 31, 2021:

	Effective interest rate	Successor	
		December 31, 2021	December 31, 2020
Adams Street Term Loan	7.58 %	\$ 30,690	\$ 31,000
Adams Street Revolving Credit Facility	7.00	—	—
Adams Street Delayed Draw Term Loan	7.57	14,850	—
Adams Street Incremental Term Loan	7.47	31,760	—
SVB Loan	—	—	46,500
DSS PPP Loan	—	—	1,058
D&O Financing Loan	1.75	1,904	—
Total debt		79,204	78,558
Less: unamortized discounts and issuance costs		1,653	842
Total debt, net		77,551	77,716
Less: Short-term debt, including current portion of long-term debt		2,684	1,074
Total long-term debt, net		\$ 74,867	\$ 76,642

The maturities of the Company’s long-term debt outstanding as of December 31, 2021 are as follows:

	2022	2023	2024	2025	2026	Thereafter	Total
Adams Street Term Loan	\$ 310	\$ 310	\$ 310	\$ 310	\$ 29,450	\$ —	\$ 30,690
Adams Street Delayed Draw Term Loan	150	150	150	150	14,250	—	14,850
Adams Street Incremental Term Loan	320	320	320	320	30,480	—	31,760
D&O Financing Loan	1,904	—	—	—	—	—	1,904
Total long-term debt maturities	\$ 2,684	\$ 780	\$ 780	\$ 780	\$ 74,180	\$ —	\$ 79,204

The table below presents the interest expense on debt, including the amortization of discounts and issuance costs for the following periods:

	Successor		Predecessor
	Year Ended December 31, 2021	Period from February 10, 2020 to December 31, 2020	Period from January 1, 2020 to June 21, 2020
Interest expense on debt	\$ 6,458	\$ 878	\$ 83

Liquidity Risks and Uncertainties

The Company’s primary sources of liquidity are cash flows provided by operations, access to existing credit facilities and proceeds from the Merger. Prior to becoming a public company, in the Successor 2020 period, AEI provided an additional source of liquidity to facilitate the purchase of Adcole, DSS and MIS.

Liquidity risk refers to the risk that the Company will be unable to finance its operations due to a loss of access to existing sources of liquidity and the Company's ability to meet its financial obligations as they become due.

Since its inception, the Company has incurred net losses and negative operating cash flows, in addition to other cash uses associated with capital expenditures, costs associated with the Company's acquisitions, and costs associated with the Merger, among other uses. While some of these cash outflows have been non-recurring in nature, the Company has continued to experience net cash outflows from operating activities. While the Company believes its continued growth and cash flow management will result in improvements in cash flow usage from operating activities going forward, there can be no assurance these improvements will be achieved.

As of December 31, 2021, total available liquidity was \$25.5 million, comprised of \$20.5 million in cash and cash equivalents and \$5.0 million in available borrowings from our existing credit facilities. As further disclosed in Note U, on March 25, 2022, our existing credit facilities were amended to, among other things, increase commitments under the revolving credit facility to \$25.0 million. The Company believes that existing sources of liquidity will be sufficient to meet its working capital needs and comply with its debt covenants for at least the next twelve months from the date on which the consolidated financial statements were issued. As part of the Company's debt management strategy, management continuously evaluates opportunities to further strengthen the Company's financial position including the issuance of additional equity or debt securities, refinance or otherwise restructure the existing credit facilities, or enter into new financing arrangements. In addition, the Company has identified a plan to execute certain cost reduction actions including, among others, integration-related workforce rationalizations, real estate synergies, business unit optimization initiatives, and cost savings associated with certain Corporate level employment costs. There can be no assurances that any of these actions will be sufficient to allow the Company to service its debt obligations, meet its debt covenants, or that such actions will not result in an adverse impact on our business.

Note K – Leases

The Company is obligated under certain operating leases for its facilities and office equipment. Certain facility leases contain predetermined fixed escalation of minimum rents at rates ranging from 1.96% to 4.00% per annum and renewal options that could extend certain leases up to an additional nine years; the office equipment lease contains a renewal option that could extend the lease to consecutive 60-day terms and a purchase option.

During the Successor 2021 Period, the Company negotiated the early termination of a lease agreement for office space located in Littleton, Colorado. With an original termination date in December 2027, the early termination reduced the Company's total future minimum lease obligations by \$1.6 million.

As of December 31, 2021, the future annual minimum lease payments for operating leases are as follows:

Year	Total
2022	\$ 4,330
2023	4,517
2024	4,625
2025	4,015
2026	3,030
Thereafter	5,772
Total future annual minimum lease payments	<u>\$ 26,289</u>

The Company records rent expense on a straight-line basis over the life of the lease. The table below presents the rent expense under all leases for the following periods:

	Successor		Predecessor
	Year Ended December 31, 2021	Period from February 10, 2020 to December 31, 2020	Period from January 1, 2020 to June 21, 2020
Rent expense on leases	\$ 3,424	\$ 1,091	\$ 228

Note L – Income Taxes

The table below presents the current and deferred components of income tax expense (benefit) for the following periods:

	Successor		Predecessor
	Year Ended December 31, 2021	Period from February 10, 2020 to December 31, 2020	Period from January 1, 2020 to June 21, 2020
Current:			
Federal	\$ —	\$ —	\$ (387)
State	—	—	3
Foreign	—	—	—
Total current income tax expense (benefit)	—	—	(384)
Deferred:			
Federal	(9,376)	(3,064)	—
State	(1,893)	(595)	—
Foreign	—	—	—
Total deferred income tax expense (benefit)	(11,269)	(3,659)	—
Total income tax expense (benefit)	\$ (11,269)	\$ (3,659)	\$ (384)

A reconciliation of the U.S. federal statutory income tax expense to actual income tax expense is as follows:

	Successor		Predecessor
	Year Ended December 31, 2021	Period from February 10, 2020 to December 31, 2020	Period from January 1, 2020 to June 21, 2020
Income (loss) before income taxes	\$ (72,806)	\$ (18,033)	\$ (1,718)
Federal statutory income tax rate	21.0 %	21.0 %	21.0 %
Expected federal provision (benefit) for income taxes at the federal statutory income tax rate	(15,289)	(3,787)	(361)
State income tax (benefit), net of federal tax benefit	(1,946)	(595)	29
Research and development tax credits	324	(20)	(460)
Permanent differences	1,931	57	(17)
Tax (benefits) / non-deductible expenses related to equity-based compensation	5,228	—	(119)
Acquisition costs	(1,106)	685	—
Reserves for unrecognized income tax benefits	(273)	1	386
Change in valuation allowance	458	—	129
Other	(596)	—	29
Total tax expense (benefit)	\$ (11,269)	\$ (3,659)	\$ (384)
Effective tax rate	15.5 %	20.3 %	22.4 %

The effective tax rate for the Successor 2021 Period differs from the U.S. federal income tax rate of 21.0% primarily due to nondeductible compensation costs on the Class P Unit Incentive plan, contingent earnout payments from the MIS acquisition and state income tax expense. The effective tax rate for the Successor 2020 Period differs from the U.S. federal income tax rate of 21.0% primarily due to acquisition costs and state income tax expense. The effective tax rate for the Predecessor 2020 Period differs from the U.S. federal income tax rate of 21.0% primarily due to the full valuation allowance of the net deferred tax asset offset by the income tax benefit of the carry back of net operating losses under the Coronavirus Aid, Relief and Economic Security Act (“CARES Act”).

The table below presents the components of the deferred tax assets, net and deferred tax liabilities:

	Successor as of	
	December 31, 2021	December 31, 2020
Deferred tax assets:		
Accrued expenses and reserves	\$ 1,106	\$ 493
Deferred rent	58	82
Tax credit carryforwards	226	346
Deferred revenue	636	1,168
Net operating loss carryforwards	12,052	3,467
Interest disallowance	1,921	271
Equity-based compensation	566	—
Other assets	14	—
Total deferred tax assets	16,579	5,827
Less: valuation allowance	(515)	(57)
Deferred tax assets, net of valuation allowance	16,064	5,770
Deferred tax liabilities:		
Depreciation and amortization	(23,922)	(12,949)
Other	(743)	(188)
Deferred tax liabilities	(24,665)	(13,137)
Total net deferred tax assets (liabilities)	\$ (8,601)	\$ (7,367)

In assessing the realizability of deferred income tax assets, the Company considers whether it is more-likely-than-not that some or all of the deferred income tax assets will not be realized. The ultimate realization of the deferred income tax assets is dependent upon the generation of future taxable income during the periods in which the net operating loss (“NOL”) carryforwards are available. For the Successor 2021 Period and Successor 2020 Period, the Company has concluded that substantially all of the deferred tax assets in the U.S. are more-likely-than-not realizable and that foreign deferred tax assets are more-likely-than not to expire before realization.

As of December 31, 2021, the Company had \$45.2 million of U.S. federal net operating losses resulting in U.S. federal, state (net), and foreign deferred tax assets of \$9.5 million, \$2.0 million, and \$0.5 million, respectively. The \$9.5 million in U.S. federal net operating loss carryforwards may be carried forward indefinitely to reduce future taxable income for U.S. federal tax purposes, while certain state net operating losses will begin to expire in 2038. Foreign net operating losses will begin to expire in 2036. The Company has federal and state NOL and other tax credit carryforwards. Due to changes in the Company’s ownership, the utilization of net operating loss carryforwards and research and development credit carryforwards, that can be used to offset future taxable income, are subject to annual limits in accordance with Internal Revenue Code (IRC) Section 382, as well as similar state provisions. The Company does not expect Section 382 to limit the Company’s ability to realize its deferred tax assets.

The table below presents changes in reserves for unrecognized income tax benefits for the periods presented:

	Successor		Predecessor
	Year Ended December 31, 2021	Period from February 10, 2020 to December 31, 2020	Period from January 1, 2020 to June 21, 2020
Unrecognized tax benefits, beginning of period	\$ 1,671	\$ 1,671	\$ 1,275
Increase (decrease) for tax positions taken related to a prior period	(291)	—	105
Increase (decrease) for tax positions taken during the current period	—	—	291
Unrecognized tax benefits, end of period	<u>\$ 1,380</u>	<u>\$ 1,671</u>	<u>\$ 1,671</u>

During the Successor 2021 Period, Successor 2020 Period and Predecessor 2020 Period, the Company did not recognize certain tax benefits from uncertain tax positions within the provision for income taxes. As of December 31, 2021, the Company's estimated gross unrecognized tax benefits were \$1.4 million, of which \$1.3 million if recognized would favorably impact the Company's future earnings. The Company believes there will be no material changes to unrecognized tax benefits within the next twelve months. Due to uncertainties in any tax audit outcome, estimates of the ultimate settlement of our unrecognized tax positions may change and the actual tax benefits may differ from the estimates. During the Successor 2021 Period, Successor 2020 Period and Predecessor 2020 Period, the Company did not recognize any interest and penalties in the consolidated statements of operations.

The Company and its subsidiaries file income tax returns in various U.S. and foreign jurisdictions. As of December 31, 2021, the Company is subject to examination by the IRS for tax years beginning in 2018. The Company is open to state and foreign income tax examinations until the applicable statute of limitations expires, generally four years after tax return filing for state income tax and five years for foreign income tax; however, the ability for the taxing authority to adjust tax attribute carryforwards will continue until the applicable statute of limitations expires after tax attribute utilization or expiration.

Note M – Employee Benefit Plans

401(k) Plans

The Company maintains six qualified 401(k) plans for its U.S. employees: the Redwire 401(k) plan, the Rocco 401(k) plan, the LoadPath 401(k) plan, the Oakman 401(k) plan, the DPSS 401(k) plan and the Techshot 401(k) plan. During the Successor 2021 Period, the Company matched employee contributions 50% up to 6% for the Redwire 401(k) plan and matched employee contributions 100% up to 4% for the Rocco 401(k) plan, 100% up to 6% for the LoadPath 401(k) plan, 100% up to 3% and then 50% of the next 2% for the Oakman 401(k), 100% up to 3% and then 50% of the next 2% for the DPSS 401(k) plan, and 50% up to 8% for the Techshot 401(k) plan. During the Successor 2020 Period, the Company matched employee contributions up to 50% up to 6% for the Redwire 401(k) plan. The Predecessor maintained a qualified 401(k) plan (the "Predecessor 401(k) Plan") for its U.S. employees.

The table below presents the expense for matching contributions for the following periods:

	Successor		Predecessor
	Year Ended December 31, 2021	Period from February 10, 2020 to December 31, 2020	Period from January 1, 2020 to June 21, 2020
Expense for matching contributions, included in:			
Cost of sales	\$ 2,143	\$ 187	\$ —
Selling, general and administrative	156	—	—
Total expense for matching contributions	<u>\$ 2,299</u>	<u>\$ 187</u>	<u>\$ —</u>

Note N – Commitments and Contingencies

Contingencies in the Normal Course of Business

Under certain contracts with the U.S. government and certain governmental entities, contract costs, including indirect costs, are subject to audit by and adjustment through negotiation with governmental representatives. Revenue is recorded in amounts expected to be realized on final settlement of any such audits.

Legal Proceedings

The Company is subject to litigation, claims, investigations and audits arising from time to time in the ordinary course of business. Although legal proceedings are inherently unpredictable, the Company believes that it has valid defenses with respect to any matters currently pending against the Company and intends to defend itself vigorously. Excluding pending matters disclosed below, the outcome of these matters, individually and in the aggregate, is not expected to have a material impact on the Company's consolidated financial statements.

On November 5, 2021, the Company was notified of potential accounting issues with a business unit by an employee in connection with his resignation. Management promptly informed the independent Audit Committee and its independent registered public accounting firm. The timing of the investigation prevented the timely filing of our Quarterly Report on Form 10-Q for the quarter ended September 30, 2021. The Audit Committee promptly engaged independent, external legal and accounting firms to complete an independent investigation. After completing its investigation, the Audit Committee concluded that the potential issues raised by the former employee did not require a restatement or adjustment of the Company's previously issued consolidated financial statements relating to any prior periods. However, the results of the investigation confirmed the existence of previously identified internal control deficiencies as well as identified certain additional internal control deficiencies. The Company self-reported this matter to the Securities and Exchange Commission ("SEC") on November 8, 2021 and intends to continue to cooperate with any requests from the SEC.

Additionally, on December 17, 2021, the Company, our CEO, Peter Cannito, and our CFO, William Read, were named as defendants in a putative class action complaint filed in the United States District Court for the Middle District of Florida. In the complaint, the plaintiff alleges that the Company and certain of its directors and officers made misleading statements and/or failed to disclose material facts about the Company's business, operations, and prospects, allegedly in violation of Section 10(b) (and Rule 10b-5 promulgated thereunder) and Section 20(a) of the Securities Exchange Act of 1934. As relief, the plaintiffs are seeking, among other things, compensatory damages. The defendants believe the allegations are without merit and intend to defend the suit vigorously. However, given the early stage of the proceedings, a reasonable estimate of the amount of any possible loss or range of loss cannot be made at this time.

Business Combinations

The Company has acquired and plans to continue to acquire businesses with prior operating histories. These acquisitions may have unknown or contingent liabilities, which the Company may become responsible for and could have a material impact on the Company's future operating results and cash flows. In addition, the Company may incur acquisition costs, regardless of whether or not the acquisition is ultimately completed, which may be material to future periods.

Note O – Shareholders' Equity

The Successor's 100 issued and outstanding Successor units ("Units") as of December 31, 2020 were cancelled and exchanged for 37,200,000 shares of common stock as part of the closing of the Merger. Refer to the consolidated statement of changes in shareholders' equity for further details.

On September 2, 2021, the Company approved the authorization to issue up to 500,000,000 shares of common stock at a \$0.0001 par value per share and 100,000,000 shares of preferred stock at a \$0.0001 par value per share.

Common Stock

The Company had 62,690,869 and 37,200,000 shares of common stock outstanding as of December 31, 2021 and December 31, 2020, respectively. The units of the Company prior to the Merger have been retroactively restated to reflect the exchange ratio established in the Merger (computed as 37,200,000 shares of common stock to 100 Company units).

Dividend Rights

Subject to applicable law and the rights, if any, of the holders of any outstanding series of the Company's preferred stock or any class or series of stock having a preference over or the right to participate with the Company's common stock with respect to the payment of dividends, dividends may be declared and paid ratably on the Company's common stock out of the assets of the Corporation that are legally available for this purpose at such times and in such amounts as the Company's Board in its discretion shall determine.

Voting Rights

Each outstanding share of the Company's common stock is entitled to one vote on all matters submitted to a vote of shareholders. Holders of shares of common stock do not have cumulative voting rights.

Conversion or Redemption Rights

The Company's common stock is neither convertible nor redeemable.

Liquidation Rights

Upon the Company's liquidation, the holders of the Company's common stock are entitled to receive prorata the Company's assets that are legally available for distribution, after payment of all debts and other liabilities and subject to the prior rights of any holders of the Company's preferred stock then outstanding.

Preferred Stock

The Company had no shares of preferred stock outstanding as of December 31, 2021 and December 31, 2020, respectively.

The Company's Board may, without further action by the Company's shareholders, from time to time, direct the issuance of shares of preferred stock in series and may, at the time of issuance, determine the designations, powers, preferences, privileges and relative participating, optional or special rights as well as the qualifications, limitations or restrictions thereof, including dividend rights, conversion rights, voting rights, terms of redemption and liquidation preferences, any or all of which may be greater than the rights of the Company's common stock. Satisfaction of any dividend preferences of outstanding shares of the Company's preferred stock would reduce the amount of funds available for the payment of dividends on shares of the Company's common stock. Upon the affirmative vote of a majority of the total number of directors then in office, the Company's Board may issue shares of the Company's preferred stock with voting and conversion rights which could adversely affect the holders of shares of the Company's common stock.

Note P - Warrants

Public Warrants

Each public warrant entitles the registered holder to purchase one share of common stock at a price of \$1.50 per share, subject to adjustment. Pursuant to the warrant agreement, a warrant holder may exercise its warrants only for a whole number of shares of common stock. This means only a whole warrant may be exercised at a given time by a warrant holder. The warrants will expire on September 2, 2026, at 5:00 p.m., New York City time, or earlier upon redemption or liquidation.

The Company may call the public warrants for redemption as follows: (1) in whole and not in part; (2) at a price of \$0.01 per warrant; (3) upon a minimum of 30 days prior written notice of redemption; and (4) only if the last

reported closing price of the common stock equals or exceeds \$18.00 per share for any 20 trading days within a 30-trading day period ending on the 3rd trading day prior to the date on which the Company sends the notice of redemption to the warrant holders.

If the Company calls the public warrants for redemption, management will have the option to require all holders that wish to exercise the Company public warrants to do so on a “cashless basis.”

The exercise price and number of shares of common stock issuable upon exercise of the warrants may be adjusted in certain circumstances including a consolidation, combination, reverse stock split or reclassification of shares of the Company’s common stock or other similar event. In no event will the Company be required to net cash settle the warrant shares.

As of December 31, 2021, there were 8,188,811 public warrants issued and outstanding.

Private Warrants

The terms and provisions of the public warrants above also apply to the private warrants. If the private warrants are held by holders other than Sponsor, Jefferies, Holdings or their respective permitted transferees, the private warrants will be redeemable by the Company and exercisable by the holders on the same basis as the public warrants. The Sponsor, Jefferies, Holdings and their respective permitted transferees have the option to exercise the private placement warrants on a cashless basis.

The private warrants were valued at \$2.81 and \$2.47 per warrant as of September 2, 2021 and December 31, 2021, respectively, under the Black-Scholes OPM using the following assumptions:

	September 2, 2021	December 31, 2021
Exercise price	\$ 11.50	\$ 11.50
Common stock price	\$ 10.50	\$ 6.75
Expected option term (years)	5	4.67
Expected volatility	32.80 %	60.50 %
Risk-free rate of return	0.78 %	1.21 %
Expected annual dividend yield	— %	— %

The fair value of the private warrants decreased \$2.6 million between the initial valuation as of the date the warrants were assumed on September 2, 2021 and December 31, 2021. The fair value decrease is reflected in other (income) expense, net on the consolidated statements of operations and comprehensive income (loss) for the Successor 2021 Period.

As of December 31, 2021, there were 7,732,168 private warrants issued and outstanding.

Note Q – Equity-Based Compensation

Predecessor Plans

Prior to June 22, 2020 the Predecessor maintained two equity-based compensation plans, which are described below.

The Predecessor maintained a plan to provide a performance incentive and to encourage stock ownership by employees, officers, and directors of the Predecessor (“the 2011 Equity Incentive Plan”). 1,000,000 Predecessor common stock shares were reserved and available for grant and issuance pursuant to the 2011 Equity Incentive Plan. Under the 2011 Equity Incentive Plan, incentive stock options (“ISOs”) could only be granted to employees, while non-qualified stock options (“NQSOs”) could be granted to employees, officers, directors, and other service providers of the Predecessor.

Between 2014 and 2017, the Predecessor extended loans to three key members of management for the purchase of Predecessor shares for a principal of \$1.0 million (the "Predecessor Promissory Notes"). The Predecessor Promissory Notes were secured by the underlying shares and were nonrecourse to the respective debtor's personal assets. The Predecessor Promissory Notes carried interest at between 1.85% and 1.91% per annum, and were expected to mature between April 2020 and June 2023 or earlier upon the occurrence of certain events specified in the Predecessor Promissory Notes.

The Predecessor Promissory Notes represented in-substance ISOs with a grant date fair value of \$0.5 million and the equity-based compensation expense related to them was recognized over the requisite service period of four years. Pursuant to the Recapitalization, a Release of Security Interest Agreement, dated October 17, 2019, was executed between the three debtors of the Predecessor Promissory Notes and the Predecessor. The Release of Security Interest Agreement stipulated the release of the Predecessor's security interest in the portion of the Common Stock issued to each debtor of the Predecessor Promissory Notes that was reclassified to Class F Common Stock and to Preferred Stock in the Recapitalization, while retaining the security interest in the portion that remained as Common Stock after the Recapitalization. These events resulted in a modification of the original in-substance options associated with the Predecessor Promissory Notes; the total incremental cost resulting from this modification was \$2.2 million.

Successor Plans

On December 31, 2021, the Company has three equity-based compensation plans, which are described below.

Holdings, the Company's former parent adopted a written compensatory benefit plan (the "Class P Unit Incentive Plan") to provide incentives to existing or new employees, officers, managers, directors, or other service providers of the Company or its subsidiaries in the form of Holdings' Class P Units ("Incentive Units"). Incentive Units have a participation threshold of \$1.00 and are divided into three tranches ("Tranche I," "Tranche II," and "Tranche III"): Tranche I, Tranche II, and Tranche III Incentive Units were subject to performance-based, service-based, and market-based conditions.

On September 2, 2021, the company's board of directors adopted the Redwire Corporation 2021 Omnibus Incentive Plan (the "Plan") which authorizes the grant of stock options (incentive and non-qualified), stock appreciation rights, restricted stock, restricted stock units, and other cash or share-based awards to employees, officers, non-employee directors and consultants of the Company. The Company reserved an aggregate of 7,936,136 shares (subject to annual increases on January 1 of each year beginning in 2022 and ending with a final increase on January 1, 2031) of the Company's common stock for grants under the Plan. Incentive stock options may only be granted to employees and officers employed by the Company. The Plan appoints the board of directors, the compensation committee or such other committee consisting of two or more individuals (the "Committee") appointed by the board to administer the Plan. Awards under the Plan will contain such terms and conditions not inconsistent with the Plan as the Committee in its discretion approves. The Committee has discretion to administer the Plan in the manner which it determines, from time to time, is in the best interest of the Company.

On September 2, 2021, the company's board of directors adopted the Redwire Corporation 2021 Employee Stock Purchase Plan (the "ESPP") which authorizes the grant of rights to purchase common stock of the Company to employees, officers and directors (if they are otherwise employees) of the Company. The Company reserved an aggregate of 755,822 common shares (subject to annual increases on January 1 of each year beginning in 2022 for a period of up to ten years) of the Company's common stock for grants under the ESPP. The ESPP appoints the Compensation Committee (the "Committee") to administer the ESPP. Awards under the ESPP will contain such terms and conditions not inconsistent with the ESPP as the Committee in its discretion approves. The Committee has discretion to administer the ESPP in the manner which it determines, from time to time, is in the best interest of the Company. As of December 31, 2021, no awards had been granted under the ESPP.

Promissory Notes

The assumptions used in determining the fair value of the in-substance ISOs represented by the Predecessor Promissory Notes for the Predecessor 2020 Period were as follows:

	Predecessor	
	Period from January 1, 2020 to June 21, 2020	
Range of expected time to exit (years)	3 to	5
Range of volatilities	55.00 % to	63.09 %
Range of Predecessor Promissory Notes interest rates	1.85 % to	1.91 %
Range of risk-free interest rates	1.33 % to	1.62 %

The expected time to exit used in the determination of the fair value of the Predecessor Promissory Notes was based on the expected time to liquidity assessed by the Predecessor. The historical volatility used in the determination of the fair value of the in-substance ISOs represented by the Predecessor Promissory Notes was based on analysis of the historical volatility of comparable public companies and factors specific to the Predecessor.

The grant date fair value of the Predecessor in-substance shares vested was \$12 thousand for the Predecessor 2020 Period.

A summary of the activity of the Predecessor Promissory Notes is as follows:

	In-substance ISO's represented by the Predecessor Promissory Notes	Weighted-average exercise price
Predecessor Outstanding as of December 31, 2019	1,028,784	\$ 0.99
Settled or cancelled	(1,028,784)	0.99
Outstanding as of December 31, 2020	<u>\$ —</u>	<u>\$ —</u>

Incentive Units

On March 24, 2021 ("modification date"), Holdings, the Company's former parent amended the Class P Unit Incentive Plan so that the Tranche I and the Tranche III Incentive Units became fully vested, upon the closing of the Merger. Holdings also amended the Class P Unit Incentive Plan so that the Tranche II Incentive Units would vest on any liquidation event, as defined in the Class P Unit Incentive Plan, rather than only upon consummation of the sale of Holdings, subject to the market-based condition stipulated in the Class P Unit Incentive Plan prior to its amendment.

As a result of the Merger, Tranches I and III Incentive Units vested on September 2, 2021 ("vesting date") and the performance vesting condition was met for the Tranche II Incentive Units. The fair value determined at the date of the amendment of the Class P Unit Incentive Plan was immediately recognized as compensation expense on the vesting date for Tranches I and III. Compensation expense for the Tranche II Incentive Units is being recognized over the derived service period of twelve months from the modification date, which resulted in approximately seventy-five percent of the compensation expense for Tranche II being recognized during the Successor 2021 Period. The remaining compensation expense for the Tranche II Incentive Units will be recognized over the remaining service period of three months.

As of December 31, 2021, there was approximately \$2.4 million of unrecognized compensation costs related to Tranche II Incentive Units.

Stock Options

Predecessor

Pursuant to the 2011 Equity Incentive Plan, ISOs and NQSOs had a four-year graded vesting period, with 25% of each grant vesting one year from the grant date and 2.08% vesting monthly thereafter over 36 months; the vesting of ISOs was subject to continued employment. The maximum term over which ISOs and NQSOs were exercisable was 10 years from the date the ISOs or the NQSOs were granted. The Predecessor recognized the equity-based compensation cost related to the 2011 Equity Incentive Plan over the requisite service period using the straight-line attribution method.

Successor

Pursuant to the Plan, the Company's board of directors granted certain Grantees, options to purchase shares of the Company's common stock with a contractual term of 10 years. The options vest over a three year term as follows: 33.3% on the first anniversary of the grant date, 33.3% on the second anniversary of the grant date, and 33.4% on the third anniversary of the grant date. Vesting is contingent upon continued employment or service to the Company; both the vested and unvested portion of a Grantee's option will be immediately forfeited and cancelled if the Grantee ceases employment or service to the Company. The Company recognizes equity-based compensation expense for the options equal to the fair value of the awards on a straight-line basis over the service based vesting period and recognizes forfeitures as they occur.

The fair value of each option granted under the Predecessor 2011 Equity Incentive Plan and the Successor Plan was estimated on the grant date under the Black-Scholes OPM using the following assumptions:

	Successor	Predecessor
Expected option term (years)	6	3-5
Expected volatility	32.80 %	55.00%-63.09%
Risk-free rate of return	0.93%-1.15%	1.33%-2.51%
Expected annual dividend yield	— %	— %

A summary of option activity under the Predecessor 2011 Equity Incentive Plan and the Successor Plan as of December 31, 2021 and December 31, 2020, and changes during the years then ended is presented as follows:

Options	Shares	Weighted-Average Grant Date Fair Value per Share	Weighted-Average Exercise Price per Share	Weighted-Average Remaining Contractual Term (Years)
Predecessor Outstanding at December 31, 2019	133,661	\$ 0.66	\$ 1.47	
Forfeited	(2,900)	0.77	1.80	
Settled or cancelled	(130,761)	0.66	1.46	
Successor Outstanding at December 31, 2020	—	—	—	
Granted	1,546,400	3.32	10.00	
Exercised	—	—	—	
Forfeited	—	—	—	
Successor Outstanding at December 31, 2021	1,546,400	\$ 3.32	\$ 10.00	9.67

Under the 2011 Equity Incentive Plan, certain unvested ISOs and NQSOs became fully vested and were settled for \$0.5 million of the purchase consideration on the MIS acquisition date. Accelerated vesting was triggered by the actions of the Successor, therefore fair value of the consideration attributable to the accelerated equity-based awards relating to post-acquisition services of \$0.1 million was recognized in the Successor 2020 Period. The component relating to pre-acquisition services has been included as part of the MIS purchase consideration. There were no

remaining ISOs and NQSOs outstanding under the 2011 Equity Incentive Plan as of December 31, 2020 (Successor).

As of December 31, 2021, there was \$4.6 million of unrecognized compensation cost related to unvested stock options granted under the Plan. There were no shares that vested or were exercisable under the Plan during Successor 2021 Period.

Restricted Stock Units

Restricted stock units awarded under the Plan generally is subject to forfeiture in the event of termination of employment prior to vesting dates. The Company recognizes equity-based compensation expense for the restricted stock units equal to the fair value of the awards on a straight-line basis over the service based vesting period and recognizes forfeitures as they occur.

Pursuant to the Plan, the Company granted 1,659,600 shares of restricted stock units of the Company's common stock during the Successor 2021 Period to certain officers, managers and other employees. The shares of restricted stock units awarded follow the same vesting terms and conditions as the options set forth above. The weighted average grant date fair value of these awards was \$11.72 per share.

Pursuant to the Plan, the Company granted 75,000 shares of restricted stock units of the Company's common stock during the Successor 2021 Period to non-employee directors. The shares of restricted stock units awarded vest over one year. The weighted average grant date fair value of these awards was \$10.50 per share.

A summary of the status of the Company's restricted stock as of December 31, 2021, and changes during the Successor 2021 Period, is presented as follows:

	Restricted Shares	Weighted-Average Grant Date Fair Value per Share	Weighted-Average Remaining Contractual Term (in Years)	Aggregate Intrinsic Value
Unvested at December 31, 2020	—	\$ —		
Granted	1,734,600	11.67		
Vested	—	—		
Forfeited	(16,650)	12.72		
Unvested at December 31, 2021	<u>1,717,950</u>	<u>\$ 11.66</u>	<u>1.8</u>	<u>\$ 11,596</u>

As of December 31, 2021, there was approximately \$18.4 million of total unrecognized compensation cost related to unvested restricted stock units granted under the Plan. This cost is expected to be recognized over a weighted-average period of 1.8 years. There were no restricted stock units that vested during the Successor 2021 Period.

The table below presents the equity-based compensation expense recorded during the following periods:

	Successor		Predecessor
	Year Ended December 31, 2021	Period from December 31, 2020	Period from January 1, 2020 to June 21, 2020
Cost of Sales			
Incentive Units	\$ 1,635	\$ —	\$ —
Stock Options	15	—	—
Restricted Stock Units	466	—	—
Total cost of sales	\$ 2,116	\$ —	\$ —
Selling, general and administrative			
Promissory Notes	\$ —	\$ —	\$ 988
Incentive Units	23,260	—	—
Stock Options	542	102	7
Restricted Stock units	1,194	—	—
Total selling, general and administrative	\$ 24,996	\$ 102	\$ 995
Total equity-based compensation expense	\$ 27,112	\$ 102	\$ 995

The tax benefit of equity-based compensation was \$0.2 million and \$1 thousand related to the Predecessor Promissory Notes and the Predecessor ISOs and NQSOs, respectively, for the Predecessor 2020 Period. The tax benefit of equity-based compensation was \$21 thousand related to the Successor ISOs and NQSOs for the Successor 2020 Period. There was no similar benefit recognized for the Successor 2021 Period.

Note R – Net Income (Loss) per Share

Prior to the Merger, the membership structure of Cosmos included units which had profit interests. As a result of the Merger, which was accounted for as a reverse recapitalization, the Company has retroactively adjusted the weighted average shares outstanding prior to the Merger to give effect to the exchange ratio used to determine the number of shares of common stock into which they were converted and is reflected in the denominator of basic and diluted net income (loss) per share in the table below.

The numerators and denominators of the basic and diluted net income (loss) per share were computed for the periods presented as follows:

	Successor	
	Year Ended December 31, 2021	Period from February 10, 2020 to December 31, 2020
Numerator:		
Net income (loss)	\$ (61,537)	\$ (14,374)
Denominator:		
Weighted average shares outstanding – basic and diluted	45,082,544	37,200,000
Basic and diluted net income (loss) per share	\$ (1.36)	\$ (0.39)

Because the Company had a net loss for all periods presented, the Company did not have any dilutive securities and/or other contracts that could, potentially, be exercised or converted into shares of common stock and then share in the earnings of the Company. As a result, diluted net income (loss) per share is the same as basic net income (loss) per share for the periods presented.

Note S – Revenue

The table below presents revenues by customer grouping for the following periods:

	Successor		Predecessor
	Year Ended December 31, 2021	Period from February 10, 2020 to December 31, 2020	Period from January 1, 2020 to June 21, 2020
Civil space	\$ 60,052	\$ 23,571	\$ 15,844
National security	29,833	7,034	684
Commercial and other	47,716	10,180	123
Total revenues	\$ 137,601	\$ 40,785	\$ 16,651

Contract Balances

The table below presents the contract assets and contract liabilities included on the consolidated balance sheets for the following periods:

	Successor	
	December 31, 2021	December 31, 2020
Contract assets	\$ 11,748	\$ 4,172
Contract liabilities	\$ 15,734	\$ 15,665

The increase in contract assets was primarily driven by growth in revenue recognized and timing of billable milestones occurring during the Successor 2021 Period, and also by the acquisitions of Oakman, DPSS, and Techshot compared to December 31, 2020 before they were acquired.

The decrease in contract liabilities was related to timing of billable milestones occurring during the Successor 2021 Period, partially offset by an increase related to the acquisitions of Oakman and DPSS during the Successor 2021 Period ending December 31, 2021, compared to December 31, 2020 before they were acquired. Revenue recognized in the Successor 2021 Period that was included in the contract liability balance as of December 31, 2020 was \$15.3 million.

The Company evaluates the contract value and cost estimates at completion (“EAC”) for performance obligations at least quarterly and more frequently when circumstances significantly change. Due to the nature of the work required to be performed on many of the Company’s performance obligations, the estimate of total revenue and cost at completion is complex, subject to many variables and requires significant judgment by management on a contract by contract basis. As part of this process, management reviews information including, but not limited to, labor productivity, the nature and technical complexity of the work to be performed, availability and cost volatility of materials, subcontractor and vendor performance, volume assumptions, inflationary trends, and schedule and performance delays. Management’s judgment related to these considerations has become increasingly more significant given the current economic environment primarily caused by the COVID-19 pandemic.

When the Company’s estimate of total costs to be incurred to satisfy a performance obligation exceeds the expected revenue, the Company recognizes the loss immediately. When the Company determines that a change in estimate has an impact on the associated profit of a performance obligation, the Company records the cumulative positive or negative adjustment to the statement of operations and comprehensive income (loss). Changes in estimates and assumptions related to the status of certain long-term contracts may have a material effect on the Company’s operating results.

The following table summarizes the impact of the net EAC adjustments for the periods presented:

	Successor	
	Year Ended December 31, 2021	Period from February 10, 2020 to December 31, 2020
Net EAC adjustments, before income taxes	\$ (1,835)	\$ 728
Net EAC adjustments, net of income taxes	(1,551)	580
Net EAC adjustments, net of income taxes, per diluted share	(0.03)	0.02

Remaining Performance Obligations

As of December 31, 2021, the aggregate amount of the transaction price allocated to remaining performance obligations was \$129.3 million. The Company expects to recognize approximately 78% of its remaining performance obligations as revenue within the next 12 months and the balance thereafter.

Geographic Information and Significant Customers

The Company has customers located in the United States, Luxembourg, Germany, Japan, South Korea, Poland, Taiwan, and France.

The table below presents revenues based on the geographic location of the Company's customers for the following periods:

	Successor		Predecessor
	Year Ended December 31, 2021	Period from February 10, 2020 to December 31, 2020	Period from January 1, 2020 to June 21, 2020
U.S.	\$ 133,309	\$ 38,774	\$ 15,856
Luxembourg	3,724	1,535	795
Germany	140	46	—
South Korea	272	147	—
Poland	138	169	—
Other	18	114	—
Total revenues	\$ 137,601	\$ 40,785	\$ 16,651

The majority of the Company's revenues are derived from government contracts. Customers comprising 10% or more of revenues were as follows for the periods presented:

	Successor		Predecessor
	Year Ended December 31, 2021	Period from February 10, 2020 to December 31, 2020	Period from January 1, 2020 to June 21, 2020
Boeing ⁽¹⁾	\$ 17,753	\$ —	\$ —
NASA	48,476	21,352	15,020
Total	\$ 66,229	\$ 21,352	\$ 15,020

(1) While revenue was generated in each of the periods presented, amounts are only disclosed for the periods in which revenue represented 10% or more of total revenue.

Note T – Related Parties

The table below presents details of the Company’s related party transactions with AEI included on the consolidated statements of operations and comprehensive income (loss) for the following periods:

	Successor	
	Year Ended December 31, 2021	Period from February 10, 2020 to December 31, 2020
Management fees paid to AEI	\$ 477	\$ 500
Transaction fees paid to AEI	1,019	2,226
Total fees paid to AEI	<u>\$ 1,496</u>	<u>\$ 2,726</u>

All related party fees associated with AEI were incurred prior to the close of the Merger. Additionally, the Company made a \$4.9 million payment to AEI in October 2020, which was reflected as a related party receivable due from AEI on the consolidated balance sheets as of December 31, 2020. This amount was repaid in February 2021.

In November 2021, the Company granted 12,500 shares of common stock to Kirk Konert in his capacity as a member of the board of directors. Subject to his continued service, the common stock will vest in a single installment on November 1, 2022 and be assigned to AEI. Prior to such vesting and assignment, Kirk Konert will hold the securities for the benefit of AEI and he disclaims all right to title and interest in such securities.

Note U – Subsequent Events

On March 25, 2022, Redwire Holdings, LLC, a wholly-owned subsidiary of the Company (the “Lead Borrower”), and certain other subsidiaries of the Company party thereto, entered into a Third Amendment (the “Amendment”) to the Adams Street Capital Credit Agreement to, among other things, increase commitments under the revolving credit facility from \$5.0 million to \$25.0 million.

The Amendment also modified certain negative covenants and increased the per annum interest rate (i) with respect to revolving loans in an aggregate principal amount of \$5.0 million or less, to 6.00% for Eurocurrency rate loans and 5.00% for Base Rate Loans, and (ii) with respect to revolving loans in an aggregate principal amount in excess of \$5.0 million, to 7.50% for Eurocurrency rate loans and 6.50% for Base Rate Loans.

The Adams Street Capital Credit Agreement, as amended, contains certain customary representations and warranties, affirmative and other covenants and events of default, including among other things, payment defaults, breach of representations and warranties, and covenant defaults.

In connection with the entry into the Amendment, AEI and certain of its affiliates (the “AEI Guarantors”), provided a limited guarantee for the payment of outstanding revolving loans in excess of \$10.0 million, with a \$15.0 million cap in the aggregate. In the event that the AEI Guarantors are required to make payments to the lenders under the Adams Street Capital Credit Agreement pursuant to the terms of the limited guarantee, each AEI Guarantor would be subrogated to the rights of the lenders. In connection with the limited guarantee, the Lead Borrower agreed to pay to the AEI Guarantors, a fee equal to 2% of any amount actually paid by such guarantors under the limited guarantee. The fee is waivable by the AEI Guarantors in their discretion.

The Company has evaluated subsequent events after the consolidated balance sheet as of December 31, 2021 through the consolidated financial statements issuance date and there were no additional subsequent events that required disclosure.

REDWIRE CORPORATION
CONDENSED CONSOLIDATED BALANCE SHEETS
(Unaudited)

(In thousands of U.S. dollars, except share data)

	March 31, 2022	December 31, 2021
Assets		
Current assets:		
Cash and cash equivalents	\$ 5,938	\$ 20,523
Accounts receivable, net	11,984	16,262
Contract assets	17,492	11,748
Inventory	1,022	688
Income tax receivable	688	688
Prepaid insurance	1,752	2,819
Prepaid expenses and other current assets	4,593	2,488
Total current assets	43,469	55,216
Property, plant and equipment, net	18,786	19,384
Right-of-use assets	12,985	—
Goodwill	96,230	96,314
Intangible assets, net	88,352	90,842
Total assets	\$ 259,822	\$ 261,756
Liabilities and Equity		
Current liabilities:		
Accounts payable	\$ 13,905	\$ 13,131
Notes payable to sellers	1,000	1,000
Short-term debt, including current portion of long-term debt	1,542	2,684
Short-term lease liabilities	2,871	—
Accrued expenses	19,323	17,118
Deferred revenue	13,929	15,734
Other current liabilities	1,309	1,571
Total current liabilities	53,879	51,238
Long-term debt	74,745	74,867
Long-term lease liabilities	10,373	—
Warrant liabilities	20,336	19,098
Deferred tax liabilities	5,668	8,601
Other non-current liabilities	609	730
Total liabilities	165,610	154,534
Shareholders' Equity:		
Preferred stock, \$0.0001 par value, 100,000,000 shares authorized; none issued and outstanding as of March 31, 2022 and December 31, 2021	—	—
Common stock, \$0.0001 par value, 500,000,000 shares authorized; 62,690,869 issued and outstanding as of March 31, 2022 and December 31, 2021	6	6
Additional paid-in capital	187,435	183,024
Accumulated deficit	(93,204)	(75,911)
Accumulated other comprehensive income (loss)	(25)	103
Shareholders' equity	94,212	107,222
Total liabilities and shareholders' equity	\$ 259,822	\$ 261,756

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

REDWIRE CORPORATION
CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS AND COMPREHENSIVE INCOME (LOSS)
(Unaudited)

(In thousands of U.S. dollars, except share and per share data)

	Three Months Ended	
	March 31, 2022	March 31, 2021
Revenues	\$ 32,867	\$ 31,698
Cost of sales	27,696	24,221
Gross margin	5,171	7,477
Operating expenses:		
Selling, general and administrative expenses	20,951	11,256
Transaction expenses	46	2,417
Research and development	1,724	996
Operating income (loss)	(17,550)	(7,192)
Interest expense, net	1,452	1,421
Other (income) expense, net	1,180	87
Income (loss) before income taxes	(20,182)	(8,700)
Income tax expense (benefit)	(2,889)	(1,026)
Net income (loss)	\$ (17,293)	\$ (7,674)
Net income (loss) per share, basic and diluted	\$ (0.28)	\$ (0.21)
Weighted-average shares outstanding:		
Basic and diluted	62,690,869	37,200,000
Comprehensive income (loss):		
Net income (loss)	\$ (17,293)	\$ (7,674)
Foreign currency translation gain (loss), net of tax	(128)	(231)
Total other comprehensive income (loss), net of tax	(128)	(231)
Total comprehensive income (loss)	\$ (17,421)	\$ (7,905)

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

REDWIRE CORPORATION
CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY
(Unaudited)

(In thousands of U.S. dollars, except share and unit data)

	Common Stock		Additional Paid-in Capital	Accumulated Deficit	Accumulated Other Comprehensive Income (Loss)	Total Shareholders' Equity (Deficit)
	Shares	Amount				
Balance as of December 31, 2020⁽¹⁾	37,200,000	\$ 4	\$ 53,059	\$ (14,374)	\$ 506	\$ 39,195
Parent's contributions	—	—	2,110	—	—	2,110
Equity-based compensation expense	—	—	—	—	—	—
Foreign currency translation, net of tax	—	—	—	—	(231)	(231)
Net income (loss)	—	—	—	(7,674)	—	(7,674)
Balance as of March 31, 2021	37,200,000	\$ 4	\$ 55,169	\$ (22,048)	\$ 275	\$ 33,400

	Common Stock		Additional Paid-in Capital	Accumulated Deficit	Accumulated Other Comprehensive Income (Loss)	Total Shareholders' Equity (Deficit)
	Shares	Amount				
Balance as of December 31, 2021	62,690,869	\$ 6	\$ 183,024	\$ (75,911)	\$ 103	\$ 107,222
Parent's contributions	—	—	—	—	—	—
Equity-based compensation expense	—	—	4,411	—	—	4,411
Foreign currency translation, net of tax	—	—	—	—	(128)	(128)
Net income (loss)	—	—	—	(17,293)	—	(17,293)
Balance as of March 31, 2022	62,690,869	\$ 6	\$ 187,435	\$ (93,204)	\$ (25)	\$ 94,212

(1) The units of the Company prior to the Merger (as defined in Note A) have been retroactively restated to reflect the exchange ratio established in the Merger (computed as 37,200,000 shares of common stock to 100 Company units).

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

REDWIRE CORPORATION
CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS
(Unaudited)
(In thousands of U.S. dollars)

	Three Months Ended	
	March 31, 2022	March 31, 2021
Cash flows from operating activities:		
Net income (loss)	\$ (17,293)	\$ (7,674)
Adjustments to reconcile net income (loss) to net cash provided by (used in) operating activities:		
Depreciation and amortization expense	3,658	2,271
Amortization of debt issuance costs and discount	79	59
Equity-based compensation expense	4,411	—
Change in fair value of warrants	1,238	—
Deferred provision (benefit) for income taxes	(2,889)	(1,026)
Non-cash lease expense	116	—
Other	(5)	—
Changes in assets and liabilities:		
(Increase) decrease in accounts receivable	4,274	(5,053)
(Increase) decrease in contract assets	(5,748)	(2,669)
(Increase) decrease in inventory	(337)	(20)
(Increase) decrease in prepaid insurance	1,067	—
(Increase) decrease in prepaid expenses and other assets	(1,322)	(2,125)
Increase (decrease) in accounts payable and accrued expenses	3,141	5,081
Increase (decrease) in deferred revenue	(1,801)	(43)
Increase (decrease) in other liabilities	(35)	(1,450)
Increase (decrease) in notes payable to seller	—	124
Net cash provided by (used in) by operating activities	(11,446)	(12,525)
Cash flows from investing activities:		
Acquisition of businesses, net of cash acquired	—	(38,385)
Purchases of property, plant and equipment, net	(892)	(576)
Purchase of intangible assets	(122)	—
Settlement of related party receivable	—	4,874
Net cash provided by (used in) investing activities	(1,014)	(34,087)
Cash flows from financing activities:		
Repayments of loans	(1,337)	(4,991)
Payment of loan fees to third parties	(770)	(60)
Proceeds received from loans	—	45,970
Net cash provided by (used in) financing activities	(2,107)	40,919
Effect of foreign currency rate changes on cash and cash equivalents	(18)	(158)
Net increase (decrease) in cash and cash equivalents	(14,585)	(5,851)
Cash and cash equivalents at beginning of period	20,523	22,076
Cash and cash equivalents at end of period	\$ 5,938	\$ 16,225
Cash paid (received) during the period for:		
Interest	\$ 1,409	\$ 1,235
Income taxes	—	—
Supplemental Schedule of Non-Cash Investing and Financing Activities:		
Holdings' contribution for acquisition of businesses	—	2,110
Capital expenditures not yet paid	1,213	90

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

REDWIRE CORPORATION
NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (Unaudited)
(Tabular amounts in thousands of U.S. dollars, except percentages, unit, share, and warrant amounts)

Note A – Description of the Business

Redwire Corporation develops and manufactures mission critical space solutions and high reliability components for the next generation space economy. With decades of flight heritage combined with the agile and innovative culture of a commercial space platform, Redwire Corporation is uniquely positioned to assist our customers in solving the complex challenges of future space missions.

AE Industrial Partners Fund II, LP (“AEI”), a private equity firm specializing in aerospace, defense, and government services, formed a series of acquisition vehicles on February 10, 2020, which included Cosmos Parent, LLC, Cosmos Intermediate, LLC, Cosmos Finance, LLC and Cosmos Acquisition, LLC, with Cosmos Parent, LLC being the top holding company. Cosmos Parent, LLC owned 100% of the equity in Cosmos Intermediate, LLC; Cosmos Intermediate, LLC owned 100% of the equity in Cosmos Finance, LLC; Cosmos Finance, LLC owned 100% of the equity in Cosmos Acquisition, LLC. Upon the formation of these acquisition vehicles, Cosmos Intermediate, LLC (“Successor”) effected a number of acquisitions through its wholly owned subsidiary, Cosmos Acquisition, LLC. Following the acquisitions, the Successor became a wholly owned subsidiary of AE Red Holdings, LLC formerly known as Redwire, LLC (“Holdings”).

Strategic acquisitions that augment our technology and product offerings are a key part of our growth strategy. The Company has completed eight acquisitions since March 2020, which collectively have provided a wide variety of complementary technologies and solutions to serve the Company’s target markets and customers. These acquisitions included: Adcole Space, LLC (“Adcole”), Deep Space Systems, Inc. (“DSS”), In Space Group, Inc. and its subsidiaries (collectively, “MIS” or “Predecessor”), Roccoor, LLC (“Roccoor”), and LoadPath, LLC (“LoadPath”), Oakman Aerospace, Inc. (“Oakman”), Deployable Space Systems, Inc. (“DPSS”) and Techshot, Inc. (“Techshot”) as of December 31, 2021.

On September 2, 2021, the previously announced merger (the “Merger”) with Genesis Park Acquisition Corp. (“GPAC”) was consummated pursuant to the Agreement and Plan of Merger dated March 25, 2021 by and among GPAC, Shepard Merger Sub Corporation, a Delaware corporation and direct, wholly owned subsidiary of GPAC, Cosmos Intermediate, LLC and Holdings. Upon the closing of the Merger, GPAC was renamed to Redwire Corporation (“Redwire” or the “Company”), the SEC registrant. As a result of the Merger, the Company received aggregate gross proceeds of \$ 110.6 million from the trust account of GPAC and PIPE proceeds. Proceeds from the Merger were partially used to repay the \$41.6 million outstanding under the Silicon Valley Bank (“SVB”) Loan, including interest of \$0.1 million, and Merger transaction costs and other costs paid through the funds flow of \$38.7 million, consisting of marketing, legal and other professional fees.

The Merger was accounted for as a reverse recapitalization in which GPAC was treated as the acquired company. A reverse recapitalization does not result in a new basis of accounting, and the consolidated financial statements of the combined entity represent the continuation of the consolidated financial statements of Cosmos Intermediate, LLC in many respects. Immediately prior to the closing of the Merger, but following the consummation of the Company’s domestication to a Delaware corporation, the authorized capital stock of the Company consisted of 600,000,000 shares of capital stock, including (i) 500,000,000 shares of Redwire common stock with a par value \$0.0001 per share and (ii) 100,000,000 shares of Redwire preferred stock. At the effective time of the Merger, the 100 company units of Cosmos Intermediate, LLC were cancelled and automatically deemed for all purposes to represent Holdings’ right to receive, in the aggregate, \$75.0 million of cash, 37,200,000 shares of common stock and 2,000,000 warrants to purchase one share of common stock per warrant (with such amount of warrants corresponding to the forfeiture of certain private placement warrants acquired by Genesis Park Holdings (the “Sponsor”) and Jefferies LLC (“Jefferies”) in connection with GPAC’s initial public offering). The exchanged 37,200,000 shares of common stock consideration to Holdings, the GPAC common stock shares outstanding at the time of closing of 13,961,273, and the PIPE financing shares issued at closing of 8,500,000 made up the total of the 59,661,273 shares of common stock outstanding as of September 2, 2021. The 100 units of the Company prior to the Merger were retroactively restated to reflect the exchange ratio established in the Merger (computed as 37,200,000 shares of common stock to 100 Company units).

REDWIRE CORPORATION
NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (Unaudited)
(Tabular amounts in thousands of U.S. dollars, except percentages, unit, share, and warrant amounts)

COVID-19 Operational Posture and Impact

Since early 2020, the COVID-19 pandemic has created a climate of uncertainty which has significantly impacted global economies and the Company's operating environment. Such impacts include, among others, supply chain disruptions, labor shortages, regulatory challenges, inflationary pressures, as well as market volatility. In addition, decreases in the availability, cost and delivery of supplies have caused shortages and delays for the procurement of raw materials, components and other supplies required to fulfill the Company's performance obligations. The long-term impacts of COVID-19 on government budgets and other funding priorities are difficult to predict and could adversely affect the Company's operations and financial results. There can be no assurances that actions or responsive measures taken on the part of the Company or governmental authorities will be successful in mitigating increased risks associated with COVID-19.

Note B – Summary of Significant Accounting Policies

Basis of Presentation

The accompanying unaudited condensed consolidated financial statements have been prepared in accordance with United States Generally Accepted Accounting Principles ("U.S. GAAP") for interim financial statement information and the rules of the SEC. Accordingly, they do not include all of the information and notes required by U.S. GAAP for complete financial statements. The unaudited condensed consolidated balance sheet as of December 31, 2021 was derived from audited financial statements but does not include all disclosures required by U.S. GAAP. In the opinion of management, the condensed consolidated financial statements include all adjustments, consisting of adjustments associated with acquisition accounting and normal recurring adjustments, necessary for the fair statement of such financial statements. All intercompany balances and transactions have been eliminated in consolidation.

These unaudited condensed consolidated financial statements should be read in conjunction with the information contained in the Company's 2021 Annual Report on Form 10-K. Interim results are not necessarily indicative of the results that may be expected for a full year.

Use of Estimates

The preparation of financial statements in conformity with U.S. GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, disclosures of contingent liabilities as of the date of the financial statements, and the reported amounts of revenues and expenses during the reporting periods.

Management has prepared the estimates using the most current and best available information that are considered reasonable under the circumstances. However, actual results could differ materially from those estimates. Accounting policies subject to estimates include, but are not limited to, valuation of goodwill and intangible assets, contingent consideration, revenue recognition, income taxes, and warrant liabilities.

Business Combinations

The Company utilizes the acquisition method of accounting in Accounting Standards Codification ("ASC") 805, Business Combinations ("ASC 805"), for all transactions and events in which it obtains control over one or more other businesses (even if less than 100% ownership is acquired), to recognize the fair value of all assets acquired and liabilities assumed and to establish the acquisition date fair value as of the measurement date.

While the Company uses its best estimates and assumptions as part of the purchase price allocation process to accurately value assets acquired and liabilities assumed at the business combination date, the estimates and assumptions are inherently uncertain and subject to refinement. As a result, during the measurement period, which may be up to one year from the business combination date, the Company records adjustments to the assets acquired and liabilities assumed, with the corresponding offset to goodwill. For changes in the valuation of intangible assets between the preliminary and final purchase price allocation, the related amortization is adjusted in the period it occurs. Subsequent to the measurement period, any adjustment to assets acquired or liabilities assumed is included in operating results in the period in which the adjustment is identified. Transaction costs that are incurred in

REDWIRE CORPORATION
NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (Unaudited)
(Tabular amounts in thousands of U.S. dollars, except percentages, unit, share, and warrant amounts)

connection with a business combination, other than costs associated with the issuance of debt or equity securities, are expensed as incurred.

Contingent consideration is classified as a liability or as equity on the basis of the definitions of a financial liability and an equity instrument; contingent consideration payable in cash is classified as a liability. The Company recognizes the fair value of any contingent consideration that is transferred to the seller in a business combination on the date at which control of the acquiree is obtained. Contingent consideration payments related to acquisitions are measured at fair value each reporting period using Level 3 unobservable inputs (Level 3). When reported, any changes in the fair value of these contingent consideration payments are included in contingent earnout expense on the condensed consolidated statements of operations and comprehensive income (loss).

Revenue Recognition

Based on the specific analysis of its contracts, the Company has determined that its contracts are subject to revenue recognition in accordance with ASC 606, Revenue from Contracts with Customers (“ASC 606”). Recognition under the ASC 606 five-step model involves (i) identification of the contract, (ii) identification of performance obligations in the contract, (iii) determination of the transaction price, (iv) allocation of the transaction price to the previously identified performance obligations, and (v) revenue recognition as the performance obligations are satisfied.

During step one of the five step model, the Company considers whether contracts should be combined or separated, and based on this assessment, the Company combines closely related contracts when all the applicable criteria are met. The combination of two or more contracts requires judgment in determining whether the intent of entering into the contracts was effectively to enter into a single contract, which should be combined to reflect an overall profit rate. Similarly, the Company may separate an arrangement, which may consist of a single contract or group of contracts, with varying rates of profitability, only if the applicable criteria are met. Judgment is involved in determining whether a group of contracts may be combined or separated based on how the arrangement and the related performance criteria were negotiated. The conclusion to combine a group of contracts or separate a contract could change the amount of revenue and gross profit recorded in a given period.

A performance obligation is a promise in a contract to transfer a distinct good or service to the customer. A contract’s transaction price is allocated to each distinct performance obligation and recognized as revenue when the performance obligation is satisfied. The Company’s contracts with customers generally do not include a right of return relative to delivered products. In certain cases, contracts are modified to account for changes in the contract specifications or requirements. In most instances, contract modifications are accounted for as part of the existing contract. Certain contracts with customers have options for the customer to acquire additional goods or services. In most cases, the pricing of these options are reflective of the standalone selling price of the good or service. These options do not provide the customer with a material right and are accounted for only when the customer exercises the option to purchase the additional goods or services. If the option on the customer contract was not indicative of the standalone selling price of the good or service, the material right would be accounted for as a separate performance obligation.

The Company’s revenues are derived from the design and sales of components for spacecraft and satellites and the performance of engineering, modeling and simulation services related to spacecraft design and mission execution. Each promised good or service within a contract is accounted for separately under the guidance of ASC 606, if they are distinct. Promised goods or services not meeting the criteria for being a distinct performance obligation are bundled into a single performance obligation with other goods or services that together meet the criteria for being distinct. The appropriate allocation of the transaction price and recognition of revenue is then applied for the bundled performance obligation. The Company has concluded that its service contracts generally contain a single performance obligation given the interrelated nature of the activities which are significantly customized and not distinct within the context of the contract.

Once the Company identifies the performance obligations, the Company determines the transaction price, which includes estimating the amount of variable consideration to be included in the transaction price, if any. The Company’s contracts generally do not contain penalties, credits, price concessions, or other types of potential

REDWIRE CORPORATION
NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (Unaudited)
(Tabular amounts in thousands of U.S. dollars, except percentages, unit, share, and warrant amounts)

variable consideration. Prices are fixed at contract inception and are not contingent on performance or any other criteria.

The Company engages in long-term contracts for production and service activities and recognizes revenue for performance obligations over time. These long-term contracts involve the design, development, manufacture, or modification of components for spacecraft and satellites. Revenue is recognized over time (versus point in time recognition), as the Company's performance creates an asset with no alternative use to the Company and the Company has an enforceable right to payment for performance completed to date, and the customer receives the benefit as the Company builds the asset. The Company considers the nature of these contracts and the types of products and services provided when determining the proper accounting for a particular contract. These contracts include both fixed-price and cost reimbursable contracts. The Company's cost reimbursable contracts typically include cost-plus fixed fee and time and material ("T&M") contracts.

For long-term contracts, the Company typically recognizes revenue using the input method, using a cost-to-cost measure of progress. The Company believes that this method represents the most faithful depiction of the Company's performance because it directly measures value transferred to the customer. Contract estimates are based on various assumptions to project the outcome of future events that may span several years. These assumptions include, but are not limited to, the amount of time to complete the contract, including the assessment of the nature and complexity of the work to be performed; the cost and availability of materials; the availability of subcontractor services and materials; and the availability and timing of funding from the customer. The Company bears the risk of changes in estimates to complete on a fixed-price contract, which may cause profit levels to vary from period to period. For cost reimbursable contracts, the Company is reimbursed periodically for allowable costs and is paid a portion of the fee based on contract progress. In the limited instances where the Company enters into T&M contracts, revenue recognized reflects the number of direct labor hours expended in the performance of a contract multiplied by the contract billing rate, as well as reimbursement of other direct billable costs. For T&M contracts, the Company recognizes revenue in the amount for which the Company has a right to invoice the customer based on the control transferred to the customer. For over time contracts, the Company recognizes anticipated contract losses as soon as they become known and estimable.

Accounting for long-term contracts requires significant judgment relative to estimating total contract revenues and costs, in particular, assumptions relative to the amount of time to complete the contract, including the assessment of the nature and complexity of the work to be performed. The Company's estimates are based upon the professional knowledge and experience of its engineers, program managers and other personnel, who review each long-term contract monthly to assess the contract's schedule, performance, technical matters and estimated cost at completion. Changes in estimates are applied retrospectively and when adjustments in estimated contract costs are identified, such revisions may result in current period adjustments to earnings applicable to performance in prior periods.

On long-term contracts, the portion of the payments retained by the customer is not considered a significant financing component. At contract inception, the Company also expects that the lag period between the transfer of a promised good or service to a customer and when the customer pays for that good or service will not constitute a significant financing component. Many of the Company's long-term contracts have milestone payments, which align the payment schedule with the progress towards completion on the performance obligation. On some contracts, the Company may be entitled to receive an advance payment, which is not considered a significant financing component because it is used to facilitate inventory demands at the onset of a contract and to safeguard the Company from the failure of the other party to abide by some or all of their obligations under the contract.

Contract Balances

Contract balances result from the timing of revenue recognized, billings and cash collections, and the generation of contract assets and liabilities.

Contract assets represent revenue recognized in excess of amounts invoiced to the customer and the right to payment is not subject to the passage of time. Contract liabilities are presented as deferred revenue on the Company's condensed consolidated balance sheets and consist of deferred product revenue, billings in excess of

REDWIRE CORPORATION
NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (Unaudited)
(Tabular amounts in thousands of U.S. dollars, except percentages, unit, share, and warrant amounts)

revenues, deferred service revenue, and customer advances. Deferred product revenue represents amounts that have been invoiced to customers but are not yet recognizable as revenue because the Company has not satisfied its performance obligations under the contract. Billings in excess of revenues represent milestone billing contracts where the billings of the contract exceed recognized revenues.

Remaining Performance Obligations

The Company includes in its computation of remaining performance obligations customer orders for which it has accepted signed sales orders. The definition of remaining performance obligations excludes those contracts accounted for under the “right to invoice” practical expedient.

Cash and Cash Equivalents

Cash and cash equivalents includes cash on hand, cash balances with banks and similar institutions and all highly liquid investments with an original maturity of three months or less.

Fair Value of Financial Instruments

The Company measures certain financial assets and liabilities, including, but not limited to, contingent consideration, at fair value. ASC 820, Fair Value Measurement and Disclosures (“ASC 820”), specifies a hierarchy of valuation techniques based on whether the inputs to those valuation techniques are observable or unobservable. Observable inputs reflect market data obtained from independent sources, while unobservable inputs reflect the Company’s market assumptions. These two types of inputs have created the following fair-value hierarchy:

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

Concentration of Credit Risk

Financial instruments which potentially subject the Company to concentrations of credit risk consist primarily of cash and cash equivalents, certificates of deposit, and accounts receivable. The Company places its cash and cash equivalents with financial institutions of high-credit quality. At times, such amounts may exceed federally insured limits. Cash and cash equivalents on deposit or invested with financial and lending institutions was \$5.9 million and \$20.5 million, as of March 31, 2022 and December 31, 2021, respectively.

The Company provides credit to customers in the normal course of business. The carrying amount of current accounts receivable is stated at cost, net of an allowance for doubtful accounts. The Company performs ongoing credit evaluations of its customers’ financial condition and limits the amount of credit extended when deemed necessary. The Company maintains an allowance for doubtful accounts to provide for the estimated amount of accounts receivable that will not be fully collected. The allowance is based on the assessment of the following factors: customer creditworthiness, historical payment experience, age of outstanding accounts receivable and any applicable collateral.

Inventory

Inventory is stated at the lower of cost or net realizable value. Cost is calculated on a first-in, first-out (“FIFO”) basis. Inventory may consist of raw materials, work-in-process, and finished goods. Net realizable value is the estimated selling price in the ordinary course of business, less the estimated costs of completion and selling expense. Inventory is impaired when it is probable that inventory values exceed their net realizable value. Changes in these estimates are included in cost of sales in the condensed consolidated statements of operations and comprehensive income (loss).

REDWIRE CORPORATION
NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (Unaudited)
(Tabular amounts in thousands of U.S. dollars, except percentages, unit, share, and warrant amounts)

Segment Information

Operating segments are defined as components of an entity for which separate financial information is available and that is regularly reviewed by the Chief Operating Decision Maker (“CODM”) in deciding how to allocate resources and in assessing performance. The Company’s CODM is its Chief Executive Officer. The Company has concluded that it operates in one operating segment and one reportable segment, space infrastructure, as the CODM reviews financial information presented on a consolidated basis for purposes of making operating decisions, allocating resources, and evaluating financial performance.

Goodwill and Intangible Assets

Goodwill is the amount by which the purchase price exceeded the fair value of the net identifiable assets acquired and liabilities assumed in a business combination on the date of acquisition. Goodwill is assessed for impairment at least annually as of October 1, on a reporting unit basis, or when events and circumstances occur indicating that the recorded goodwill may be impaired. The Company assesses impairment first on a qualitative basis to determine if a quantitative assessment is necessary. In circumstances where our qualitative analysis indicates that it is more likely than not that the fair value of a reporting unit does not exceed its carrying value, the Company would perform a quantitative analysis and the goodwill impairment loss, if any, is measured as the amount by which a reporting unit’s carrying amount exceeds its fair value, not to exceed the carrying amount of goodwill.

Intangible assets include those acquired from the Company’s various business combinations as well as licensed software for internal-use. Licensed software is acquired solely to meet the Company’s internal needs which provides the right to take possession of the software and is hosted on the Company’s specific hardware components as well as the capitalization of qualifying costs during the application development stage. Indefinite-lived intangible assets include tradenames and in-process research and development (“IPR&D”). Finite-lived intangible assets include customer relationships, technology trademarks, research and development (“R&D”), and internal-use software. Finite-lived intangible assets are reported at cost, net of accumulated amortization, and are either amortized on a straight-line basis over their estimated useful lives or over the period the economic benefits of the intangible assets are consumed. IPR&D is recognized as an indefinite-lived intangible asset until completion or abandonment of the related project, then reclassified as a finite-lived intangible asset and amortized over the remaining useful life.

All indefinite-lived assets are reviewed for impairment annually, and as necessary if indicators of impairment are present.

Property, Plant and Equipment

Property, plant and equipment are the long-lived, physical assets of the Company, acquired for use in the Company’s normal business operations and not intended for resale by the Company. These assets are recorded at cost. Renewals and betterments that increase the useful lives of the assets are capitalized. Repair and maintenance expenditures that increase the efficiency of the assets are expensed as incurred.

Depreciation is based on the estimated useful lives of the assets using the straight-line method and is included in selling, general and administrative expenses or cost of sales based upon the asset; depreciation and amortization expense includes the amortization of assets under finance leases.

Expected useful lives for property, plant and equipment are reviewed at least annually. Estimated useful lives are as follows:

	Estimated useful life in years
Computer equipment	3
Furniture and fixtures	7
Laboratory equipment	3-10
Software	3-5
Leasehold improvements	5 or lease term

REDWIRE CORPORATION
NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (Unaudited)
(Tabular amounts in thousands of U.S. dollars, except percentages, unit, share, and warrant amounts)

As assets are retired or sold, the related cost and accumulated depreciation are removed from the accounts and any resulting gain or loss is included in other (income) expense, net in the condensed consolidated statements of operations and comprehensive income (loss).

Leases

The Company is obligated under certain operating leases for its facilities and office equipment. The Company assesses whether an arrangement is a lease or contains a lease at inception of the arrangement. For arrangements considered leases, the Company records a right-of-use (ROU) asset and lease liability as of the commencement date. The Company uses the date of initial possession as the lease commencement date, which is generally when the underlying asset becomes available for the Company's specific use.

ROU assets represent the Company's right to use the underlying asset for the lease term and are depreciated over the shorter of the useful life of the asset and the lease term. Lease liabilities represent the present value of the Company's obligations to make payments arising over the lease term. The present value of the lease payments is calculated using the incremental borrowing rate as of the lease commencement date, which reflects the fixed rate the Company would have to pay to borrow an amount equal to the future minimum lease payments over a similar term. The lease term includes renewal options which are reasonably certain to be exercised.

Lease and non-lease related components, such as common area maintenance costs, obligations to return the underlying asset to its original condition, or costs to dismantle and remove the underlying asset at the end of the term, are accounted for separately. Certain leasing arrangements contain predetermined fixed escalation of minimum rents and/or require variable payments, such as insurance and tax payments. Variable lease payments which depend on an index or other rate are excluded from lease payments in the measurement of the ROU asset and lease liability and are recognized as expense in the period in which the payment occurs.

The Company does not have any material restrictions or covenants in its lease agreements, sale leaseback transactions or residual value guarantees. Leases with an initial term of twelve months or less are not recorded on the Company's condensed consolidated balance sheets and are recognized as lease expense on a straight-line basis in the condensed consolidated statements of operations and comprehensive income (loss).

Finite-Lived Assets

The Company regularly evaluates its property, plant and equipment and finite-lived intangible assets for impairment when events or changes in circumstances indicate that the carrying amount of an asset or asset group may not be recoverable, in accordance with ASC 360, Property, Plant, and Equipment ("ASC 360") and ASC 350, Intangibles—Goodwill and Other ("ASC 350"). If the Company determines that the carrying amount of an asset or asset group is not recoverable based upon the undiscounted expected future cash flows of the asset or asset group, the Company records an impairment loss equal to the excess of carrying amount over the estimated fair value of the asset or asset group.

Income Taxes

The Company accounts for income taxes under ASC 740, Income Taxes ("ASC 740"). The Company computes its provision for income taxes using the asset and liability method, under which deferred tax assets and liabilities are calculated based on the basis difference for financial reporting and tax basis of assets and liabilities using enacted tax rates for the year in which the differences are expected to reverse. All deferred income taxes are classified as non-current in the Company's condensed consolidated balance sheets. The Company records a valuation allowance against net deferred tax assets if, based upon the available evidence, it is more likely than not that some or all of the deferred tax assets will not be realized.

The Company recognizes a tax benefit only if it is more likely than not the tax position will be sustained on examination by the taxing authorities, based on the technical merits of the position. The tax benefits recognized in the financial statements from such positions are then measured based on the largest benefit that has a greater than 50% likelihood of being realized upon settlement. The Company recognizes interest and penalties accrued on any unrecognized tax benefits as a component of income tax expense.

REDWIRE CORPORATION
NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (Unaudited)
(Tabular amounts in thousands of U.S. dollars, except percentages, unit, share, and warrant amounts)

Research and Development Costs

Research and development costs are primarily made up of labor charges, prototype material, and development expenses. Research and development costs are expensed in the period incurred.

Advertising Costs

All advertising, promotional and marketing costs are expensed when incurred and are included in Selling, general and administrative expenses within the condensed consolidated statements of operations and comprehensive income (loss).

Equity-based Compensation

The Company's equity-based compensation plans are classified as equity plans and compensation expense is generally recognized over the vesting period of stock awards. The Company issues stock awards in the form of incentive units, non-qualified stock options and restricted stock units. The fair value of incentive units and stock options are calculated on the grant date using the Black-Scholes Option Pricing Model ("OPM"). Given the absence of adequate historical data, the Company uses the Simplified Method to estimate the term of stock options granted to employees. The fair value of the restricted stock units are calculated based on the closing market price of the Company's common stock on the grant date.

The vesting of the incentive units is contingent on service-based, performance-based, and market conditions and, as such, the recognition of compensation expense is deferred until it is probable the performance conditions will be satisfied. Once it is probable that the performance conditions will be satisfied, unrecognized compensation expense is recognized based on the portion of the requisite service period that has been rendered. If the requisite period is complete, compensation expense is recognized regardless of market conditions being met and recognizes forfeitures as they occur.

For non-qualified stock options and restricted stock units, the Company recognizes the grant date fair value as compensation expense on a straight-line method over the vesting period (typically three years) and recognizes forfeitures as they occur.

Warrants

As part of the Merger, public warrants were established as equity and private warrants were established as a liability. Classification of the public warrants as equity instruments and the private warrants as liability instruments is based on management's analysis of the guidance in ASC 815 Derivatives and Hedging and in a statement issued by the Staff of the SEC regarding the accounting and reporting considerations for warrants issued by special purpose acquisition companies entitled "Staff Statement on Accounting and Reporting Considerations for Warrants Issued by Special Purpose Acquisition Companies." Management determined that while the public warrants meet the definition of a derivative, they meet the equity scope exception in ASC 815-10-15-74(a) to be classified in stockholders' equity and are not subject to remeasurement provided that the Company continues to meet the criteria for equity classification. Management considered whether the private warrants display the three characteristics of a derivative under ASC 815, and concluded that the private warrants meet the definition of a derivative. However, the private warrants fail to meet the equity scope exception in ASC 815-10-15-74(a) and thus are classified as a liability measured at fair value, subject to remeasurement at each reporting period. The Company measured the private warrant liability at fair value at the closing of the Merger and then at each reporting period with changes in fair value recognized as other (income) expense, net in the condensed consolidated statements of operations and comprehensive income (loss).

Foreign Currency Translation

The Company's consolidated financial statements are presented in United States dollars ("USD"), which is the functional currency of the Company. The local currency of our operations in Luxembourg, the euro, is considered to be the functional currency of that operation. Assets and liabilities of the Company's foreign subsidiaries, where the

REDWIRE CORPORATION
NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (Unaudited)
(Tabular amounts in thousands of U.S. dollars, except percentages, unit, share, and warrant amounts)

functional currency is the local currency, are translated into USD at exchange rates effective as of the balance sheet date. Revenues and expenses are translated using average exchange rates in effect for the periods presented.

Balance sheet translation adjustments are reported in accumulated other comprehensive income (loss). Realized gains and losses on foreign currency transactions are included in other (income) expense, net on the condensed consolidated statements of operations and comprehensive income (loss).

Emerging Growth Company

Section 102(b)(1) of the Jumpstart Our Business Startups Act of 2012 (the “JOBS Act”) exempts emerging growth companies from being required to comply with new or revised financial accounting standards until private companies (that is, those that have not had a Securities Act registration statement declared effective or do not have a class of securities registered under the Exchange Act) are required to comply with the new or revised financial accounting standards. The JOBS Act provides that an emerging growth company can elect to opt out of the extended transition period and comply with the requirements that apply to non-emerging growth companies but any such an election to opt out is irrevocable. The Company has elected not to opt out of such extended transition period, which means that when a standard is issued or revised and it has different application dates for public or private companies, the Company, as an emerging growth company, can adopt the new or revised standard at the time private companies adopt the new or revised standard.

This may make comparison of the Company’s financial statements with another public company that is neither an emerging growth company nor an emerging growth company that has opted out of using the extended transition period difficult or impossible because of the potential differences in accounting standards used.

Recently Adopted Accounting Pronouncements

In February 2016, the Financial Accounting Standards Board (“FASB”) issued Accounting Standards Update (“ASU”) No. 2016-02, Leases (Topic 842), which supersedes the current lease requirements in ASC 840, Leases. ASU 2016-02 requires lessees to recognize a right-of-use asset and related lease liability for all leases, with a limited exception for short-term leases. Leases will be classified as either finance or operating, with the classification affecting the pattern of expense recognition in the condensed consolidated statements of operations and comprehensive income (loss). Under ASC 840, leases are classified as either capital or operating, with any capital leases recognized on the condensed consolidated balance sheets. The reporting of lease-related expenses in the condensed consolidated statements of operations and comprehensive income (loss) and consolidated statements of cash flows will be generally consistent with the ASC 840 guidance. Effective January 1, 2022, the Company adopted the new lease standard using a modified retrospective transition method with a cumulative effect adjustment in the period of adoption. In accordance with ASC 842, the Company elected the following package of practical expedients: (i) to use hindsight analysis on expired or existing leases as of the effective date; (ii) to not apply this standard to short-term leases (i.e. with a term less than 12 months); and (iii) to not reassess the lease classification for existing or expired contracts. As a result of adoption, the Company recognized right of use assets and lease liabilities of \$10.1 million and \$10.2 million, respectively. Adoption of this standard is not expected to have a material impact on the Company’s results of operations or cash flows.

Recently Issued Accounting Pronouncements

In June 2016, the FASB issued ASU No. 2016-13, Financial Instruments—Credit Losses (Topic 326), an amendment of the FASB ASC. Subsequent to the issuance of ASU 2016-13, there were various updates that amended and clarified the impact of ASU 2016-13. ASU 2016-13 broadens the information that an entity must consider in developing its expected credit loss estimate for assets measured either collectively or individually. The amendments in ASU 2016-13 will require an entity to record an allowance for credit losses for certain financial instruments and financial assets, including accounts receivable, based on expected losses rather than incurred losses. The measurement of expected credit losses is based on relevant information about past events, including historical experience, current conditions, and reasonable and supportable forecasts that affect the collectability of the reported amount. An entity must use judgment in determining the relevant information and estimation methods that are appropriate in its circumstances. The use of forecasted information incorporates more timely information in the estimate of expected credit losses. The new guidance will be effective for the year beginning January 1, 2023. The

REDWIRE CORPORATION
NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (Unaudited)
(Tabular amounts in thousands of U.S. dollars, except percentages, unit, share, and warrant amounts)

Company does not expect this guidance to have a material impact on its condensed consolidated financial statements or related disclosures.

Note C – Business Combinations

Oakman Acquisition

On January 15, 2021, the Company acquired 100% of the equity interest of Oakman for cash and 1,000,000 units of Holdings' equity. This acquisition supports the Company's growth in its offering of engineering solutions. The fair value of assets acquired and liabilities assumed as of the acquisition date was \$10.0 million and \$4.5 million, respectively, for total purchase consideration, after certain adjustments, of \$14.3 million, comprised of \$12.2 million cash paid and \$2.1 million common stock issued. The acquisition was accounted for as a business combination, whereby the excess of the consideration paid over the fair value of identifiable net assets was allocated to goodwill. The amount of goodwill for Oakman as of March 31, 2022 and December 31, 2021 was \$8.8 million.

DPSS Acquisition

On February 17, 2021, the Company acquired 100% of the equity interest of DPSS in exchange for cash. The acquisition supports the Company's growth in its offering of deployable technology. The fair value of assets acquired and liabilities assumed as of the acquisition date was \$28.7 million and \$12.7 million, respectively, for total purchase consideration, after certain adjustments, of \$27.3 million. The acquisition was accounted for as a business combination, whereby the excess of the consideration paid over the fair value of identifiable net assets was allocated to goodwill. The amount of goodwill for DPSS as of March 31, 2022 and December 31, 2021 was \$11.3 million.

Techshot Acquisition

On November 1, 2021, the Company acquired 100% of the equity interest of Techshot in exchange for cash and 3,029,596 shares of common stock. The acquisition supports the Company's growth in its offering of mission solutions.

The following table summarizes the fair value of the consideration transferred and the estimated fair values of the major classes of assets acquired and liabilities assumed as of the acquisition date.

	November 1, 2021
Cash paid	\$ 2,228
Common stock issued	38,493
Purchase consideration	<u>\$ 40,721</u>
Assets:	
Cash	\$ 406
Accounts receivable and other receivable	287
Contract assets	926
Inventory	120
Prepaid expenses and other current assets	86
Property, plant and equipment	14,818
Intangible assets	<u>4,120</u>
Total assets	20,763
Liabilities:	
Accounts payable	39
Accrued expenses	293
Deferred revenue	675
Other current liabilities	35
Deferred tax liabilities	<u>5,521</u>

REDWIRE CORPORATION
NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (Unaudited)
(Tabular amounts in thousands of U.S. dollars, except percentages, unit, share, and warrant amounts)

Total liabilities	6,563
Fair value of net identifiable assets acquired	14,200
Goodwill	\$ 26,521

The following table summarizes the intangible assets acquired by class:

	November 1, 2021	Weighted average useful life in years
Trademark	\$ 240	3
Technology	1,800	10
Customer relationships	1,400	9
IPR&D	680	
Total intangible assets	\$ 4,120	

The amounts above represent the current preliminary fair value estimates; however, the measurement period is still open and subject to adjustment as additional information becomes available and as additional analyses and final allocations are completed.

The fair value of the acquired trademark, technology, and IPR&D was estimated using the relief from royalty (“RFR”) method. The fair value of the acquired customer relationships was estimated using the excess earnings method.

The acquisition was accounted for as a business combination, whereby the excess of the consideration paid over the fair value of identifiable net assets was allocated to goodwill. The goodwill reflects the potential synergies and expansion of the Company’s offerings across product lines and markets complementary to its existing products and markets. For tax purposes, the goodwill is not deductible.

Pro Forma Financial Data (Unaudited)

The table below presents the pro forma combined results of operations for the business combinations for the three months ended March 31, 2022 as though the acquisitions of Oakman, DPSS, and Techshot (the “2021 Business Combinations”) had been completed as of January 1, 2020.

	Three Months Ended March 31, 2021
Revenues	\$ 38,026
Net income (loss)	(4,743)

The amounts included in the pro forma information are based on the historical results and do not necessarily represent what would have occurred if the 2021 business combinations had taken place as of January 1, 2020, nor do they represent the results that may occur in the future. Accordingly, the pro forma financial information should not be relied upon as being indicative of the results that would have been realized had the business combination occurred as of the date indicated or that may be achieved in the future.

The Company incurred \$46 thousand and \$2.2 million of acquisition related costs during the three months ended March 31, 2022 and March 31, 2021, respectively. Acquisition related costs in 2022 were attributable to the Techshot business combination, while such costs in 2021 were attributable to the Oakman and DPSS business combinations. These expenses are included in transaction expenses on the condensed consolidated statements of operations and comprehensive income (loss) and are also reflected in the pro forma results for the periods presented in the table above.

REDWIRE CORPORATION
NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (Unaudited)
(Tabular amounts in thousands of U.S. dollars, except percentages, unit, share, and warrant amounts)

Note D – Fair Value of Financial Instruments

Cash and cash equivalents, accounts receivable, inventories, prepaid expenses and other current assets, accounts payable, salaries and benefits payable, accrued interest, other accrued expenses and current liabilities are reflected on the condensed consolidated balance sheets at amounts that approximate fair value because of the short-term nature of these financial assets and liabilities.

The fair value of the Company's debt approximates its carrying value and is classified as Level 2 within the fair value hierarchy as it is based on discounted cash flows using a current borrowing rate.

Private Warrants

The private warrants were valued using a modified Black-Scholes OPM, which is classified as Level 3 within the fair value hierarchy. The following table presents the fair value per warrant and the valuation assumptions under the Black-Scholes OPM as of March 31, 2022 and December 31, 2021.

	March 31, 2022	December 31, 2021
Fair value	\$ 2.63	\$ 2.47
Exercise price	\$ 11.50	\$ 11.50
Common stock price	\$ 8.48	\$ 6.75
Expected option term (years)	4.42 years	4.67 years
Expected volatility	45.90 %	60.50 %
Risk-free rate of return	2.41 %	1.21 %
Expected annual dividend yield	— %	— %

Changes in the fair value of the private warrants are included in other (income) expense, net on the condensed consolidated statements of operations and comprehensive income (loss).

Contingent Consideration

As of March 31, 2022 and December 31, 2021, contingent consideration consisted of estimated future payments related to the Company's acquisition of Rocco. As certain inputs are not observable in the market, contingent consideration payments are classified as Level 3 instruments and included in notes payable to seller on the condensed consolidated balance sheets. Significant changes in the significant unobservable inputs used in the Black-Scholes OPM to determine the fair value of contingent consideration would result in a significantly lower or higher fair value measurement. The Company adjusts the previous fair value estimate of contingent consideration at each reporting period while considering changes in forecasted financial performance and overall change in risk based on the period of time elapsed.

The purchase agreement with the sellers of Rocco awarded such sellers with a contingent right to an earnout payment from the Company upon the achievement of certain revenue milestones for the year ended December 31, 2021. The fair value of the Rocco contingent earnout was estimated using the Black-Scholes OPM.

The assumptions used in the Black-Scholes OPM were as follows:

Rocco Black-Scholes OPM Assumptions

Risk-free interest rate	0.1 %
Revenue discount rate	7.0 %
Revenue volatility	30.0 %
Earnout payment discount rate	4.0 %

As of March 31, 2022, the Company expects to pay the Rocco contingent earnout during the second half of 2022 in accordance with the acquisition agreement.

REDWIRE CORPORATION
NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (Unaudited)
(Tabular amounts in thousands of U.S. dollars, except percentages, unit, share, and warrant amounts)

Financial liabilities measured at fair value on a recurring basis are as follows:

		March 31, 2022			
Balance Sheet Location		Level 1	Level 2	Level 3	Total
Liabilities:					
Private warrants	Warrant liabilities	\$ —	\$ —	\$ 20,336	\$ 20,336
Contingent consideration	Notes payable to sellers	—	—	1,000	1,000
Total		<u>\$ —</u>	<u>\$ —</u>	<u>\$ 21,336</u>	<u>\$ 21,336</u>
		December 31, 2021			
Balance Sheet Location		Level 1	Level 2	Level 3	Total
Liabilities:					
Private warrants	Warrant liabilities	\$ —	\$ —	\$ 19,098	\$ 19,098
Contingent consideration	Notes payable to sellers	—	—	1,000	1,000
Total		<u>\$ —</u>	<u>\$ —</u>	<u>\$ 20,098</u>	<u>\$ 20,098</u>

Changes in the fair value of Level 3 financial liabilities during the three months ended March 31, 2022 were as follows:

	Private Warrants	Contingent Consideration	Total Level 3
December 31, 2021	\$ 19,098	\$ 1,000	\$ 20,098
Additions	—	—	—
Changes in fair value	1,238	—	1,238
Settlements	—	—	—
March 31, 2022	<u>\$ 20,336</u>	<u>\$ 1,000</u>	<u>\$ 21,336</u>

Note E – Accounts Receivable, net

The accounts receivable, net balance was as follows:

	March 31, 2022	December 31, 2021
Billed receivables	\$ 10,152	\$ 14,820
Unbilled receivables	1,832	1,442
Total accounts receivable, net	<u>\$ 11,984</u>	<u>\$ 16,262</u>

Accounts receivable are recorded for amounts to which the Company is entitled and has invoiced to the customer. Unbilled receivables consist of unbilled amounts as of March 31, 2022 under T&M contracts where billing and payment is subject solely to the passage of time.

There was no allowance for doubtful accounts as of March 31, 2022 and December 31, 2021.

REDWIRE CORPORATION
NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (Unaudited)
(Tabular amounts in thousands of U.S. dollars, except percentages, unit, share, and warrant amounts)

Note F – Inventory

The inventory balance was as follows:

	March 31, 2022	December 31, 2021
Raw materials	\$ 618	\$ 414
Work in process	249	117
Finished goods	155	157
Inventory, net	<u>\$ 1,022</u>	<u>\$ 688</u>

Note G – Debt

The table below presents details of the Company’s debt as of the following periods including the effective interest rate as of March 31, 2022:

	Effective interest rate	March 31, 2022	December 31, 2021
Adams Street Term Loan	7.58 %	\$ 30,613	\$ 30,690
Adams Street Revolving Credit Facility	—	—	—
Adams Street Delayed Draw Term Loan	7.58	14,813	14,850
Adams Street Incremental Term Loan	7.47	31,680	31,760
D&O Financing Loan	1.75	761	1,904
Total debt		<u>77,867</u>	<u>79,204</u>
Less: unamortized discounts and issuance costs		<u>1,580</u>	<u>1,653</u>
Total debt, net		76,287	77,551
Less: Short-term debt, including current portion of long-term debt		<u>1,542</u>	<u>2,684</u>
Total long-term debt, net		<u>\$ 74,745</u>	<u>\$ 74,867</u>

Adams Street Capital Credit Agreement

On October 28, 2020, the Company entered into a credit agreement with Adams Street Capital (the “Adams Street Credit Agreement”). The Adams Street Credit Agreement originally included a \$31.0 million term loan commitment, \$5.0 million revolving credit facility commitment, and \$15.0 million delayed draw term loan, all of which mature on October 28, 2026. On January 15, 2021, the Company drew \$15.0 million on the delayed draw term loan to finance the Oakman acquisition. On February 17, 2021, the Adams Street Capital Credit Agreement was amended to increase the principal amount of the Adams Street Term Loan by an additional \$ 32.0 million, which was incurred to finance the DPSS acquisition. There were no borrowings outstanding under the revolving credit facility as of March 31, 2022 and December 31, 2021.

On September 2, 2021, the Adams Street Credit Agreement was amended to provide that the consolidated total net leverage ratio not exceed 6.50:1.00 on the last day of any quarter (“the Financial Covenant”), to remove the cap on the amount of unrestricted cash which may be netted for purposes of the Financial Covenant, to redefine “Consolidated EBITDA”, and to reset the call protection terms.

In December 2021, the Company entered into a Consent to Credit Agreement whereby Adams Street Capital agreed to an extension of the delivery of periodic financial statements required under the Adams Street Credit Agreement.

On March 25, 2022, the Company entered into a Third Amendment (the “Amendment”) to the Adams Street Capital Credit Agreement to, among other things, increase commitments under the revolving credit facility from \$5.0 million to \$25.0 million.

REDWIRE CORPORATION
NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (Unaudited)
(Tabular amounts in thousands of U.S. dollars, except percentages, unit, share, and warrant amounts)

The Amendment also modified certain negative covenants and increased the per annum interest rate (i) with respect to revolving loans in an aggregate principal amount of \$5.0 million or less, to 6.00% for Eurocurrency rate loans and 5.00% for Base Rate Loans, and (ii) with respect to revolving loans in an aggregate principal amount in excess of \$5.0 million, to 7.50% for Eurocurrency rate loans and 6.50% for Base Rate Loans.

The Adams Street Capital Credit Agreement, as amended, contains certain customary representations and warranties, affirmative and other covenants and events of default, including among other things, payment defaults, breach of representations and warranties, and covenant defaults. As of March 31, 2022 and December 31, 2021, the Company was in compliance with the covenant requirements.

In connection with the entry into the Amendment, AEI and certain of its affiliates (the “AEI Guarantors”), provided a limited guarantee for the payment of outstanding revolving loans in excess of \$10.0 million, with a \$15.0 million cap in the aggregate. In the event that the AEI Guarantors are required to make payments to the lenders under the Adams Street Capital Credit Agreement pursuant to the terms of the limited guarantee, each AEI Guarantor would be subrogated to the rights of the lenders. In connection with the limited guarantee, the Lead Borrower agreed to pay to the AEI Guarantors, a fee equal to 2% of any amount actually paid by such guarantors under the limited guarantee. The fee is waivable by the AEI Guarantors in their discretion.

Silicon Valley Bank Loan Agreement

On August 31, 2020, the Company entered into a \$45.4 million loan agreement with Silicon Valley Bank, which was subsequently modified to increase the principal to \$51.1 million on October 28, 2020 (the “SVB Loan”). On April 2, 2021, the Company amended the SVB Loan Agreement to extend the term from August 2021 to September 30, 2022. On September 2, 2021, the Company repaid the full outstanding principal and interest on the SVB Loan.

Paycheck Protection Program (“PPP”) Loan

On May 1, 2020, prior to its acquisition, DSS received a PPP Loan for \$1.1 million (the “DSS PPP Loan”). Under the terms of the DSS PPP Loan, DSS could apply for forgiveness under the PPP regulations if DSS used the proceeds of the loan for its payroll costs and other expenses in accordance with the requirements of the PPP. Proceeds from the DSS PPP loan, including interest calculated at a nominal and effective interest rate of 1.00% per annum, were included in a DSS savings account as of the DSS acquisition date. Any amount of the DSS PPP Loan forgiven and proportionate interest amount will be released to the seller of DSS. The Company did not use any of the DSS PPP Loan funds assumed as part of the DSS acquisition. On June 18, 2021, \$0.6 million of the DSS PPP Loan was forgiven and as a result was reclassified as a note payable to the seller of DSS. During the year ended December 31, 2021, the Company repaid the \$0.6 million note payable to the seller of DSS and the remaining outstanding principal and interest of \$0.5 million on the DSS PPP loan.

D&O Financing Loan

On September 3, 2021, the Company entered into a \$3.0 million loan (the “D&O Financing Loan”) with BankDirect Capital Finance to finance the Company’s directors and officers insurance premium. The D&O Financing Loan has an interest rate of 1.74% per annum and a maturity date of May 3, 2022.

REDWIRE CORPORATION
NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (Unaudited)
(Tabular amounts in thousands of U.S. dollars, except percentages, unit, share, and warrant amounts)

The maturities of the Company's long-term debt outstanding as of March 31, 2022 are as follows:

	Remainder of 2022	2023	2024	2025	2026	Thereafter	Total
Adams Street Term Loan	\$ 233	\$ 310	\$ 310	\$ 310	\$ 29,450	\$ —	\$ 30,613
Adams Street Delayed Draw Term Loan	113	150	150	150	14,250	—	14,813
Adams Street Incremental Term Loan	240	320	320	320	30,480	—	31,680
D&O Financing Loan	761	—	—	—	—	—	761
Total long-term debt maturities	\$ 1,347	\$ 780	\$ 780	\$ 780	\$ 74,180	\$ —	\$ 77,867

The table below presents the interest expense on debt, including the amortization of discounts and issuance costs for the following periods:

	Three Months Ended	
	March 31, 2022	March 31, 2021
Interest expense on debt	\$ 1,452	\$ 1,410

Liquidity Risks and Uncertainties

The Company's primary sources of liquidity are cash flows provided by operations, access to existing credit facilities and proceeds from the Merger. Liquidity risk refers to the risk that the Company will be unable to finance its operations due to a loss of access to existing sources of liquidity and the Company's ability to meet its financial obligations as they become due.

Since its inception, the Company has incurred net losses and negative operating cash flows, in addition to other cash uses associated with capital expenditures, costs associated with the Company's acquisitions, and costs associated with the Merger, among other uses. While some of these cash outflows have been non-recurring in nature, the Company has continued to experience net cash outflows from operating activities. While the Company believes its continued growth and cash flow management will result in improvements in cash flow usage from operating activities going forward, there can be no assurance these improvements will be achieved.

As of March 31, 2022, total available liquidity was \$30.9 million, comprised of \$5.9 million in cash and cash equivalents and \$25.0 million in available borrowings from our existing credit facilities. The Company believes that existing sources of liquidity will be sufficient to meet its working capital needs and comply with its debt covenants for at least the next twelve months from the date on which the consolidated financial statements were issued. As part of the Company's debt management strategy, management continuously evaluates opportunities to further strengthen the Company's financial position including the issuance of additional equity or debt securities, refinance or otherwise restructure the existing credit facilities, or enter into new financing arrangements. On April 14, 2022, the Company entered into a Common Stock Purchase Agreement (the "Purchase Agreement") with respect to a committed equity facility, under which the Company will have the right, but not the obligation, to issue and sell, from time to time, up to \$80.0 million of its common stock. See Note P for more information. In addition, the Company has identified a plan to execute certain cost reduction actions including, among others, integration-related workforce rationalizations, real estate synergies, business unit optimization initiatives, and cost savings associated with certain Corporate level employment costs. There can be no assurances that any of these actions will be sufficient to allow the Company to service its debt obligations, meet its debt covenants, or that such actions will not result in an adverse impact on our business.

Note H – Leases

The Company is obligated under certain operating leases for its facilities and office equipment. Certain facility leases contain predetermined fixed escalation of minimum rents at stated rates ranging from 1.96% to 4.00% per annum and one lease with annual escalations based on the Consumer Price Index ("CPI"). In addition, certain facility leases include renewal options that could extend the lease term for up to an additional nine years. The office

REDWIRE CORPORATION
NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (Unaudited)
(Tabular amounts in thousands of U.S. dollars, except percentages, unit, share, and warrant amounts)

equipment lease contains a renewal option that could extend the lease to consecutive 60-day terms and a purchase option.

Total Lease Costs

The following table summarizes total lease costs for the period. As the Company adopted ASC 842 as of January 1, 2022, rent expense recognized in accordance with ASC 840 is reported as operating lease cost for the comparative period in 2021.

	Three Months Ended	
	March 31, 2022	March 31, 2021
Operating lease costs	\$ 723	\$ 811
Variable lease costs	—	—
Short-term lease costs	94	—
Total lease costs	<u>\$ 817</u>	<u>\$ 811</u>

Total lease costs are included in selling, general and administrative expenses and cost of sales on the condensed consolidated statements of operations and comprehensive income (loss).

Supplemental Balance Sheet Information

The following table presents supplemental balance sheet information related to the Company's operating leases:

	March 31, 2022	December 31, 2021
Right-of-use assets	\$ 12,985	\$ —
Short-term lease liabilities	\$ 2,871	\$ —
Long-term lease liabilities	10,373	—
Total lease liabilities	<u>\$ 13,244</u>	<u>\$ —</u>

Other Supplemental Information

The following table presents other supplemental information related to the Company's operating leases:

	Three Months Ended
	March 31, 2022
Cash paid for operating lease liabilities	\$ 607
Right-of-use assets obtained in exchange for new lease liabilities	3,629
Weighted average remaining lease term (in years)	3.2
Weighted average discount rate	4.2 %

REDWIRE CORPORATION
NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (Unaudited)
(Tabular amounts in thousands of U.S. dollars, except percentages, unit, share, and warrant amounts)

Future Lease Obligations

As of December 31, 2021, the remaining lease obligation for operating leases under ASC 840 was \$6.3 million. As of March 31, 2022, the future annual minimum lease payments for operating lease liabilities are as follows:

Year	Total
Remainder of 2022	\$ 2,183
2023	3,068
2024	2,850
2025	2,266
2026	1,631
Thereafter	3,183
Total lease payments	\$ 15,181
Less: imputed interest	1,937
Present value of operating lease liabilities	\$ 13,244

As of March 31, 2022, the Company had one facility lease that had not yet commenced but created significant future lease obligations in the amount of \$3.9 million. The contract was determined to be an operating lease, whereby the Company is required to make rent payments prior to the lease commencement date while construction is completed on the underlying asset. Due to the nature of the work and the amount of the Company's contribution to construction period costs, the Company was determined not to be the accounting owner of the asset under construction as the landlord had substantially all of the construction period risks.

Note I – Income Taxes

A reconciliation of the U.S. federal statutory income tax expense to actual income tax expense is as follows:

	Three Months Ended	
	March 31, 2022	March 31, 2021
Effective tax rate	14.3 %	11.8 %

The effective tax rate for the three months ended March 31, 2022 differs from the U.S. federal income tax rate of 21.0% primarily due to nondeductible compensation costs on the Class P Unit Incentive plan, the valuation of warrants, and a partial valuation allowance of the realization of the deferred tax assets originating during the three months ended March 31, 2022. The effective tax rate for the three months ended March 31, 2021 differs from the U.S. federal income tax rate of 21.0% primarily due to nondeductible transaction costs and changes in the estimated state income tax rate in connection with the acquisition of Oakman and DPSS, partially offset by the research and development income tax credit.

The Company assesses the deferred tax assets for recoverability on a quarterly basis. In assessing the realizability of deferred income tax assets, the Company considers whether it is more-likely-than-not that some or all of the deferred income tax assets will not be realized. The ultimate realization of the deferred income tax assets is dependent upon the generation of future taxable income during the periods in which the net operating loss ("NOL") carryforwards are available. For the three months ended March 31, 2022, the Company concluded that a portion of its deferred tax assets would more-likely-than-not be realized, whereas the Company concluded that substantially all of the deferred tax assets are more-likely-than-not realizable for the three months ended March 31, 2021. The change from the three months ended March 31, 2021 to the three months ended March 31, 2022 was driven by the additional amount of deferred tax assets expected to be generated on taxable losses in 2022, which resulted in an increase to the valuation allowance of \$1.4 million recognized through income tax expense (benefit) on the condensed consolidated statements of operations and comprehensive income (loss).

REDWIRE CORPORATION
NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (Unaudited)
(Tabular amounts in thousands of U.S. dollars, except percentages, unit, share, and warrant amounts)

The effective tax rate was 14.3% compared to 11.8% for the three months ended March 31, 2022 and March 31, 2021, respectively. The difference in effective tax rate between periods was primarily related to equity-based compensation, the valuation of warrants, and a partial valuation allowance on net operating loss carryforwards originating during the three months ended March 31, 2022.

Note J – Commitments and Contingencies

Contingencies in the Normal Course of Business

Under certain contracts with the U.S. government and certain governmental entities, contract costs, including indirect costs, are subject to audit by and adjustment through negotiation with governmental representatives. Revenue is recorded in amounts expected to be realized on final settlement of any such audits.

Legal Proceedings

The Company is subject to litigation, claims, investigations and audits arising from time to time in the ordinary course of business. Although legal proceedings are inherently unpredictable, the Company believes that it has valid defenses with respect to any matters currently pending against the Company and intends to defend itself vigorously. Excluding pending matters disclosed below, the outcome of these matters, individually and in the aggregate, is not expected to have a material impact on the Company's condensed consolidated financial statements.

On November 5, 2021, the Company was notified of potential accounting issues with a business unit by an employee in connection with his resignation. Management promptly informed the independent Audit Committee and its independent registered public accounting firm. The Audit Committee promptly engaged independent, external legal and accounting firms to complete an independent investigation. After completing its investigation, the Audit Committee concluded that the potential issues raised by the former employee did not require a restatement or adjustment of the Company's previously issued consolidated financial statements relating to any prior periods. However, the results of the investigation confirmed the existence of previously identified internal control deficiencies as well as identified certain additional internal control deficiencies. The Company self-reported this matter to the SEC on November 8, 2021 and intends to continue to cooperate with any requests from the SEC.

On December 17, 2021, the Company, our CEO, Peter Cannito, and our CFO, William Read, were named as defendants in a putative class action complaint filed in the United States District Court for the Middle District of Florida. In the complaint, the plaintiff alleges that the Company and certain of its directors and officers made misleading statements and/or failed to disclose material facts about the Company's business, operations, and prospects, allegedly in violation of Section 10(b) (and Rule 10b-5 promulgated thereunder) and Section 20(a) of the Securities Exchange Act of 1934. As relief, the plaintiffs are seeking, among other things, compensatory damages. The defendants believe the allegations are without merit and intend to defend the suit vigorously. However, given the early stage of the proceedings, a reasonable estimate of the amount of any possible loss or range of loss cannot be made at this time.

Business Combinations

The Company has acquired and plans to continue to acquire businesses with prior operating histories. These acquisitions may have unknown or contingent liabilities, which the Company may become responsible for and could have a material impact on the Company's future operating results and cash flows. In addition, the Company may incur acquisition costs, regardless of whether or not the acquisition is ultimately completed, which may be material to future periods.

Note K - Warrants

Public Warrants

Each public warrant entitles the registered holder to purchase one share of common stock at a price of \$11.50 per share, subject to adjustment. Pursuant to the warrant agreement, a warrant holder may exercise its warrants only for a whole number of shares of common stock. This means only a whole warrant may be exercised at a given time by a warrant holder. The warrants will expire on September 2, 2026, at 5:00 p.m., New York City time, or earlier

REDWIRE CORPORATION
NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (Unaudited)
(Tabular amounts in thousands of U.S. dollars, except percentages, unit, share, and warrant amounts)

upon redemption or liquidation.

The Company may call the public warrants for redemption as follows: (1) in whole and not in part; (2) at a price of \$0.01 per warrant; (3) upon a minimum of 30 days prior written notice of redemption; and (4) only if the last reported closing price of the common stock equals or exceeds \$18.00 per share for any 20 trading days within a 30-trading day period ending on the 3rd trading day prior to the date on which the Company sends the notice of redemption to the warrant holders.

If the Company calls the public warrants for redemption, management will have the option to require all holders that wish to exercise the Company public warrants to do so on a “cashless basis.”

The exercise price and number of shares of common stock issuable upon exercise of the warrants may be adjusted in certain circumstances including a consolidation, combination, reverse stock split or reclassification of shares of the Company’s common stock or other similar event. In no event will the Company be required to net cash settle the warrant shares.

As of March 31, 2022, there were 8,188,811 public warrants issued and outstanding.

Private Warrants

The terms and provisions of the public warrants above also apply to the private warrants. If the private warrants are held by holders other than Sponsor, Jefferies, Holdings or their respective permitted transferees, the private warrants will be redeemable by the Company and exercisable by the holders on the same basis as the public warrants. The Sponsor, Jefferies, Holdings and their respective permitted transferees have the option to exercise the private placement warrants on a cashless basis.

As of March 31, 2022, there were 7,732,168 private warrants issued and outstanding.

Refer to Note D for information on the Level 3 inputs used to value the private warrants.

Note L – Equity-Based Compensation

The Company has three equity-based compensation plans, which are described below.

Holdings, the Company’s former parent adopted a written compensatory benefit plan (the “Class P Unit Incentive Plan”) to provide incentives to existing or new employees, officers, managers, directors, or other service providers of the Company or its subsidiaries in the form of Holdings’ Class P Units (“Incentive Units”). Incentive Units have a participation threshold of \$1.00 and are divided into three tranches (“Tranche I,” “Tranche II,” and “Tranche III”): Tranche I, Tranche II, and Tranche III Incentive Units were subject to performance-based, service-based, and market-based conditions.

On September 2, 2021, the company’s board of directors adopted the Redwire Corporation 2021 Omnibus Incentive Plan (the “Plan”) which authorizes the grant of stock options (incentive and non-qualified), stock appreciation rights, restricted stock, restricted stock units, and other cash or share-based awards to employees, officers, non-employee directors and consultants of the Company. The Company initially reserved an aggregate of 7,936,136 shares (subject to annual increases on January 1 of each year beginning in 2022 and ending with a final increase on January 1, 2031) of the Company’s common stock for grants under the Plan. Shares of the Company’s stock reserved for grants under the Plan were 9,189,953 and 7,936,136 as of March 31, 2022 and December 31, 2021, respectively. Incentive stock options may only be granted to employees and officers employed by the Company. The Plan appoints the board of directors, the compensation committee or such other committee consisting of two or more individuals (the “Committee”) appointed by the board to administer the Plan. Awards under the Plan will contain such terms and conditions not inconsistent with the Plan as the Committee in its discretion approves. The Committee has discretion to administer the Plan in the manner which it determines, from time to time, is in the best interest of the Company.

On September 2, 2021, the company’s board of directors adopted the Redwire Corporation 2021 Employee Stock Purchase Plan (the “ESPP”) which authorizes the grant of rights to purchase common stock of the Company to

REDWIRE CORPORATION
NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (Unaudited)
(Tabular amounts in thousands of U.S. dollars, except percentages, unit, share, and warrant amounts)

employees, officers and directors (if they are otherwise employees) of the Company. The Company initially reserved an aggregate of 755,822 shares (subject to annual increases on January 1 of each year beginning in 2022 for a period of up to ten years) of the Company's common stock for grants under the ESPP. Shares of the Company's stock reserved for grants under the ESPP were 1,382,731 and 755,822 as of March 31, 2022 and December 31, 2021, respectively. The ESPP appoints the Compensation Committee (the "Committee") to administer the ESPP. Awards under the ESPP will contain such terms and conditions not inconsistent with the ESPP as the Committee in its discretion approves. The Committee has discretion to administer the ESPP in the manner which it determines, from time to time, is in the best interest of the Company. As of March 31, 2022, no shares had been issued under the ESPP.

Incentive Units

On March 24, 2021 ("modification date"), Holdings, the Company's former parent amended the Class P Unit Incentive Plan so that the Tranche I and the Tranche III Incentive Units became fully vested, upon the closing of the Merger. Holdings also amended the Class P Unit Incentive Plan so that the Tranche II Incentive Units would vest on any liquidation event, as defined in the Class P Unit Incentive Plan, rather than only upon consummation of the sale of Holdings, subject to the market-based condition stipulated in the Class P Unit Incentive Plan prior to its amendment.

As a result of the Merger, Tranches I and III Incentive Units vested on September 2, 2021 ("vesting date") and the performance vesting condition was met for the Tranche II Incentive Units. The fair value determined at the date of the amendment of the Class P Unit Incentive Plan was immediately recognized as compensation expense on the vesting date for Tranches I and III. Compensation expense for the Tranche II Incentive Units was recognized over the derived service period of twelve months from the modification date, which resulted in approximately seventy-five percent of the compensation expense for Tranche II being recognized as of December 31, 2021 and \$2.4 million of compensation expense being recognized during the three months ended March 31, 2022. As of March 31, 2022, there was no unrecognized compensation costs related to Tranche II Incentive Units.

Stock Options

Pursuant to the Plan, the Company's board of directors granted certain Grantees, options to purchase shares of the Company's common stock with a contractual term of 0 years. The options vest over a three year term as follows: 33.3% on the first anniversary of the grant date, 33.3% on the second anniversary of the grant date, and 33.4% on the third anniversary of the grant date. Vesting is contingent upon continued employment or service to the Company; both the vested and unvested portion of a Grantee's option will be immediately forfeited and cancelled if the Grantee ceases employment or service to the Company. The Company recognizes equity-based compensation expense for the options equal to the fair value of the awards on a straight-line basis over the service based vesting period and recognizes forfeitures as they occur.

The fair value of options granted under the Plan was estimated on the grant date under the Black-Scholes OPM using the following assumptions:

Expected option term (years)	6
Expected volatility	32.80 %
Risk-free rate of return	0.93%-1.15%
Expected annual dividend yield	— %

As of March 31, 2022, there were 1,546,400 shares outstanding and \$4.1 million of unrecognized compensation cost related to unvested stock options granted under the Plan. There were no shares that were granted, vested or were exercisable under the Plan during the three months ended March 31, 2022.

Restricted Stock Units

Restricted stock units awarded under the Plan are generally subject to forfeiture in the event of termination of employment prior to vesting dates. The Company recognizes equity-based compensation expense for the restricted

REDWIRE CORPORATION
NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (Unaudited)
(Tabular amounts in thousands of U.S. dollars, except percentages, unit, share, and warrant amounts)

stock units equal to the fair value of the awards on a straight-line basis over the service based vesting period and recognizes forfeitures as they occur.

The Company did not grant additional shares of restricted stock units of the Company's common stock during the three months ended March 31, 2022.

A summary of the status of the Company's restricted stock units as of March 31, 2022, and changes during the three months ended March 31, 2022, is presented as follows:

	Restricted Shares	Weighted-Average Grant Date Fair Value per Share	Weighted-Average Remaining Contractual Term (in Years)	Aggregate Intrinsic Value
Unvested at December 31, 2021	1,717,950	\$ 11.66	1.8	\$ 11,596
Granted	—	—		
Vested	—	—		
Forfeited	(41,850)	12.72		
Unvested at March 31, 2022	<u>1,676,100</u>	<u>\$ 11.63</u>	<u>1.6</u>	<u>\$ 14,213</u>

As of March 31, 2022, there was approximately \$17.8 million of total unrecognized compensation cost related to unvested restricted stock units granted under the Plan. This cost is expected to be recognized over a weighted-average period of 1.6 years. There were no restricted stock units that vested during the three months ended March 31, 2022.

The table below presents the equity-based compensation expense recorded during the following periods:

	Three Months Ended	
	March 31, 2022	March 31, 2021
Cost of Sales		
Incentive Units	\$ 181	\$ —
Stock Options	12	—
Restricted Stock Units	627	—
Total cost of sales	<u>\$ 820</u>	<u>\$ —</u>
Selling, general and administrative expenses		
Incentive Units	2,171	—
Stock Options	409	—
Restricted Stock units	1,011	—
Total selling, general and administrative expenses	<u>\$ 3,591</u>	<u>\$ —</u>
Total equity-based compensation expense	<u>\$ 4,411</u>	<u>\$ —</u>

REDWIRE CORPORATION
NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (Unaudited)
(Tabular amounts in thousands of U.S. dollars, except percentages, unit, share, and warrant amounts)

Note M – Net Income (Loss) per Share

The numerators and denominators of the basic and diluted net income (loss) per share were computed for the periods presented as follows:

	Three Months Ended	
	March 31, 2022	March 31, 2021
Numerator:		
Net income (loss)	\$ (17,293)	\$ (7,674)
Denominator:		
Weighted average shares outstanding – basic and diluted	62,690,869	37,200,000
Basic and diluted net income (loss) per share	\$ (0.28)	\$ (0.21)

Because the Company had a net loss for all periods presented, the Company did not have any dilutive securities and/or other contracts that could, potentially, be exercised or converted into shares of common stock and then share in the earnings of the Company. As a result, diluted net income (loss) per share is the same as basic net income (loss) per share for the periods presented. For the three months ended March 31, 2022, potentially diluted shares consisted of warrants, stock options, and restricted stock units that were not included in the computation of diluted EPS because to do so would have been antidilutive for the period. See Note K and Note L for further information of the Company's warrants and equity-based compensation awards, respectively.

Note N – Revenue

The table below presents revenues by customer grouping for the following periods:

	Three Months Ended	
	March 31, 2022	March 31, 2021
Civil space	\$ 16,164	\$ 16,023
National security	7,578	8,288
Commercial and other	9,125	7,387
Total revenues	\$ 32,867	\$ 31,698

Contract Balances

The table below presents the contract assets and contract liabilities included on the condensed consolidated balance sheets for the following periods:

	March 31, 2022	December 31, 2021
Contract assets	\$ 17,492	\$ 11,748
Contract liabilities	\$ 13,929	\$ 15,734

The increase in contract assets was primarily driven by growth in revenue recognized and timing of billable milestones occurring during the three months ended March 31, 2022, and also by the acquisitions of Oakman, DPSS, and Techshot compared to the period before they were acquired.

The decrease in contract liabilities was related to timing of billable milestones occurring during the three months ended March 31, 2022, partially offset by an increase related to the acquisitions of Oakman, DPSS and Techshot, compared to the period before they were acquired. Revenue recognized in the three months ended March 31, 2022 that was included in the contract liability balance as of December 31, 2021 was \$7.8 million. Revenue recognized in the three months ended March 31, 2021 that was included in the contract liability balance as of December 31, 2020 was \$8.1 million.

REDWIRE CORPORATION
NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (Unaudited)
(Tabular amounts in thousands of U.S. dollars, except percentages, unit, share, and warrant amounts)

The Company evaluates the contract value and cost estimates at completion (“EAC”) for performance obligations at least quarterly and more frequently when circumstances significantly change. Due to the nature of the work required to be performed on many of the Company’s performance obligations, the estimate of total revenue and cost at completion is complex, subject to many variables and requires significant judgment by management on a contract by contract basis. As part of this process, management reviews information including, but not limited to, labor productivity, the nature and technical complexity of the work to be performed, availability and cost volatility of materials, subcontractor and vendor performance, volume assumptions, inflationary trends, and schedule and performance delays. Management’s judgment related to these considerations has become increasingly more significant given the current economic environment primarily caused by the COVID-19 pandemic.

When the Company’s estimate of total costs to be incurred to satisfy a performance obligation exceeds the expected revenue, the Company recognizes the loss immediately. When the Company determines that a change in estimate has an impact on the associated profit of a performance obligation, the Company records the cumulative positive or negative adjustment to the statement of operations and comprehensive income (loss). Changes in estimates and assumptions related to the status of certain long-term contracts may have a material effect on the Company’s operating results.

The following table summarizes the impact of the net EAC adjustments for the periods presented:

	Three Months Ended	
	March 31, 2022	March 31, 2021
Net EAC adjustments, before income taxes	\$ (1,764)	\$ (56)
Net EAC adjustments, net of income taxes	(1,511)	(50)
Net EAC adjustments, net of income taxes, per diluted share	(0.02)	—

Remaining Performance Obligations

As of March 31, 2022, the aggregate amount of the transaction price allocated to remaining performance obligations was \$107.7 million. The Company expects to recognize approximately 78% of its remaining performance obligations as revenue within the next 12 months and the balance thereafter.

Geographic Information and Significant Customers

The table below presents revenues based on the geographic location of the Company’s customers for the following periods:

	Three Months Ended	
	March 31, 2022	March 31, 2021
U.S.	\$ 31,351	\$ 30,911
Luxembourg	1,230	715
South Korea	140	61
Germany	104	11
Other	42	—
Total revenues	<u>\$ 32,867</u>	<u>\$ 31,698</u>

REDWIRE CORPORATION
NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (Unaudited)
(Tabular amounts in thousands of U.S. dollars, except percentages, unit, share, and warrant amounts)

The majority of the Company's revenues are derived from government contracts. Customers comprising 10% or more of revenues were as follows for the periods presented:

	Three Months Ended	
	March 31, 2022	March 31, 2021
NASA	\$ 8,439	\$ 10,937
Boeing	5,463	4,031
Air Force Research Laboratory ⁽¹⁾	—	3,344
Total	<u>\$ 13,902</u>	<u>\$ 18,312</u>

(1) While revenue was generated in each of the periods presented, amounts are only disclosed for the periods in which revenue represented 10% or more of total revenue.

Note O – Related Parties

The table below presents details of the Company's related party transactions with AEI included on the condensed consolidated statements of operations and comprehensive income (loss) for the following periods:

	Three Months Ended	
	March 31, 2022	March 31, 2021
Management fees paid to AEI	\$ —	\$ 162
Transaction fees paid to AEI	—	900
Total fees paid to AEI	<u>\$ —</u>	<u>\$ 1,062</u>

All related party fees associated with AEI were incurred prior to the close of the Merger. Additionally, the Company made a \$4.9 million payment to AEI in October 2020, which was repaid in February 2021.

Please refer to Note G, for related party transactions associated with the Company's debt obligations.

Note P – Subsequent Events

On April 14, 2022, the Company entered into a Common Stock Purchase Agreement (the "Purchase Agreement") and a Registration Rights Agreement (the "Registration Rights Agreement") with B. Riley Principal Capital, LLC ("B. Riley") with respect to a committed equity facility. Under the Purchase Agreement, the Company will have the right, but not the obligation, to issue and sell to B. Riley, from time to time, up to \$80.0 million of shares of the Company's common stock, subject to terms and conditions, including relating to price per share, specified in the Purchase Agreement. Upon execution of the Purchase Agreement, the Company issued 127,751 shares of common stock to B. Riley as consideration for its irrevocable commitment to purchase shares of our common stock from time to time. Pursuant to the Registration Rights Agreement, the Company filed a registration statement on Form S-1 with the SEC on April 22, 2022, registering an initial 9,000,000 shares of common stock to be issued by the Company to B. Riley at its election, from time to time, pursuant to the Purchase Agreement to permit the resale by B. Riley of the shares of common stock registered thereunder.

The net proceeds under the Purchase Agreement to the Company will depend on the frequency and prices at which the Company sells shares of its common stock to B. Riley. The Company intends to use the net proceeds from this agreement to further support its growth strategy through initiatives such as accretive acquisitions and internal investments, to bolster working capital and/or for general corporate purposes.

REDWIRE CORPORATION
NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (Unaudited)
(Tabular amounts in thousands of U.S. dollars, except percentages, unit, share, and warrant amounts)

The Company has evaluated subsequent events after the consolidated balance sheet as of March 31, 2022 through the condensed consolidated financial statements issuance date and there were no additional subsequent events that required disclosure.

Events Subsequent to the Original Issuance of the Consolidated Financial Statements (Unaudited)

On May 25, 2022, a plaintiff commenced derivative litigation in the United States District Court for the District of Delaware on behalf of the Company against Peter Cannito, Les Daniels, Reggie Brothers, Joanne Isham, Kirk Konert, Jonathan Baliff, and John S. Bolton. The complaint's allegations are similar to those of the class action lawsuit filed in December 2021, namely, that statements about Redwire's business and operations were misleading due to alleged material weaknesses in the Company's financial reporting internal controls. The plaintiff alleges the defendants violated Section 10(b) (and Rule 10b-5 promulgated thereunder) of the Securities Exchange Act of 1934, breached their fiduciary duties by allowing misleading disclosures to be made, and caused the Company to overpay compensation and bonuses tied to the Company's financial performance. As relief, the plaintiffs are seeking, among other things, compensatory and punitive damages. The defendants believe the allegations are without merit and intend to defend the suit vigorously. However, given the early stage of the proceedings, a reasonable estimate of the amount of any possible loss or range of loss cannot be made at this time.

PART II
INFORMATION NOT REQUIRED IN PROSPECTUS

Item 13. Other Expenses of Issuance and Distribution.

The following table sets forth all costs and expenses, other than underwriting discounts and commissions, payable by us in connection with the sale of the securities being registered for resale hereunder. All amounts shown are estimates except for the SEC registration fee.

	Amount
SEC registration fee	\$ 696
Accountants' fees and expenses*	50,000
Legal fees and expenses*	75,000
Printing fees*	45,000
Miscellaneous fees and expenses*	8,400
Total expenses*	\$ 179,096

* Estimated solely for the purposes of this Item. Actual expenses may vary.

Item 14. Indemnification of Directors and Officers.

Section 145(a) of the DGCL provides, in general, that a corporation may indemnify any person who was or is a party to or is threatened to be made a party to any threatened, pending or completed action, suit or proceeding, whether civil, criminal, administrative or investigative (other than an action by or in the right of the corporation), because he or she is or was a director, officer, employee or agent of the corporation, or is or was serving at the request of the corporation as a director, officer, employee or agent of another corporation, partnership, joint venture, trust or other enterprise, against expenses (including attorneys' fees), judgments, fines and amounts paid in settlement actually and reasonably incurred by the person in connection with such action, suit or proceeding, if he or she acted in good faith and in a manner he or she reasonably believed to be in or not opposed to the best interests of the corporation and, with respect to any criminal action or proceeding, had no reasonable cause to believe his or her conduct was unlawful.

Section 145(b) of the DGCL provides, in general, that a corporation may indemnify any person who was or is a party or is threatened to be made a party to any threatened, pending or completed action or suit by or in the right of the corporation to procure a judgment in its favor because the person is or was a director, officer, employee or agent of the corporation, or is or was serving at the request of the corporation as a director, officer, employee or agent of another corporation, partnership, joint venture, trust or other enterprise, against expenses (including attorneys' fees) actually and reasonably incurred by the person in connection with the defense or settlement of such action or suit if he or she acted in good faith and in a manner he or she reasonably believed to be in or not opposed to the best interests of the corporation, except that no indemnification shall be made with respect to any claim, issue or matter as to which he or she shall have been adjudged to be liable to the corporation unless and only to the extent that the Court of Chancery or other adjudicating court determines that, despite the adjudication of liability but in view of all of the circumstances of the case, he or she is fairly and reasonably entitled to indemnity for such expenses that the Court of Chancery or other adjudicating court shall deem proper.

Section 145(g) of the DGCL provides, in general, that a corporation may purchase and maintain insurance on behalf of any person who is or was a director, officer, employee or agent of the corporation, or is or was serving at the request of the corporation as a director, officer, employee or agent of another corporation, partnership, joint venture, trust or other enterprise against any liability asserted against such person and incurred by such person in any such capacity, or arising out of his or her status as such, whether or not the corporation would have the power to indemnify the person against such liability under Section 145 of the DGCL.

In connection with the Merger, we have entered into indemnification agreements with each of our directors and executive officers. These agreements provide that we will indemnify each of our directors and such officers to the fullest extent permitted by law and our amended and restated certificate of incorporation and our amended and restated bylaws.

We also maintain a general liability insurance policy, which will cover certain liabilities of our directors and officers arising out of claims based on acts or omissions in their capacities as directors or officers.

Item 15. Recent Sales of Unregistered Securities.

- (1) On September 2, 2021, immediately prior to the consummation of the Merger, GPAC issued 8,500,000 shares of its common stock to certain private investors for an aggregate amount of \$85,000,000.
- (2) On November 1, 2021, the Company issued 3,029,596 shares of its common stock to the Sellers in connection with the Company’s acquisition of Techshot, Inc.
- (3) On April 14, 2022, the Company entered into a Common Stock Purchase Agreement (“Purchase Agreement”) with B. Riley Principal Capital pursuant to which the Company will have the right to sell to B. Riley Principal Capital up to \$80,000,000 of newly issued shares. As consideration for B. Riley Principal Capital’s commitment to purchase shares of Common Stock at the Company’s direction upon the terms and subject to the conditions set forth in the Purchase Agreement, upon execution of the Purchase Agreement, the Company issued 127,751 shares of Common Stock to B. Riley Principal Capital.

None of the foregoing transactions involved any underwriters, underwriting discounts or commissions, or any public offering. We believe each of these transactions was exempt from registration under the Securities Act in reliance on Section 4(a)(2) of the Securities Act (and Regulation D promulgated thereunder) as transactions by an issuer not involving any public offering or Rule 701 promulgated under Section 3(b) of the Securities Act as transactions by an issuer under benefit plans and contracts relating to compensation as provided under Rule 701. The recipients of the securities in each of these transactions represented their intentions to acquire the securities for investment only and not with a view to or for sale in connection with any distribution thereof, and appropriate legends were placed on the share certificates issued in these transactions. All recipients had adequate access, through their relationships with us, to information about us. The sales of these securities were made without any general solicitation or advertising.

Item 16. Exhibits and Financial Statement Schedules.

- (a) Exhibits.

The exhibits listed below are filed as part of this registration statement

Exhibit	Description	Schedule / Form	File Number	Exhibits	Filing Date
2.1+	Agreement and Plan of Merger, dated as of March 25, 2021, by and among Genesis Park Acquisition Corp., Shepard Merger Sub Corporation, Cosmos Intermediate, LLC and Redwire, LLC	Proxy Statement/ Prospectus	333-257710	Annex A	July 6, 2021
2.2+*	Agreement and Plan of Merger, dated as of November 1, 2021, by and among Company, Redwire Corporation, Project Tin Man Merger Sub, Inc., Techshot, Inc., John C. Vellinger and Mark S. Deuser as sellers, and Mark S. Deuser, as representative for the Sellers, filed herewith.				
3.1	Certificate of Incorporation of Redwire Corporation	Form 8-K	001-39733	3.1	September 10, 2021

3.2	Bylaws of Redwire Corporation	Form 8-K	001-39733	3.2	September 10, 2021
4.1	Specimen Warrant Certificate	Form S-1	333-249066	4.3	September 25, 2020
4.2	Warrant Agreement, dated as of November 23, 2020, between Continental Stock Transfer & Trust Company and Genesis Park Acquisition Corp	Form 8-K	001-39733	4.1	November 27, 2020
5.1*	Opinion of Kirkland & Ellis LLP				
10.1	Form of Subscription Agreement, dated November 18, 2020	Form 8-K	001-39733	10.18	November 27, 2020
10.2	Form of Subscription Agreement	Proxy Statement/ Prospectus	333-257710	Annex F	July 6, 2021
10.3	Investor Rights Agreement, dated as of March 25, 2021 by and among Genesis Park Acquisition Corp., Redwire, LLC, Genesis Park Holdings, Genesis Park II LP and Jefferies LLC	Proxy Statement/ Prospectus	333-257710	Annex H	July 6, 2021
10.4	Warrant Forfeiture Agreement, dated as of March 25, 2021, by and among Genesis Park Holdings, Jefferies LLC, Genesis Park Acquisition Corp., Redwire, LLC and Cosmos Intermediate, LLC	Proxy Statement/ Prospectus	333-257710	Annex I	July 6, 2021
10.5	Letter Agreement, dated November 23, 2020 by and among Genesis Park Acquisition Corp., Genesis Park Holdings and each director and officer of Genesis Park Acquisition Corp.	Form 8-K	001-39733	10.17	November 27, 2020
10.6	Form of Director and Officer Indemnification Agreement	Form 8-K	001-39733	10.4	September 10, 2021
10.7	Redwire Corporation 2021 Omnibus Equity Incentive Plan	Form 8-K	001-39733	10.1	September 10, 2021
10.8	Redwire Corporation 2021 Employee Stock Purchase Plan	Form S-8	333-260661	10.2	November 1, 2021
10.9	First Amendment to the Redwire Corporation 2021 Omnibus Incentive Plan	Form 8-K	001-39733	10.9	September 10, 2021
10.10	Form of Restricted Stock Unit Award Agreement (Non-Employee Director) under the Redwire Corporation 2021 Omnibus Incentive Plan	Form 10-K	001-39733	10.10	April 11, 2022
10.11	Form of Restricted Stock Unit Award Agreement (Employee) under the Redwire Corporation 2021 Omnibus Incentive Plan	Form 10-K	001-39733	10.11	April 11, 2022
10.12	Form of Nonqualified Stock Option Award Agreement under the Redwire Corporation 2021 Omnibus Incentive Plan	Form 10-K	001-39733	10.12	April 11, 2022

10.13	Credit Agreement, dated as of October 28, 2020, by and among Cosmos Finance, LLC, Cosmos Acquisition, LLC, the other Borrowers, Guarantors and Lenders (as defined therein) from time to time parties thereto, Adams Street Credit Advisors LP, as administrative agent and collateral agent and Adams Street Credit Advisors LP, as sole lead arranger and sole bookrunner.	Form 10-K	001-39733	10.13	April 11, 2022
10.14	First Amendment to Credit Agreement, dated as of February 17, 2021, by and among Cosmos Acquisition, LLC, Cosmos Finance, LLC, the other Borrowers, Guarantors and Lenders (as defined therein) from time to time parties thereto, Adams Street Credit Advisors LP, as administrative agent and collateral agent and the First Amendment Term Lenders (as defined therein).	Form 10-K	001-39733	10.14	April 11, 2022
10.15	Second Amendment to Credit Agreement, dated as of September 2, 2021, by and among Redwire Holdings, LLC, formerly known as Cosmos Acquisition, LLC, Redwire Intermediate Holdings, LLC, formerly known as Cosmos Finance, LLC, the other Borrowers, Guarantors and Lenders (as defined therein) from time to time parties thereto and Adams Street Credit Advisors LP, as administrative agent and collateral agent	Form 10-K	001-39733	10.15	April 11, 2022
10.16	Offer Letter, dated as of March 11, 2020, by and between Holdings and Peter Cannito	Proxy Statement/ Prospectus	333-257710	10.25	July 6, 2021
10.17	Employment Agreement, dated as of June 22, 2020, by and between Cosmos Acquisition, LLC and Andrew Rush	Proxy Statement/ Prospectus	333-257710	10.26	July 6, 2021
10.18	Employment Agreement, dated as of August 3, 2020, by and between Cosmos Acquisition, LLC and William Read	Proxy Statement/ Prospectus	333-257710	10.27	July 6, 2021
10.19	Employment Agreement, dated as of June 1, 2022, by and between Redwire Corporation and Jonathan E. Baliff.	Form 8-K	001-39733	10.1	June 1, 2022
10.20	Separation and Release Agreement, dated as of June 1, 2022, by and between Redwire Corporation and William Read.	Form 8-K	001-39733	10.2	June 1, 2022
21.1	List of Subsidiaries	Form 10-K	001-39733	21.1	April 11, 2022

23.1*	Consent of PricewaterhouseCoopers LLP, independent registered public accounting firm.
23.2*	Consent of PricewaterhouseCoopers LLP, independent registered public accounting firm.
23.3*	Consent of Kirkland & Ellis LLP (included in Exhibit 5.1)
24.1*	Power of Attorney (included on signature page).
101.INS	Inline XBRL Instance Document (the instance document does not appear in the interactive data file because its XBRL tags are embedded within the Inline XBRL document).
101.CAL	Inline XBRL Taxonomy Extension Calculation Linkbase Document.
101.SCH	Inline XBRL Taxonomy Extension Schema Document.
101.DEF	Inline XBRL Taxonomy Extension Definition Linkbase Document.
101.LAB	Inline XBRL Taxonomy Extension Label Linkbase Document.
101.PRE	Inline XBRL Taxonomy Extension Presentation Linkbase Document.
104	Cover Page Interactive Data File (formatted as inline XBRL and contained in Exhibit 101).
107*	Filing Fee Table

* Filed herewith.

+ Certain of the exhibits and schedules to this Exhibit have been omitted in accordance with Regulation S-K Item 601. The registrant agrees to furnish a copy of all omitted exhibits and schedules to the SEC upon its request.

(b) Financial Statement Schedules.

Schedules not listed above have been omitted because the information required to be set forth therein is not applicable or is shown in the financial statements or notes thereto.

Item 17. Undertakings.

(a) The undersigned registrant hereby undertakes as follows:

(1) To file, during any period in which offers or sales are being made, a post-effective amendment to this registration statement:

- (i) To include any prospectus required by Section 10(a)(3) of the Securities Act of 1933;
- (ii) To reflect in the prospectus any facts or events arising after the effective date of the registration statement (or the most recent post-effective amendment thereof) which, individually or in the aggregate, represent a fundamental change in the information set forth in the registration statement. Notwithstanding the foregoing, any increase or decrease in volume of securities offered (if the total dollar value of securities offered would not exceed that which was registered) and any deviation from the low or high end of the estimated maximum offering range may be reflected in

the form of prospectus filed with the Commission pursuant to Rule 424(b) if, in the aggregate, the changes in volume and price represent no more than 20 percent change in the maximum aggregate offering price set forth in the "Calculation of Registration Fee" table in the effective registration statement;

- (iii) To include any material information with respect to the plan of distribution not previously disclosed in the registration statement or any material change to such information in the registration statement.
- (2) That, for the purpose of determining any liability under the Securities Act of 1933, each such post-effective amendment shall be deemed to be a new registration statement relating to the securities offered therein, and the offering of such securities at that time shall be deemed to be the initial bona fide offering thereof.
- (3) To remove from registration by means of a post-effective amendment any of the securities being registered which remain unsold at the termination of the offering.
- (4) That, for the purpose of determining liability under the Securities Act of 1933 to any purchaser, each prospectus filed pursuant to Rule 424(b) as part of a registration statement relating to an offering, other than registration statements relying on Rule 430B or other than prospectuses filed in reliance on Rule 430A, shall be deemed to be part of and included in the registration statement as of the date it is first used after effectiveness. Provided, however, that no statement made in a registration statement or prospectus that is part of the registration statement or made in a document incorporated or deemed incorporated by reference into the registration statement or prospectus that is part of the registration statement will, as to a purchaser with a time of contract of sale prior to such first use, supersede or modify any statement that was made in the registration statement or prospectus that was part of the registration statement or made in any such document immediately prior to such date of first use.
- (5) That, for the purpose of determining any liability under the Securities Act of 1933 to any purchaser in the initial distribution of the securities, the undersigned registrant undertakes that in a primary offering of securities of the undersigned registrant pursuant to this registration statement, regardless of the underwriting method used to sell the securities to the purchaser, if the securities are offered or sold to such purchaser by means of any of the following communications, the undersigned registrant will be a seller to the purchaser and will be considered to offer or sell such securities to such purchaser:
 - (i) Any preliminary prospectus or prospectus of the undersigned registrant relating to the offering required to be filed pursuant to Rule 424;
 - (ii) Any free writing prospectus relating to the offering prepared by or on behalf of the undersigned registrant or used or referred to by the undersigned registrant;
 - (iii) The portion of any other free writing prospectus relating to the offering containing material information about the undersigned registrant or our securities provided by or on behalf of the undersigned registrant; and
 - (iv) Any other communication that is an offer in the offering made by the undersigned registrant to the purchaser.
- (b) Insofar as indemnification for liabilities arising under the Securities Act of 1933 may be permitted to directors, officers and controlling persons of the undersigned pursuant to the foregoing provisions, or otherwise, the undersigned has been advised that in the opinion of the SEC such indemnification is against public policy as expressed in the Securities Act and is, therefore, unenforceable. In the event that a claim for indemnification against such liabilities (other than the payment by the undersigned of expenses incurred or paid by a director, officer or controlling person of the undersigned in the successful defense of any action, suit or proceeding) is asserted by such director, officer or controlling person in connection with the securities being registered, the undersigned will, unless in the opinion of our counsel the matter has been settled by controlling precedent, submit to a court of appropriate jurisdiction the question whether such indemnification by it is against public policy as expressed in the Act and will be governed by the final adjudication of such issue.

SIGNATURES

Pursuant to the requirements of the Securities Act of 1933, the registrant has duly caused this Registration Statement to be signed on its behalf by the undersigned, thereunto duly authorized in the City of Jacksonville, State of Florida, on this 15th day of June, 2022.

REDWIRE CORPORATION

By: /s/ Peter Cannito
Peter Cannito
Chief Executive Officer and Chairman

KNOW ALL BY THESE PRESENTS, that each person whose signature appears below hereby constitutes and appoints Peter Cannito and Nathan O’Konek, and each of them, as his or her true and lawful agents, proxies and attorneys-in-fact, with full power of substitution and resubstitution, for him or her and in his or her name, place and stead, in any and all capacities, to (i) act on, sign and file with the Securities and Exchange Commission any and all amendments (including post-effective amendments) to this registration statement together with all schedules and exhibits thereto and any subsequent registration statement filed pursuant to Rule 462(b) under the Securities Act of 1933, as amended, together with all schedules and exhibits thereto, (ii) act on, sign and file such certificates, instruments, agreements and other documents as may be necessary or appropriate in connection therewith, (iii) act on and file any supplement to any prospectus included in this registration statement or any such amendment or any subsequent registration statement filed pursuant to Rule 462(b) under the Securities Act of 1933, as amended, and (iv) take any and all actions which may be necessary or appropriate to be done, as fully for all intents and purposes as he might or could do in person, hereby approving, ratifying and confirming all that such agent, proxy and attorney-in-fact or any of his substitutes may lawfully do or cause to be done by virtue thereof.

Pursuant to the requirements of the Securities Act of 1933, this Registration Statement has been signed by the following persons in the capacities and on the dates indicated.

<u>Signature</u>	<u>Title</u>	<u>Date</u>
<u>/s/ Peter Cannito</u> Peter Cannito	Chief Executive Officer and Chairman <i>(Principal Executive Officer)</i>	June 15, 2022
<u>/s/ Jonathan E. Baliff</u> Jonathan E. Baliff	Chief Financial Officer and Director	June 15, 2022
<u>/s/ Les Daniels</u> Les Daniels	Director	June 15, 2022
<u>/s/ Nathan O’Konek</u> Nathan O’Konek	Executive Vice President, General Counsel and Secretary	June 15, 2022
<u>/s/ Louis R. Brothers</u> Louis R. Brothers	Director	June 15, 2022
<u>/s/ Joanne Isham</u> Joanne Isham	Director	June 15, 2022
<u>/s/ Kirk Konert</u> Kirk Konert	Director	June 15, 2022
<u>/s/ David Kornblatt</u> David Kornblatt	Director	June 15, 2022
<u>/s/ John S. Bolton</u> John S. Bolton	Director	June 15, 2022

Calculation of Filing Fee Tables
S-1
(Form Type)
Redwire Corporation
(Exact Name of Registrant as Specified in its Charter)
Table 1: Newly Registered and Carry Forward Securities

	Security Type	Security Class Title	Fee Calculation or Carry Forward Rule	Amount Registered (1)	Proposed Maximum Offering Price Per Unit(2)	Maximum Aggregate Offering Price	Fee Rate	Amount of Registration Fee	Carry Forward Form Type	Carry Forward File Number	Carry Forward Initial effective date	Filing Fee Previously Paid In Connection with Unsold Securities to be Carried Forward
Newly Registered Securities												
Fees to Be Paid	Equity	common stock, par value \$0.0001 per share	Rule 457(c)	1,750,000	\$4.29	\$7,507,500	\$0.0000927	\$695.95				
Fees Previously Paid												
Carry Forward Securities												
Carry Forward Securities												
	Total Offering Amounts							\$7,507,500	\$695.95			
	Total Fees Previously Paid											
	Total Fee Offsets											
	Net Fee Due							\$7,507,500	\$695.95			

(1) Represents securities registered for resale by the selling shareholders named in the registration statement.

(2) Estimated solely for the purpose of calculating the registration fee pursuant to Rule 457(c) of the Securities Act. The proposed maximum offering price per share is estimated to be \$4.29, based on the average of the high and low sales prices of the common stock as reported by The New York Stock Exchange on June 8, 2022.

Agreement and Plan of Merger

by and among

Redwire Corporation,

Project Tin Man Merger Sub, Inc.

Techshot, Inc.,

The Sellers Named Herein

and

The Sellers' Representative Named Herein

Dated as of November 1, 2021

TABLE OF CONTENTS

Page

ARTICLE I CERTAIN DEFINITIONS	2
1.1 Definitions	2
ARTICLE II THE MERGERS	18
2.1 Mergers	18
2.2 Closing Transactions	20
2.3 Cash Merger Consideration	22
2.4 Tax Withholding	23
ARTICLE III REPRESENTATIONS AND WARRANTIES CONCERNING THE COMPANY	23
3.1 Organization and Authority	23
3.2 Capitalization and Related Matters	24
3.3 Noncontravention	24
3.4 Financial Information	25
3.5 Absence of Undisclosed Liabilities.	25
3.6 No Material Adverse Effect	26
3.7 Absence of Certain Developments	26
3.8 Assets	28
3.9 Contracts and Commitments	28
3.10 Intellectual Property Rights	30
3.11 Litigation	32
3.12 Compliance with Laws; Permits and Licenses	32
3.13 Environmental Matters	33
3.14 Employees	33
3.15 Employee Benefit Plans	35
3.16 Insurance	37
3.17 Tax Matters	37
3.18 Brokerage	40
3.19 Bank Accounts; Names and Locations.	40
3.20 Affiliated Transactions	41
3.21 Customers and Suppliers	41
3.22 Real Property	41
3.23 International Trade Matters	42
3.24 Government Contracts	42
3.25 Product Warranties	44
ARTICLE IV REPRESENTATIONS AND WARRANTIES CONCERNING SELLERS	44
4.1 Capacity	44
4.2 Title to Shares	44
4.3 Authorization	44
4.4 No Violation	45
4.5 Governmental Authorities and Consents	45
4.6 Litigation	45

4.7	Brokerage	45
4.8	Residency	45
4.9	Acquisition of Buyer Shares	45
4.10	No Other Representations and Warranties	46
ARTICLE V REPRESENTATIONS AND WARRANTIES CONCERNING BUYER, MERGER SUB 1 AND MERGER SUB 2		46
5.1	Organization and Power	46
5.2	Authorization	46
5.3	No Violation	47
5.4	Governmental Authorities and Consents	47
5.5	Litigation	47
5.6	Brokerage	47
5.7	Investment Intent	47
5.8	Buyer Shares	47
5.9	No Other Representations and Warranties; Independent Investigation.	47
ARTICLE VI ADDITIONAL AGREEMENTS; COVENANTS AFTER CLOSING		48
6.1	Survival of Representations and Warranties	48
6.2	Indemnification	48
6.3	Certain Waivers; etc.	52
6.4	Business Covenants	52
6.5	Press Releases and Announcements	55
6.6	Expenses	55
6.7	Specific Performance	55
6.8	Further Assurances	56
6.9	Tax Matters	56
6.10	Director and Officer Indemnification	58
6.11	Appointment of Sellers' Representative	58
6.12	Use of Name.	59
6.13	Restrictive Legend	59
ARTICLE VII MISCELLANEOUS		59
7.1	Amendment and Waiver	59
7.2	Notices	60
7.3	Successors and Assigns	60
7.4	Severability	60
7.5	Interpretation	60
7.6	No Third-Party Beneficiaries	61
7.7	Complete Agreement	61
7.8	Electronic Delivery; Counterparts	61
7.9	GOVERNING LAW; CHOICE OF LAW	61
7.10	Arbitration; WAIVER OF JURY TRIAL	62
7.11	Time Periods	63
7.12	Schedules	63
7.13	Legal Representation	64

SCHEDULES:

Schedule 2.2(b)(iv)	Agreements to be Terminated
Schedule 2.2(b)(v)	Government Approvals
Schedule 2.2(b)(vi)	Third-Party Approvals
Schedule 2.2(b)(vii)	Resignations
Schedule 3.1	Officers and Directors
Schedule 3.2(a)	Capitalization
Schedule 3.2(b)	Shareholder Agreements
Schedule 3.2(c)	Joint Ventures and Minority Interests
Schedule 3.3	Authorization
Schedule 3.4(a)	Financial Statements
Schedule 3.4(c)	Accounts Receivable
Schedule 3.5	Absence of Undisclosed Liabilities
Schedule 3.7	Absence of Certain Developments
Schedule 3.8	Assets
Schedule 3.9(a)	Contracts and Commitments
Schedule 3.9(b)	Absence of Defaults
Schedule 3.10(a)	Intellectual Property Rights; IT, Cybersecurity and Data Privacy
Schedule 3.10(e)	Sponsors
Schedule 3.10(f)	Company Products
Schedule 3.11	Litigation
Schedule 3.12	Permits
Schedule 3.12(b)	Permits
Schedule 3.13(a)	Compliance with Environmental Laws
Schedule 3.13(b)	Absence of Environmental Actions
Schedule 3.13(c)	Hazardous Substances
Schedule 3.13(d)	Environmental Indemnification
Schedule 3.14(a)	Employees
Schedule 3.14(e)	COVID-19 Employee Matters
Schedule 3.15(a)	Employee Benefit Plans
Schedule 3.15(j)	Certain Plan Events
Schedule 3.16	Insurance
Schedule 3.17(q)	Tax Matters
Schedule 3.18	Brokerage
Schedule 3.19	Bank Accounts; Names and Locations
Schedule 3.20	Affiliated Transactions
Schedule 3.21	Customers and Suppliers
Schedule 3.22(b)	Real Property
Schedule 3.24(a)	Government Contracts
Schedule 3.24(d)	Preferred Bidder Contracts
Schedule 3.24(e)	Certified Cost Proposals
Schedule 3.24(j)	Government Contracts
Schedule 3.24(m)	Government Contracts
Schedule 3.24(q)	Government Contracts
Schedule 6.4(a)	Business Covenants
Schedule A	Estimated Closing Merger
Schedule B	Target Net Working Capital

Schedule C
Schedule D

Knowledge Parties
Notice Block Information; Residency

EXHIBITS:

Exhibit A

Escrow Agreement

Exhibit B

Rules of Engagement for Valuation Firm

Exhibit C

Accredited Investor Questionnaire

Exhibit D

Form of IP Assignment Agreement

AGREEMENT AND PLAN OF MERGER

THIS AGREEMENT AND PLAN OF MERGER (this "Agreement") is made and entered into as of November 1, 2021, by and among (i) Redwire Corporation, a Delaware corporation ("Buyer"), (ii) Project Tin Man Merger Sub, Inc., a Delaware corporation ("Merger Sub"), (iii) Techshot, Inc., an Indiana corporation (the "Company"), (iv) the individuals executing a signature page hereto under the header "Sellers" (the "Sellers"), and (v) Mark S. Deuser, as representative for the Sellers ("Sellers' Representative").

WHEREAS, Sellers collectively own all of the issued and outstanding common stock of the Company;

WHEREAS, Buyer, Merger Sub and the Company intend to effect a merger of Merger Sub with and into the Company in accordance with this Agreement, the Indiana Act and the DGCL (the "Merger") whereupon Merger Sub will cease to exist, and the Company will become a wholly-owned subsidiary of Buyer;

WHEREAS, the respective boards of directors and managers, as applicable, of Buyer, Merger Sub and the Company have, on the terms and subject to the conditions set forth in this Agreement, to the extent applicable, (i) determined that it is fair to, and in the best interest of, their respective companies for Buyer to acquire all of the issued and outstanding shares of capital stock of the Company through the Merger, upon which the Company shall be a wholly owned subsidiary of Buyer, and (ii) authorized and approved this Agreement, the Merger and the consummation of the other transactions contemplated hereby and recommended the authorization, approval, consent and ratification thereof to their respective stockholders and members, as applicable; and

WHEREAS, the Sellers, by their execution hereof are authorizing, approving, consenting to and ratifying the Merger for all purposes under the Indiana Act, the DGCL and the Governing Documents of the Company and adopting, authorizing, approving, consenting to and ratifying this Agreement.

NOW, THEREFORE, in consideration of the representations, warranties, covenants, agreements and understandings contained herein and intending to be legally bound, the parties hereto hereby agree as follows:

ARTICLE I

CERTAIN DEFINITIONS

1.1 Definitions. For the purposes of this Agreement, the following terms have the following meanings:

"AAA" is defined in Section 7.10(a).

"Action" means any action, suit (whether civil, criminal, administrative or judicial), litigation, hearing, mediation, arbitration, or proceeding (including any administrative enforcement proceeding, arbitration or mediation proceeding or proceeding in eminent domain), claim, controversy, complaint, written charge, audit, investigation, condemnation or expropriation.

"Adjustment Escrow Account" means the escrow account holding the Adjustment Escrow Shares established pursuant to the Escrow Agreement.

"Adjustment Escrow Shares" means 25,000 shares of Buyer Common Stock.

"Affiliate" of any particular Person means any other Person controlling, controlled by or under common control with such Person, and, in the case of an individual, any Immediate Family Member. For purposes of this definition, "control" (including the terms "controlling," "controlled by" and "under common control with") means the possession, direct or indirect, of the power to direct or cause the direction of the management and policies of a Person, whether through the ownership of voting securities, by contract or otherwise, and such "control" will be presumed if any Person owns ten percent (10%) or more of the voting capital stock or other ownership interests, directly or indirectly, of any other Person.

"Affiliated Group" means an affiliated group as defined in Section 1504 of the Code (or any analogous combined, consolidated unitary or similar group defined under any income Tax Law).

"Agreement" is defined in the Preamble.

"Ancillary Agreement" means each of the agreements, documents, certificates or instruments contemplated hereby to be executed or delivered in connection with this Agreement (aside from this Agreement itself), including any amendments thereto.

"Anti-Corruption Laws" means all U.S. and applicable non-U.S. Laws relating to the prevention of corruption, bribery or anti-money laundering including the U.S. Foreign Corrupt Practices Act of 1977, as amended, and the UK Bribery Act of 2010.

"Applicable Rate" means a rate per annum equal to the rate of interest published by the *Wall Street Journal* as the "prime rate" at large U.S. money center banks on such date.

"Arbitrable Dispute" is defined in Section 7.10(a).

"Arbitrator" is defined in Section 7.10(c).

"Assets" is defined in Section 3.8.

"Base Merger Consideration" means \$32,000,000.

"Business" means the entirety of the past or current business of the Company, which includes businesses involving:

(i) consulting, designing, engineering, analyzing, prototyping, research and development, fabrication, distributing, manufacturing, testing or selling of space flight or low earth orbit research facilities or hardware used to conduct mechanical, structural, biomedical, pharmaceutical, biological, thermal, electrical, or other technologies in space or low earth orbit, including to the extent related to the foregoing such terrestrial hardware any related prototype hardware and software for ground-based testing, space-qualified hardware and software design and production, flight hardware and software verification testing, systems safety engineering, mission/experiment planning, integration or management;

(ii) with regard to experiments conducted in space, including all orbits of earth, lunar or deep space: flight opportunity brokering for suborbital and orbital missions, ground-trainer mockup development, crew familiarization and hardware training, payload integration and mission operations, launch site assistance with payload processing, experiment loading and handover for integration into the

vehicle, payload monitoring while on orbit using the Company's payload operations control centers, payload collection and return during post-landing recovery operations, bonded storage of flight hardware, spacecraft controls, payload controls, or environmental systems; or

(iii) 3D Human and Animal Biomanufacturing applications, including the following activities as associated with such applications: vascular grafts, tissue chips, cell research (including stem cells), bacteria research, macromolecular crystal growth, bone densitometry, rodent research, cement research, colloids research, avian research (including embryology), C. elegans research, plant research, drosophila research, 3D tissue fabrication, squid research, 3D metal and electronics manufacturing or any related space enabled manufacturing, or lunar surface operations technologies;

provided, however, that the "Business" shall exclude, in all instances, the Lighting Business (except with respect to the Business Marks to the extent related to the items listed in the foregoing clauses (i) through (iii)) as currently conducted.

"Business Day" means any day, other than a Saturday, Sunday or other date on which banks located in New York, New York, Greenville, Indiana or Boca Raton, Florida are closed for business as a result of federal, state or local holiday or otherwise pursuant to applicable Law.

"Business IP" means all (i) Company IP, and (ii) other Intellectual Property Rights used in, necessary for, or developed for the operation of the Business.

"Business Marks" means the terms "Techshot," and "Space Hardware Optimization Technology" and "SHOT," and any derivation, translation, adaptation, combination, or variation of, or any name that is likely to cause confusion with any of the foregoing.

"Buyer" is defined in the Preamble.

"Buyer Common Stock" means the common stock, par value \$0.0001, of Buyer.

"Buyer Parties" means Buyer and its Affiliates (including the Company after the Closing), and their respective officers, directors, employees, successors and assigns.

"Buyer Shares" means shares of Buyer Common Stock issued by Buyer pursuant to the terms and conditions of this Agreement.

"CARES Act" means the Coronavirus Aid, Relief, and Economic Security Act (Pub. L. 116-136) and any administrative guidance formally published with respect thereto by an applicable Governmental Authority.

"CBA" is defined in Section 3.7(f)(iii).

"Cash" means, at any given time and without duplication, the actual cash balances of the Company (including all third-party checks deposited or held in any accounts of any member of the Company that have not yet cleared), net of (i) any checks, drafts or electronic transfers issued by the Company that have not yet cleared, (ii) any cash that is subject to restrictions or limitations on use, repatriation to the U.S. or distribution by Law or contract, (iii) the amount of any cash and cash equivalents received on a forgivable, grant or non-recourse basis (including any PPP SBA loans (including the consolidated appropriations loan, CARES Act Provider Relief Fund payments or similar type loans from a Government Authority) pursuant to the CARES Act or any other Law intended to address the consequences of COVID-19 and (iv) any cash and cash equivalents received in connection with insurance claims to the

extent the underlying damage, destruction or loss giving rise thereto has not been cured or remediated. For avoidance of doubt, Cash may be an amount less than zero (0).

"Cash Consideration Percentage" means 6.25%.

"Certificate of Merger" is defined in Section 2.1(a)(i).

"Closing" is defined in Section 2.2(a).

"Closing Balance Sheet" is defined in Section 2.3(b).

"Closing Cash Merger Consideration" means an amount equal to the Closing Total Merger Consideration multiplied by the Cash Consideration Percentage.

"Closing Date Cash" means Cash, as of immediately prior to the Closing, in an amount up to, but not to exceed \$1,000,000.

"Closing Net Working Capital" means the Net Working Capital of the Company as of immediately prior to the Closing.

"Closing Per Share Price" means \$10.00 per share of Buyer Common Stock.

"Closing Stock Merger Consideration" means a number of shares of Buyer Common Stock equal to (a) the product of (x) the Closing Total Merger Consideration *multiplied by* (y) the Equity Consideration Percentage *divided by* (b) the Closing Per Share Price.

"Closing Total Merger Consideration" means an amount equal to (i) the Base Merger Consideration, minus (ii) the amount (if any) by which the Closing Net Working Capital is less than the Target Net Working Capital, minus (iii) any outstanding Indebtedness of the Company as of the Closing, minus (iv) any Transaction Expenses unpaid as of the Closing, plus (v) the amount (if any) by which the Closing Net Working Capital exceeds the Target Net Working Capital, plus (vi) Closing Date Cash.

"COBRA" means Part 6 of Subtitle B of Title I of ERISA, Section 4980B of the Code and any similar state Law.

"Code" means the Internal Revenue Code of 1986, as amended, and any reference to any particular Code section shall be interpreted to include any revision of or successor to that section regardless of how numbered or classified.

"Company Common Stock" means the Common Stock of the Company.

"Company IP" means all (i) Registered Company IP, and (ii) other Intellectual Property Rights owned or purported to be owned by the Company, and (iii) Intellectual Property owned by any of the Company's Affiliates that (a) is used in, developed or necessary for, or primarily related to, the Business or (b) is a Business Mark (this clause (iii), "Affiliate-Owned Company IP").

"Company Permits" is defined in Section 3.12(a).

"Company Products" means the Software and other products, hardware, equipment, tools, or applications that have been, are currently developed, produced, manufactured, marketed, sold, offered for sale, imported, exported, supplied, provided, promoted, licensed, distributed, supported, hosted,

serviced, made available, maintained or otherwise commercialized by the Company or from which the Company recognizes any revenue.

"Company Systems" means all Software (including related data, databases, applications and documentation), hardware (whether general or special purpose), workstations, end-user devices, co-location facilities and equipment, routers, hubs, switches, electronic data processing, information, record keeping, communications, telecommunications, networks, platforms, servers, circuits, peripherals and other computer systems, including any outsourced systems and processes (e.g., hosting locations), in each case, that are owned, used or relied on by or for the Company.

"Company Transaction" means any (i) reorganization, liquidation, dissolution or recapitalization of the Company, (ii) merger or consolidation involving the Company, (iii) purchase or sale of any assets or equity securities (or any rights to acquire, or securities convertible into or exchangeable for, any such equity securities) of the Company (other than purchases and sales in the Ordinary Course of Business) or (iv) similar transaction or business combination involving the Company or its business or assets.

"Confidential Information" means all information of a confidential or proprietary nature (whether or not specifically labeled or identified as "confidential"), in any form or medium, that relates to the business, products, financial condition, services or research or development of the Company or its suppliers, distributors, customers, independent contractors or other business relations. Confidential Information includes the following: (i) internal business and financial information (including information relating to strategic and staffing plans and practices, business, finances, training, marketing, promotional and sales plans and practices, cost, rate and pricing structures and accounting and business methods); (ii) identities of, individual requirements of, specific contractual arrangements with and information about, the Company's employees, suppliers, distributors, customers, independent contractors or other business relations and their confidential information; and (iii) Trade Secrets. Notwithstanding the foregoing, "Confidential Information" does not include (A) information that Sellers can demonstrate was or has become generally available to the public other than as a result of disclosure by a Seller or any of its Affiliates (other than the Company after the Closing) or (B) information that is independently developed by a Seller or its Affiliates (other than the Company prior to the Closing) without the use of Buyer's or its Affiliates' or the Company's Confidential Information.

"Contract" means any contract, agreement, purchase order, warranty or guarantee, license, use agreement, lease (whether a real estate lease, a capital lease, an operating lease or other), instrument or note, in each case that creates a legally binding obligation, and in each case whether oral or written.

"COVID-19" means the novel coronavirus, SARS-CoV-2 or COVID-19 (and all related strains, variants and sequences), including any intensification, resurgence or any evolutions or mutations thereof, or related or associated epidemics, pandemics, disease outbreaks or public health emergencies.

"COVID-19 Measures" means any quarantine, "shelter in place," "stay at home," social distancing, shut down, closure, sequester, layoff, furlough or any other Law or order by any Governmental Authority in connection with or in response to COVID-19, including, but not limited to, the Coronavirus Aid, Relief, and Economic Security Act (CARES).

"D&O Policy" is defined in Section 2.2(b)(viii).

"Data Security Requirements" means, collectively, all of the following to the extent relating to the Processing of Personal Information (whether in electronic or any other form or medium) or otherwise relating to data privacy, security or security breach notification requirements and applicable to the Company, to the conduct of the Business, or to any of the Company Systems or any other matters relating

to data privacy, protection or security: (i) the Company's own past and present, internal and external rules, policies and procedures (whether physical or technical in nature, or otherwise); (ii) all applicable Laws and any related security breach notification requirements (which shall include privacy and security Laws); (iii) industry standards applicable to the industries in which the Company operates and PCI-DSS, if applicable to the Company; and (iv) contracts and agreements into which the Company has entered or by which it is otherwise bound.

"DGCL" means the General Corporation Law of the State of Delaware, as amended from time to time.

"DLLCA" means the Limited Liability Company Act of the State of Delaware, as amended from time to time.

"Effective Time" is defined in Section 2.1(a)(i).

"Electronic Delivery" is defined in Section 7.8.

"Encumbrance" means any mortgage, hypothecation, lien (statutory or otherwise), exclusive license (other than a non-exclusive license granted by the Company to a customer in the Ordinary Course of Business for use of a Company Product or other IP Agreement), title defect, preference, priority, charge, security interest, security agreement, easement, covenant, restriction, claim, pledge, option, warrant, right, call, commitment, demand, proxy, voting agreement, restriction on transfer (other than restrictions on transfer under the Securities Act and other applicable state securities Laws) or other encumbrance of any kind or nature whatsoever (including any conditional sale or other title retention agreement and any lease having substantially the same effect as any of the foregoing and any assignment or deposit arrangement in the nature of a security device).

"Enforcement Limitation" means any applicable bankruptcy, reorganization, insolvency, moratorium or other similar Law affecting creditors' rights generally and principles governing the availability of equitable remedies, whether considered in a proceeding in equity or at law.

"Environmental Laws" means all Laws relating to occupational safety and health, human health and safety, Hazardous Substances, or pollution, contamination, remediation or protection of the environment or natural resources.

"Equity Consideration Percentage" means 93.75%.

"ERISA" means the Employee Retirement Income Security Act of 1974, as amended, and the rules and regulations promulgated thereunder.

"ERISA Affiliate" is defined in Section 3.15(b).

"Escrow Account" means the escrow account holding the Escrow Funds established pursuant to the Escrow Agreement.

"Escrow Agent" means Continental Stock Transfer & Trust Company, a New York corporation.

"Escrow Shares" means the Adjustment Escrow Shares and the Indemnity Escrow Shares.

"Escrow Agreement" means the escrow agreement in the form of Exhibit A attached hereto.

"Estimated Closing Total Merger Consideration" means \$32,169,014.72, which is the parties' reasonable good faith estimate of the Closing Total Merger Consideration, the calculation and components of which are set forth on Schedule A.

"Estimated Closing Cash Merger Consideration" means \$1,873,063.42, which is the parties' reasonable good faith estimate of the Closing Cash Merger Consideration, the calculation and components of which are set forth on Schedule A.

"Estimated Closing Stock Merger Consideration" means 2,809,595.13 Buyer Shares, which is the parties' reasonable good faith estimate of the Closing Stock Merger Consideration, the calculation and components of which are set forth on Schedule A.

"Ex-Im Laws" means all Laws relating to export, reexport, transfer or import controls, including, the International Traffic in Arms Regulations administered by the U.S. Department of State, the Export Administration Regulations administered by the U.S. Department of Commerce, the customs and import Laws administered by U.S. Customs and Border Protection, and the EU Dual-Use Regulations.

"Final Closing Total Merger Consideration" is defined in Section 2.3(a).

"Final Determination" is defined in Section 7.10(e).

"Finalization Date" is defined in Section 2.3(f).

"Flow-Through Income Tax Return" means any income Tax Return (such as a IRS Form 1120-S and associated Form K-1s and corresponding state and local Tax Returns) for a Pre-Closing Tax Period that allocates income or taxes to its owners and does not reflect or concern Taxes that are imposed on the entity itself for which the Tax Return is filed. By way of example and without limitation, Tax Returns primarily concerning property Taxes, sales and use Taxes, payroll Taxes, and withholding Taxes are not Flow-Through Income Tax Returns.

"Fundamental Representations" means each of the representations and warranties in Section 3.1 (Organization and Authority), Section 3.2 (Capitalization and Related Matters), Section 3.3 (Noncontravention) (other than the representations and warranties in Section 3.3(a) with respect to Material Contracts and Company Permits), Section 3.17 (Tax Matters), Section 3.18 (Brokerage), Section 4.1 (Capacity), Section 4.2 (Title to Acquired Equity), Section 4.3 (Authorization) and Section 4.7 (Brokerage).

"GAAP" means United States generally accepted accounting principles, as in effect from time to time, consistently applied.

"Governing Documents" means, with respect to any Person (other than an individual), (i) the certificate or articles of incorporation, articles of association, formation or organization and any joint venture, limited liability company, operating or partnership agreement and other similar documents adopted or filed in connection with the creation, formation or organization of each such Person and (ii) all bylaws, voting agreements, stockholder agreements, investor rights agreements and similar documents, instruments or agreements relating, in each case, to the organization or governance of such Person, or the transfer of securities of such Person, in each case, as amended, restated, supplemented or otherwise modified.

"Governmental Authority" means any U.S. or non-U.S. government, including any federal, provincial, state, territorial or municipal government and any government official, body (including any arbitral body), agency, tribunal, ministry, division, instrumentality, department, board, court, commission, bureau, quasi-governmental or other authority entitled by applicable Law to exercise executive, legislative, judicial, regulatory or administrative functions of government.

"Government Bid" means any quotation, bid or proposal by the Company that, if accepted or awarded, would result in a Government Contract.

"Government Contract" means any Contract for the delivery of supplies or provision of services that is between the Company and any Governmental Authority or between the Company as a subcontractor at any tier in connection with a Contract between another Person and any Governmental Authority.

"Government Official" shall mean any officer or employee of a Governmental Authority (including, for the avoidance of doubt, state-owned entities).

"Guaranty" means any agreement, undertaking or arrangement by which any Person guarantees, endorses or otherwise becomes or is contingently liable upon the Indebtedness, obligation or other Liability of any other Person (other than by endorsements of instruments in the ordinary course of collection), or guaranties of the payment of dividends or other distributions upon the shares of any other Person.

"Hazardous Substance" means any substance, waste, chemical or material that is listed, defined, designated, classified or regulated as hazardous, radioactive, toxic, or a pollutant, and any other materials or substance or waste as to which Liability or standards of conduct may be imposed under, any Environmental Law, including petroleum and all derivatives thereof, asbestos, per-and polyfluoroalkyl substances, radiation or radioactive materials, polychlorinated biphenyls, or lead-containing products.

"Immediate Family Member" with respect to any specified Person, means such Person's spouse, parents, children, or any named beneficiary under any trusts established by or under the will, testamentary trust or other estate planning of such Person, including adoptive relationships and relationships through marriage.

"Indebtedness" means, with respect to any Person as of any date of determination, without duplication: (i) all obligations of such Person for borrowed money or in respect of loans or advances, other than the PPP Loan; (ii) all obligations of such Person evidenced by bonds, debentures, notes or other similar instruments or debt securities; (iii) all obligations arising from, under or in respect of letters of credit and bankers' acceptances and surety, performance and similar bonds issued for the account of such Person, in each case, solely to the extent drawn or called; (iv) all obligations arising from cash/book overdrafts unless such amounts are netted against or reduce the amount of Cash pursuant to the terms hereof; (v) all obligations arising from or under, or otherwise in respect of, any unpaid or unfunded bonus, commissions, incentive or deferred compensation arrangements, any unpaid obligations for severance benefits or similar compensatory payments and any unfunded or underfunded obligations under any retirement plan, gratuity, jubilee or termination indemnity (including, in each case, the employer portion of any employment, payroll, withholding, or other Taxes related thereto whether or not immediately payable or due and any amounts payable to offset or gross-up any excise or income Taxes relating thereto or attributable thereto, in each case, determined as if no deferral (if any) of such Taxes has occurred as permitted by the CARES Act); (vi) all obligations of such Person secured by (or for which the holder of such indebtedness has an existing right, contingent or otherwise, to be secured by) any Encumbrance (other than a Permitted Encumbrance) on property owned or acquired by such Person; (vii) all obligations under leases required to be recorded as capital leases in accordance with GAAP; (viii) all deferred rent and tenant allowances or obligations for deferred lease inducements in accordance with GAAP; (ix) all obligations for deferred purchase price of property or services with respect to which a Person is liable, contingently or otherwise, as obligor or otherwise (other than trade payables incurred in the Ordinary Course of Business which are not past due) and including, for the avoidance of doubt, any earnouts or similar obligations related to past acquisitions (in each case, whether or not currently payable and calculated as the maximum amount payable); (x) all obligations under conditional sale or other title retention agreements relating to property or assets purchased

by such Person; (xi) all obligations (determined on the basis of actual, not notional, obligations) with respect to interest rate protection agreements, interest rate swap agreements, foreign currency exchange agreements, or other interest or exchange rate hedging agreements or arrangements; (xii) all obligations with respect to commodities hedging or swap agreements; (xiii) any and all Unpaid Income Taxes; (xiv) all outstanding obligations to current and former equityholders, including any unpaid dividends or distributions; (xv) all Guaranties of such Person in connection with any of the foregoing; and (xvi) all fees, accrued and unpaid interest, premiums or penalties related to any of the foregoing; and (xvii) any unpaid salaries, benefits or bonuses payable to Mark S. Deuser at Closing; provided, that Indebtedness shall not include any Transaction Expenses.

"Indemnified Taxes" means, without duplication, (i) all Taxes of Sellers for any taxable period (or portion thereof), (ii) all Taxes (or the non-payment thereof) of the Company for any Pre-Closing Tax Period, whether or not such Taxes are due and payable as of the date hereof, which amount shall include any "applicable employment taxes" (as defined in Section 2302(d)(1) of the CARES Act) or payroll tax obligations (including those imposed by Sections 3101(a) and 3201 of the Code) that the Company has deferred (including by a failure to timely withhold, deposit or remit any such amounts in accordance with the applicable provisions of the Code and the Treasury Regulations promulgated thereunder) pursuant to Section 2302 of the CARES Act or pursuant to or in connection with Notice 2020-65 or any U.S. presidential memorandum or executive order, or any additional Taxes arising as a result of the transactions or elections contemplated under this Agreement, (iii) all Taxes of any member of an Affiliated Group of which the Company (or any predecessor thereof) is liable by reason of having been a member of such Affiliated Group on or prior to the Closing, including pursuant to Treasury Regulation Section 1.1502-6 or any similar provision of other applicable Law, (iv) all Taxes of any Person imposed on Buyer, any Affiliate of Buyer or the Company as a transferee or successor, by contract or pursuant to any Law, which Taxes relate to an event or transaction occurring before the Closing, (v) the costs of preparing, amending and defending any Tax Return of the Company for any Pre-Closing Tax Period, (vi) the employer's share of any payroll, employment or similar Taxes required to be made with respect to any payments made in connection with the transactions contemplated by this Agreement, (vii) any breach by any Seller of the covenants contained in Section 6.9 and (viii) fifty percent (50%) of any Transfer Taxes, except to the extent any such Taxes were included in the computation of Transaction Expenses, Net Working Capital or Indebtedness and reduced the Final Closing Total Merger Consideration.

"Indemnitee" is defined in Section 6.2(f).

"Indemnitor" is defined in Section 6.2(f).

"Indemnity Escrow Account" means the escrow account established pursuant to the Escrow Agreement and holding the Indemnity Escrow Shares.

"Indemnity Escrow Shares" means 195,000 shares of Buyer Common Stock.

"Indiana Act" means the Indiana Business Corporation Law, as amended from time to time.

"Insurance Policies" is defined in Section 3.16.

"Intellectual Property Rights" means all of the following, in any jurisdiction in the world and all rights therein and thereto: (i) patents, patent applications, patent disclosures and industrial designs (including utility models, designs and industrial property), registrations and applications for registration of industrial design rights, together with all reissues, reexaminations, divisions, continuations, continuations-in-part and extensions of any of the foregoing; (ii) Internet domain names, trademarks, service marks, trade dress, trade names, logos, designs, social media accounts, corporate names and other similar designations of source, association or origin, and registrations and applications for registration for any of the foregoing

together with all of the goodwill associated therewith ("Trademarks"); (iii) copyrights (registered or unregistered), works of authorship, and copyrightable works, and registrations, applications and renewals for registration for any of the foregoing; (iv) mask works and registrations and applications for registration thereof; (v) Software, data, data bases and collections of data; (vi) Trade Secrets; (vii) any other intellectual property or proprietary rights or rights of publicity; and (viii) copies and tangible embodiments thereof (in whatever form or medium).

"Intended Income Tax Treatment" is defined in Section 6.09(f).

"IRS" means the Internal Revenue Service.

"knowledge" means, (i) with respect to a Person (other than the Company), the actual knowledge of such Person, and (ii) with respect to the Company, the actual knowledge of those individuals listed on Schedule C and the knowledge that any such Person would have obtained after making reasonable due inquiry with respect to the particular matter(s) in question.

"Latest Balance Sheet" is defined in Section 3.4(a).

"Law" means any federal, state, provincial, local, municipal or foreign statute, law (including common law), act, constitution, treaty, ordinance, decree, regulation, rule, ruling, award, writ, judgment, code, injunction, order, or other similar requirement enacted, issued, adopted, or formally promulgated by a Governmental Authority.

"Leased Real Property" means all leasehold and subleasehold estates and other rights to use or occupy any land, buildings, structures, improvements, fixtures or other interest in real property held by the Company.

"Leases" means all of the leases, subleases, amendments, extensions, renewals, guaranties, licenses, concessions and other agreements (whether written or oral), for each Leased Real Property.

"Liability" means any liability or obligation (whether known or unknown, whether asserted or unasserted, whether absolute or contingent, whether accrued or unaccrued, whether liquidated, unliquidated or otherwise, and whether due or to become due, and regardless of when or by whom asserted).

"Lighting Business" means, other than the Business, the design, manufacturing, marketing, distribution and sale of lighting products for consumer, non-profit, industrial, military and governmental customers, except for lighting products or designs or intended for use in applications in space.

"Loss" means any loss, Liability, demand, judgment, claim, action, cause of action, cost, damage, Tax, penalty, fine or expense, whether or not arising out of third-party claims (including interest, penalties, reasonable legal, consulting and other professional fees and expenses and all amounts paid in prosecution, investigation, defense or settlement of any of the foregoing); provided, that Loss shall not include punitive damages except to the extent awarded to a third party by a court of competent jurisdiction.

"Malicious Code" means any (i) "back door," "drop dead device," "time bomb," "Trojan horse," "virus," "ransomware," or "worm" (as such terms are commonly understood in the software industry), or (ii) other code designed or intended to have, or capable of performing, any of the following functions: (a) disrupting, disabling, harming, interfering with or otherwise impeding in any manner the operation of, or providing unauthorized access to, a Company System on which such code is stored or installed; or (b) damaging or destroying any data or file without the user's consent.

"Material Adverse Effect" means a material and adverse effect or change (i) upon the business, results of operations, assets, liabilities or financial condition of the Company, or (ii) upon the ability of the Company or any Seller to execute or deliver this Agreement, to perform any of their obligations under this Agreement or to consummate any of the transactions contemplated by this Agreement or the ability of Buyer to receive the full benefit of the transactions contemplated by this Agreement provided, however, that, solely with respect to the foregoing clause (i), any effect, change, or occurrence, arising or resulting from: (A) conditions generally affecting the general national, international or regional economy or generally affecting the industry or industries generally in which the Company operates; (B) national or international political or social conditions, including terrorism or the engagement by the United States in hostilities or acts of war or any pandemic or epidemic; (C) any natural or man-made disaster or extreme weather conditions; (D) acts of war (whether or not declared), armed hostilities or terrorism, or the escalation or worsening thereof; (E) any changes in applicable Laws or accounting rules (including GAAP) or (F) any law, regulation, statute, directive, pronouncement or guideline issued by a Governmental Authority, the Centers for Disease Control and Prevention, the World Health Organization or industry group providing for business closures, "sheltering-in-place," curfews or other restrictions that relate to, or arise out of, an epidemic, pandemic or disease outbreak, shall not be taken into account in determining whether a "Material Adverse Effect" has arisen or occurred, or would reasonably be expected to arise or occur, with respect to the Company, except, in each case, to the extent such matters had, or would reasonably be expected to have, a materially disproportionate impact on the Company relative to other participants in the industries in which the Company operates.

"Material Contracts" is defined in Section 3.9(b).

"Material Customers" is defined in Section 3.21.

"Material Suppliers" is defined in Section 3.21.

"Materiality Exceptions" means the terms "material" or "materially", any clause or phrase containing "material," "materially," "material respects," "Material Adverse Effect," "except where the failure to ... has not and would not, individually or in the aggregate, have a Material Adverse Effect," or "except as has not and would not, individually or in the aggregate, have a Material Adverse Effect," or "has not had and would not reasonably be expected to, individually or in the aggregate, have a Material Adverse Effect" or any similar terms, clauses or phrases (including any reference to the Company), the inclusion of which would limit or potentially limit a claim or recovery for a breach of the representations and warranties set forth in this Agreement. For the avoidance of doubt, the word "Material" as used in the term "Material Contract," "Material Customers," and "Material Suppliers" shall not be deemed a "Materiality Exception" hereunder.

"Maximum Amount" means an amount equal to the Base Merger Consideration.

"Merger" is defined in Section 2.1(a)(i).

"Merger Sub" is defined in the Preamble.

"Net Working Capital" means the sum of the current assets of the Company (excluding Cash (or any item excluded from the definition of Cash herein), current income Tax assets, deferred Tax assets, any equityholder receivables and prepaid Transaction Expenses), minus the sum of the current liabilities of the Company (excluding Indebtedness, Transaction Expenses, current income Tax liabilities deferred Tax liabilities, net Affiliate and intercompany balances, and accrued interest obligations), in each case determined in accordance with GAAP applied in a manner consistent with the Target Net Working Capital as set forth on Schedule B of the Disclosure Schedules and the preparation of the reviewed financial

statements described in Section 3.4. In the event of an inconsistency between GAAP, Target Net Working Capital, and the preparation of the reviewed financial statements, GAAP shall prevail.

"Notice of Arbitration" is defined in Section 7.10(b).

"Notice of Disagreement" means any written notice of its disagreement specifying in reasonable detail the nature and dollar amount of any disagreement so asserted with respect to the matters described in Section 2.3.

"OFAC" means the Office of Foreign Assets Control of the United States Department of the Treasury.

"Off-the-Shelf Software Licenses" means click-wrap, shrink-wrap or other standard, non-negotiated, non-exclusive licenses for unmodified, commercially available, off-the-shelf Software (other than Third Party Components) used by the Company solely for its internal business purposes, in each case with aggregate license, maintenance, support and other fees of less than \$100,000 per year.

"Open Source Software" means any Software that is licensed pursuant to: (i) any license that is, or is substantially similar to, a license now or in the future approved by the Open Source Initiative and listed at <http://www.opensource.org/licenses> (including all versions of the GNU General Public License (GPL), the GNU Lesser General Public License (LGPL), the GNU Affero GPL, the MIT license, the Eclipse Public License, the Common Public License, the CDDL, the Mozilla Public License (MPL), the Artistic License, the Netscape Public License, the Sun Community Source License (SCSL), the Server Side Public License (SSPL) and the Sun Industry Standards License (SISL)) or any license under which such Software or other materials are distributed or licensed as "free software," "open source software" or under similar terms or models; or (ii) any Reciprocal License, in each case whether or not the Source Code is available or included in such license.

"Ordinary Course of Business" means the ordinary course of business, consistent with past custom and practice, including with regard to nature, frequency, scope and magnitude. For clarification purposes, any actions taken by the Company in good faith in response to SARS-CoV-2 or COVID-19, and any mutations thereof, including any quarantine, "shelter in place," "stay at home," workforce reduction, social distancing, shut down, closure, sequester, safety or similar applicable Laws promulgated by any local, state, or federal Governmental Authority, in each case, in connection with or in response to COVID-19, including the CARE Act and Families First Act, shall be considered to be taken in the Ordinary Course of Business.

"Overpayment Amount" is defined in Section 2.3(f).

"PPP Loan" means any Indebtedness pursuant to the "Paycheck Protection Program", including the consolidated appropriations program.

"PPP Payment" means the payments in regard to the PPP Loan.

"Pending Claim" is defined in Section 6.2(i).

"Permitted Encumbrances" means (i) Encumbrances for Taxes not due and payable as of the date hereof or that the Company is contesting in good faith by appropriate proceedings and, in each case, as to which adequate reserves have been established on the Company's financial statements in accordance with GAAP; (ii) statutory landlord's, mechanic's, carrier's, workmen's, repairmen's or other similar liens arising or incurred in the Ordinary Course of Business for amounts which are not due and payable and which would not, individually or in the aggregate, have a material adverse effect on the

Company's business as currently conducted thereon; (iii) zoning, building codes and other land use Laws regulating the use or occupancy of the Leased Real Property or the activities conducted thereon that are imposed by any Governmental Authority having jurisdiction over the Leased Real Property and that are not violated by the current use or occupancy of such Leased Real Property or the operating of the Company's or its Affiliate's business thereon; (iv) easements, covenants, conditions, restrictions and other similar matters of record affecting title to the Leased Real Property that do not or would not materially impair the use or occupancy of such Leased Real Property in the operation of the Company's or their respective Affiliate's business thereon; (v) Encumbrances arising solely pursuant to and in respect of any debt financing being arranged for or on behalf of Buyer; or (vi) Encumbrances arising under any original purchase price conditional sales contract or equipment lease.

"Person" means any individual, sole proprietorship, partnership, joint venture, trust, unincorporated association, corporation, limited liability company, entity or Governmental Authority.

"Personal Information" means data or information that identifies, relates to, describes, is capable of being associated with, or would reasonably be linked, directly or indirectly, with a particular consumer or household (including a natural person's name, street address, telephone number, email address, photograph, social security number or tax identification number, driver's license number, passport number, credit card number or information, bank information, or bank customer or bank account number, health information, device identifier, IP address, biometric identifier, persistent identifier, and inferences drawn from any of the foregoing to create a profile about a consumer), or that is otherwise protected by or subject to any applicable Law.

"Plan" is defined in [Section 3.15\(a\)](#).

"Pre-Closing Tax Period" means any taxable period (or portion thereof) ending on or before the date hereof and the portion through the end of the date hereof of any Straddle Period.

"Processing" means the access, collection, use, sale, storage, modification, processing, recording, distribution, transfer, import, transmission, export, protection (including security measures), disposal, deletion, or disclosure or other activity regarding or operation performed on data or a set of data.

"Pro Rata Share" means, for each Seller, an amount (expressed as a percentage), equal to 50%.

"Merger Consideration Calculation" is defined in [Section 2.3\(b\)](#).

"Reciprocal License" means a license of an item of Software that requires or that conditions any rights granted in such license upon: (i) the disclosure, distribution or licensing of any other Software; (ii) a requirement that any disclosure, distribution or licensing of any other Software be at no charge; (iii) a requirement that any other licensee of the Software be permitted to modify, make derivative works of, or reverse-engineer any such other Software; (iv) a requirement that such other Software be redistributable by other licensees; or (v) the grant of any patent rights, including non-assertion or patent license obligations.

"Registered Company IP" is defined in [Section 3.10\(a\)](#).

"Released Party" is defined in [Section 6.3](#).

"Releasing Party" is defined in [Section 6.3](#).

"Restricted Period" is defined in [Section 6.4\(a\)\(i\)](#).

"Restricted Territory" is defined in Section 6.4(a)(ii).

"Restrictive Covenants" is defined in Section 6.4(b).

"Sanctioned Country" means any country or region or the government of which that is, or was at any time in the last five years, the subject or target of a comprehensive embargo under Sanctions Laws or Ex-Im Laws (including Cuba, Iran, North Korea, Sudan, Syria, Venezuela and the Crimea region of Ukraine).

"Sanctioned Person" means any Person that is the subject or target of sanctions or other restrictions under Sanctions Laws or Ex-Im Laws, including: (i) any Person listed on any applicable sanctions- or export-related restricted party list, including OFAC's List of Specially Designated Nationals and Blocked Persons, the U.S. Department of Commerce Bureau of Industry and Security Entity List, or the European Union Consolidated List of Financial Sanctions Targets; (ii) any Person organized, resident, or located in a Sanctioned Country; (iii) any Person that is, in the aggregate, fifty percent (50%) or greater owned, directly or indirectly, or otherwise controlled by any Person(s) described in clauses (i) or (ii); or (iv) any national of a Sanctioned Country with whom U.S. Persons are prohibited from dealing.

"Sanctions Laws" means all Laws relating to economic or trade sanctions administered or enforced by the United States (including by OFAC or the U.S. Department of State), Canada, the United Kingdom, the United Nations Security Council, the European Union, any European Union Member State or any other relevant Governmental Authority.

"SEC" means the United States Securities and Exchange Commission.

"Securities Act" means the Securities Act of 1933, as amended from time to time, and all rules and regulations promulgated thereunder, or any similar federal Law then in force.

"Security Incident" means any actual cyber or security incident, including that results in the unauthorized acquisition of, access or disclosure to, or loss, or compromise of Personal Information.

"Sellers" is defined in the Preamble.

"Seller Parties" is defined in Section 6.2(c).

"Sellers' Representative" is defined in the Preamble.

"Shares" means the shares of common stock of the Company.

"Software" means software and computer programs, whether in Source Code, object code, or other form, and including (i) data, databases, and collections of data, (ii) software implementations of algorithms, models, and methodologies, firmware, application programming interfaces, (iii) descriptions, schematics, specifications, flow charts and other work product used to design, plan, organize and develop any of the foregoing, and (iv) documentation, including user documentation, user manuals and training materials, files, and records relating to any of the foregoing.

"Source Code" means one or more statements in human readable form, including comments, definitions and annotations, which are generally formed and organized to the syntax of a computer or programmable logic programming language (including (i) such statements in batch or scripting languages, (ii) hardware definition languages such as VHDL and (iii) firmware code), together with any and all text, data and data structures, diagrams, graphs, charts, presentations, manuals, instructions,

commands, schematics, flow-charts, procedures and other work product and information that describe the foregoing and any other source code.

"Sponsor" means any (i) Governmental Authority or (ii) university, college, other educational institution, research center, nonprofit organization, or private source.

"Statement of Merger" is defined in Section 2.1(a)(i).

"Straddle Period" means any taxable period that begins on or before the date hereof and ends after the date hereof.

"Subsidiary" means, with respect to any Person, any corporation, partnership, limited liability company, association or other business entity of which (i) if a corporation, a majority of the total voting power of shares of stock entitled (irrespective of whether, at the time, stock of any other class or classes of such corporation shall have or might have voting power by reason of the happening of any contingency) to vote in the election of directors, managers or trustees thereof is at the time owned or controlled, directly or indirectly, by that Person or one or more of the other Subsidiaries of that Person or a combination thereof or (ii) if a partnership, limited liability company, association or other business entity, either (A) a majority of the partnership or other similar ownership interest thereof is at the time owned or controlled, directly or indirectly, by that Person or one or more Subsidiaries of that Person or a combination thereof or (B) such Person is a general partner, managing member or managing director of such partnership, limited liability company, association or other entity. For purposes of this Agreement, (i) an entity shall be considered a Subsidiary for any time period for which it meets the definition of being a Subsidiary even if the entity no longer exists or is no longer a Subsidiary, (ii) references to Subsidiaries of the Company shall include Subsidiaries of any such Subsidiary and (iii) references to current Subsidiaries of the Company apply to periods during which the Subsidiary was not a Subsidiary.

"Surviving Corporation" is defined in Section 2.1(a)(i).

"Target Net Working Capital" means \$170,000, the calculation of which is set forth on Schedule B.

"Tax" means any U.S. federal, provincial, territorial, state, county, local or non-U.S. taxes, charges, fees, imposts, levies or other assessments imposed by any Governmental Authority, including all net income, income, earnings, gross receipts, capital gains, production, franchise, estimated, import, net worth, Medicare, alternative minimum, add-on minimum, sales, use, transfer, registration, employment, profits, escheat, abandoned or unclaimed property, value added, excise, natural resources, severance, stamp, occupation, premium, windfall profit, gross income, ad valorem, environmental, customs, duties, gains, fuel, parking, real property, personal property, intangible property, property gains, capital stock, equity, social security (or similar), retirement, pension plan, unemployment, workers' compensation, disability, payroll, license, employee or other withholding, or other tax, of any kind whatsoever (however denominated), including any interest, penalties or additions to tax or additional amounts in respect of the foregoing, whether disputed or not, and any liability in respect of any of the foregoing payable by reason of contract, assumption, transferee or successor liability, operation of Law, Treasury Regulation Section 1.1502-6 (or any predecessor or successor thereof or any analogous or similar provision of federal, state, local or non-U.S. applicable Law) or otherwise.

"Tax Returns" means returns, declarations, schedules, notices, forms, notifications, certificates, statement reports, claims for refund, estimates, elections, information returns or other documents (including any related or supporting schedules, supplements, statements, information or attachments accompanying such documents and any amendments thereto) filed with or submitted to, or required to be filed with or submitted to, a Taxing Authority in connection with the determination,

assessment, reassessment, imposition or collection of any Taxes of any party or the administration of any Laws, regulations or administrative requirements relating to any Taxes.

"Taxing Authority" means any Governmental Authority responsible for the determination, assessment, collection or imposition of any Tax.

"Third Party Components" means, with respect to a Company Product, all of the following that are not exclusively owned by the Company: Software that is used in, incorporated into, combined with, linked with, distributed with, provided to any Person as a service in connection with, provided via a network as a service or application in connection with, or made available by or on behalf of the Company with, such Company Product, including any Software that is referenced or required to be present or available (including available via another machine connected directly or through a network) in such Company Product for such Company Product to properly function in accordance with its specifications or Software from which any such Company Product inherits, links, or otherwise calls functionality (including libraries or other shared-source repositories).

"Trade Control Laws" is defined in Section 3.23(a).

"Trade Secrets" means (i) trade secrets under applicable Law and (ii) material information of a confidential or proprietary nature, including ideas, Software, compositions, inventions (whether patentable or unpatentable and whether or not reduced to practice), know-how, processes and techniques, methods, methodologies, algorithms, formulae, research and development information, drawings, specifications, designs, plans, proposals, technical data, financial and marketing plans and customer and supplier lists and information which are not generally known by the public.

"Transaction Expenses" means all fees, costs, expenses, commissions or other similar amounts of Sellers or the Company incurred in connection with the preparation, execution and consummation of this Agreement and the transactions contemplated hereby or any alternative transaction hereto to the extent not paid in full as of the Closing, including (i) all brokerage commissions, fees, expenses and disbursements, (ii) all special bonuses, transaction-related bonuses, change in control or retention bonuses, amounts under phantom equity or retention plans, severance plans, accelerated benefits or other similar compensation payable to any current or former officer, manager, employee, equityholder, member, individual service provider or Affiliate of the Company (including the employer portion of any employment or payroll, withholding or Taxes related thereto, whether or not such employment or payroll Taxes are due and payable at the time of payment of the underlying compensatory obligation and any amounts payable to offset or gross-up any excise or income Taxes relating thereto or attributable thereto, in each case, determined as if no deferral (if any) of such Taxes has occurred as permitted by the CARES Act), (iii) all fees and disbursements of attorneys, accountants and other advisors and service providers payable by any Seller or the Company, (iv) fifty percent (50%) of the cost of the D&O Policy and (v) fifty percent (50%) of all fees of the Escrow Agent.

"Transfer Taxes" is defined in Section 6.9(a).

"Treasury Regulations" means the United States Treasury Regulations promulgated under the Code, and any reference to any particular Treasury Regulation section shall be interpreted to include any final or temporary revision of or successor to that section regardless of how numbered or classified.

"Underpayment Amount" is defined in Section 2.3(f).

"Unlawful Payment" is defined in Section 3.24(e).

"Unpaid Income Taxes" means the sum of (A) the aggregate of all unpaid income Tax liabilities with respect to all Pre-Closing Tax Periods (whether or not such Taxes are due and payable as of the date hereof), in each applicable jurisdiction which amount (i) shall not be less than zero in any jurisdiction, and (ii) shall not include offsets or reductions with respect to income Tax refunds or overpayments of Tax and (B) any "applicable employment taxes" (as defined in Section 2302(d)(1) of the CARES Act) or payroll tax obligations (including those imposed by Sections 3101(a) and 3201 of the Code) that the Company has deferred (for example, by a failure to timely withhold, deposit or remit any such amounts in accordance with the applicable provisions of the Code and the Treasury Regulations promulgated thereunder) pursuant to Section 2302 of the CARES Act or pursuant to or in connection with Notice 2020-65 or any U.S. presidential memorandum or executive order.

"Valuation Firm" means Duff & Phelps, and if Duff & Phelps refuses or is unable to perform the requested services, Buyer and Sellers' Representative shall negotiate in good faith to agree upon a different valuation firm, which valuation firm shall not be one of the twenty largest accounting firms in the United States.

"VWAP Price" means the daily volume weighted average price of the Company Common Stock quoted on the New York Stock Exchange averaged over a period of 20 days consisting of the 20 Business Days immediately prior to the date upon which VWAP Price is calculated.

"WARN Act" means the Worker Adjustment Retraining and Notification Act, as amended, 29 U.S.C. § 2101 *et seq.* and any similar Law.

ARTICLE II

THE MERGERS

2.1 Mergers. On and subject to the terms and conditions of this Agreement, at the Closing:

(i) The Merger will be consummated by the filing of a statement of merger in customary form with the Secretary of State of the State of Indiana (the "Statement of Merger") in accordance with Indiana Act and a certificate of merger in customary form with the Secretary of State of the State of Delaware (the "Certificate of Merger"). Upon such filings, Merger Sub shall be merged with and into the Company, the separate existence of Merger Sub shall cease and the Company shall continue as the surviving corporation under the laws of the State of Indiana (the "Surviving Corporation"). The Merger shall be effective at such time as each of the Statement of Merger and Certificate of Merger are duly filed with and accepted for record by the Secretary of State of the State of Indiana and the Secretary of State of the State of Delaware, respectively, or such later time as the parties may specify in the Statement of Merger and Certificate of Merger (the "Effective Time").

(ii) At the Effective Time, by virtue of the Merger and without any further action by any other Person:

(1) all the properties, rights, privileges, powers and franchises of the Company and Merger Sub shall vest in the Surviving Corporation and all debts, liabilities, obligations and duties of the Company and Merger Sub shall become debts, liabilities, obligations and duties of the Surviving Corporation;

(2) (A) the articles of incorporation of the Company, as in effect immediately prior to the Effective Time, shall be the articles of incorporation of the Surviving Corporation

as of the Effective Time and (B) the bylaws of the Company, as in effect immediately prior to the Effective Time, shall be the bylaws of the Surviving Corporation as of the Effective Time;

(3) the directors and officers of Merger Sub at the Effective Time shall be the directors and officers of the Surviving Corporation, in each case until successors are duly elected or appointed in accordance with the articles of incorporation and bylaws of the Surviving Corporation and the Indiana Act;

(4) each share of common stock of Merger Sub issued and outstanding immediately prior to the Effective Time will be converted into and become one validly issued, fully paid and non-assessable share of common stock of the Surviving Corporation; and

(5) each Share issued and outstanding immediately prior to the Effective Time (other than Shares held in the treasury of the Company) and all rights in respect thereof shall forthwith cease to exist and be converted into and represent solely the right to receive, without interest, the Pro Rata Share of the Final Closing Merger Consideration.

(b) Closing Transactions

(c) Closing. The closing of the transactions contemplated by this Agreement (the "Closing") shall take place on the date hereof remotely via the electronic exchange of the funds and documents and signature pages immediately following the execution and delivery of this Agreement.

(d) Deliveries by the Company and Sellers. At the Closing, the Company and Sellers, as applicable, shall deliver, or cause to be delivered, to Buyer the following:

(i) duly executed resolutions of the board of directors of the Company authorizing, approving, consenting to and ratifying this Agreement, the Merger and the consummation of the other transactions contemplated hereby and recommending the adoption, authorization, approval, consent and ratification thereof to the Sellers;

(ii) all certificates representing all of the Shares, free and clear of all Encumbrances (other than restrictions on transfer arising under applicable securities Laws), duly endorsed in blank or accompanied by executed stock powers, with appropriate transfer stamps (if any) affixed thereto;

(iii) a certificate of existence (or its equivalent) from the Secretary of State of the State in which the Company was incorporated or organized and each other State in which the Company is qualified to do business as a foreign entity, in each case dated as of a date within five (5) Business Days prior to the date hereof;

(iv) evidence that all of the agreements and arrangements specified on Schedule 2.2(b)(iv) have been terminated and are of no further force or effect without any further Liabilities of the Company thereunder or in connection therewith;

(v) all governmental and regulatory consents, approvals, licenses and authorizations identified on Schedule 2.2(b)(v);

(vi) all third-party consents, waivers and approvals identified on Schedule 2.2(b)(vi);

(vii) the resignations, effective, as of the Closing, of each director, manager and officer of the Company (in their capacity as such) identified on Schedule 2.2(b)(vii);

(viii) evidence that the Company has purchased and bound a non-cancellable prepaid insurance policy (the "D&O Policy") that provides directors' and officers' and fiduciary liability insurance coverage for each of the individuals who were officers, managers or similar functionaries of the Company at or prior to the Closing for the benefit of such individuals for an aggregate period of not less than six (6) years with respect to claims arising from acts, events or omissions that occurred at or prior to the Closing;

(ix) invoices, if available, with respect to all unpaid Transaction Expenses (other than with respect to payment of any Transaction Expense that is subject to payroll tax withholding);

(x) payoff letters with respect to certain Indebtedness identified by the parties to be repaid or otherwise satisfied on the date hereof together with releases of all Encumbrances (other than any Permitted Encumbrances) relating thereto on the assets and properties of the Company;

(xi) duly executed assignments to the Company of the registered, applied-for, and unregistered Affiliate-Owned Company IP, in the form of Exhibit D hereto, which is a form suitable for recording in the U.S. Patent and Trademark Office (and equivalent offices in jurisdictions outside the United States) affidavit of non-foreign status from each Seller dated as of the date hereof in the form and substance required by Section 1445 of the Code and IRS guidance thereunder; and

(xii) the Escrow Agreement executed by Sellers' Representative.

(e) Deliveries by Buyer. At the Closing, Buyer shall:

(i) pay, or cause to be paid, to the Sellers (in accordance with their respective Pro Rata Shares) the Estimated Closing Cash Merger Consideration by wire transfer of immediately available funds to the accounts designated by Sellers' Representative prior to the date hereof;

(ii) issue or transfer, or cause to be issued or transferred, to the Sellers (in accordance with their respective Pro Rata Share) the number of Buyer Shares payable as the Estimated Closing Stock Merger Consideration less the Escrow Shares pursuant to the terms hereof, which may be represented by book-entry interests or one or more certificates issued to each Seller at Buyer's election;

(iii) pay, or cause to be paid, on behalf of the Company, all amounts necessary to discharge fully the then-outstanding balance of all Indebtedness identified by the parties to be repaid or otherwise satisfied on the date hereof by wire transfer of immediately available funds to the account(s) designated by the holders of such Indebtedness in the applicable payoff letter;

(iv) pay, or cause to be paid, on behalf of the Company, all unpaid Transaction Expenses to each Person who is owed a portion thereof by wire transfer of immediately available funds to the accounts designated by each recipient thereof in the applicable invoice therefor; provided that, any payment that is subject to payroll tax withholding shall be first paid to the Company's payroll agent for the benefit of, and for further distribution to, such Person;

(v) deliver, or cause to be delivered, the Escrow Shares to the Escrow Agent for deposit into the Escrow Account;

(vi) deliver, or cause to be delivered, to Sellers' Representative the Escrow Agreement executed by Buyer and the Escrow Agent; and

(vii) deliver the approval by Buyer for the Company to deliver an executed counterpart signature page to the Employment Agreement with John Vellinger.

2.2 Cash Merger Consideration.

(a) The Closing Total Merger Consideration shall be finally determined in accordance with this Section 2.3, and, as so finally determined, be referred to herein as the "Final Closing Total Merger Consideration".

(b) Within one hundred and twenty (120) days following the date hereof, Buyer shall deliver to Sellers' Representative a balance sheet of the Company (in its final and binding form, the "Closing Balance Sheet") and a certificate setting forth, with reasonable detail, the Closing Net Working Capital, the Indebtedness of the Company outstanding as of the Closing, the Transaction Expenses unpaid as of the Closing, the Closing Date Cash and the resulting Closing Total Merger Consideration calculated with reference to such amount (in its final and binding form, together with the Closing Balance Sheet, the "Merger Consideration Calculation"). For the avoidance of doubt, the Closing Balance Sheet shall not include any changes in assets or liabilities as a result of merger accounting adjustments.

(c) During the thirty (30) day period immediately following Sellers' Representative's receipt of the Merger Consideration Calculation, Sellers' Representative shall be permitted to review and have reasonable access during normal business hours to the Surviving Corporation's books and records related to the preparation of the Merger Consideration Calculation and determination of the Closing Total Merger Consideration. The Merger Consideration Calculation and the resulting Closing Total Merger Consideration, shall become final and binding upon the parties hereto on the earlier of (x) thirty (30) days following Sellers' Representative's receipt thereof unless a Notice of Disagreement is received by Buyer with respect thereto prior to such date and (y) the date on which Sellers' Representative delivers to Buyer a written notice of its agreement with such Merger Consideration Calculation prior to such date.

(d) If Sellers' Representative delivers a timely Notice of Disagreement with respect to the matters described in this Section 2.3 in accordance herewith, then the Merger Consideration Calculation (as revised in accordance with clause (x) or (y) of this Section 2.3(d)) and the resulting Closing Total Merger Consideration shall become final and binding upon the parties hereto on the earliest of (x) the date Buyer and Sellers' Representative resolve in writing any differences they have with respect to the matters specified in the Notice of Disagreement or (y) the date all matters in dispute are finally resolved in writing by the Valuation Firm. During the thirty (30) days following Buyer's receipt of a Notice of Disagreement or such longer period as Buyer and Sellers' Representative may agree to in writing, Buyer and Sellers' Representative shall seek in good faith to resolve in writing any differences that they have with respect to the matters specified in the Notice of Disagreement. Following Buyer's receipt of a Notice of Disagreement, Buyer and its agents and representatives shall be permitted to review and have reasonable access during normal business hours to Sellers' Representative's and its representatives' working papers relating to the Notice of Disagreement.

(e) At the end of the thirty (30)-day period referred to in Section 2.3(d) (as such period may be extended by mutual agreement of the Buyer and Sellers' Representative as provided therein), Buyer and Sellers' Representative shall submit to the Valuation Firm for review and resolution of all matters (but only such matters) that remain in dispute and that were properly included in the Notice of Disagreement. The Valuation Firm shall make a final determination of the Closing Net Working Capital, the Indebtedness of the Company outstanding as of the Closing, the Transaction Expenses unpaid as of the Closing, the Closing Date Cash and the resulting Closing Total Merger Consideration calculated with reference to such amounts, in each case, to the extent such amounts are in dispute, in accordance with the guidelines and procedures set forth in this Agreement and Exhibit B. Buyer, the Company and Sellers' Representative will cooperate in a commercially reasonable manner with the Valuation Firm during the term of its engagement.

The determination of the Closing Net Working Capital, the Indebtedness of the Company outstanding as of the Closing, the Transaction Expenses unpaid as of the Closing, the Closing Date Cash and the resulting Closing Total Merger Consideration calculated with reference to such amounts shall become final and binding on the parties hereto on the date the Valuation Firm delivers its final resolution in writing to Buyer and Sellers' Representative.

(f) Should the Estimated Closing Total Merger Consideration exceed the Final Closing Total Merger Consideration (the amount of such excess, the "Overpayment Amount"), then (i) within three (3) Business Days after the Merger Consideration Calculation becomes final and binding on the parties hereto (the "Finalization Date"), Buyer and Sellers' Representative shall deliver joint written instructions to the Escrow Agent to cause the Escrow Agent to surrender to the Company for cancellation a number of Buyer Shares from the Adjustment Escrow Account equal to the Overpayment Amount, calculated based on the Closing Per Share Price, and, to the extent that the value of the Adjustment Escrow Shares (based on the Closing Per Share Price) is less than the Overpayment Amount, Sellers, severally and not jointly, shall pay the Buyers the remaining amount of the Overpayment Amount and (ii) within three (3) Business Days after the Finalization Date, Buyer and Sellers' Representative shall deliver joint written instructions to the Escrow Agent to cause the Escrow Agent to transfer to the Sellers (in accordance with their respective Pro Rata Shares), the remaining Adjustment Escrow Shares, if any, as full settlement of the Overpayment Amount. Should the Final Closing Total Merger Consideration equal or exceed the Estimated Closing Total Merger Consideration (the amount of such excess, if any, "Underpayment Amount"), then (i) Buyer and Sellers' Representative shall deliver joint written instructions to the Escrow Agent to cause the Escrow Agent to distribute, within three (3) Business Days after the Finalization Date, to the Sellers (in accordance with their respective Pro Rata Shares) the Adjustment Escrow Shares and (ii) Buyer shall issue to Sellers (in accordance with their respective Pro Rata Shares) a number of Buyer Shares with a value equal to the Underpayment Amount (based on the Closing Per Share Price). The parties hereto shall treat all payments made pursuant to this Section 2.3(f) to Sellers with respect to the Shares as adjustments to the Closing Total Merger Consideration (and not as wages or compensation) for all Tax purposes, unless otherwise required by Law.

2.3 Tax Withholding. Notwithstanding anything in this Agreement to the contrary, each of Buyer, Merger Sub, the Company, and each of their respective Affiliates, and the Escrow Agent, shall be entitled to deduct and withhold (or cause to be deducted and withheld) from any amount payable to any Person pursuant to this Agreement or otherwise in connection with or by virtue of the transactions contemplated hereby such amounts as are required to be deducted and withheld under the Code or any Tax or other Law as reasonably determined by the applicable withholding agent in good faith. Any such withheld amounts shall be treated for all purposes of this Agreement as having been paid to the Person in respect of which such deduction and withholding was made.

ARTICLE III

REPRESENTATIONS AND WARRANTIES CONCERNING THE COMPANY

As a material inducement to Buyer to enter into this Agreement and consummate the transactions contemplated hereby, the Sellers, severally and not jointly, hereby represent and warrant to Buyer that:

3.1 Organization and Authority. The Company has full corporate power, authority and legal capacity to enter into the documents contemplated hereby to which the Company is a party and to perform its obligations thereunder. The Company is duly organized and validly existing under the Laws of the State of Indiana. The Company possesses all requisite corporate power and authority necessary to own and operate its properties, to carry on its business as now conducted and to carry out the transactions contemplated by this Agreement and each Ancillary Agreement to which the Company is a party. The Company has made available to Buyer true, correct and complete copies (that reflect all amendments made

thereto (or which are pending) at any time prior to the date hereof) of the Company's Governing Documents as currently in effect. The Company is not in default under or in violation of any provisions of its Governing Documents. Schedule 3.1 sets forth a list all of the officers, directors and managers (or similar functions) of the Company.

3.2 Capitalization and Related Matters.

(a) Schedule 3.2(a) sets forth all of the authorized Shares and other equity securities of the Company by class of Shares and other equity securities of the Company, the number of such equity securities of the Company that are issued and outstanding, and the names and percentage ownership of each record owner of such issued and outstanding equity securities of the Company. The Shares constitute the only equity interests of the Company. Each of the record owners set forth on Schedule 3.2(a) has good and valid title to, and beneficial ownership of, such record owner's Shares and the Shares are free and clear of all Encumbrances (other than restrictions on transfer arising under applicable securities Laws). All of the Shares have been duly authorized, are validly issued and are fully paid and, to the extent applicable, non-assessable.

(b) Except as set forth on Schedule 3.2(a), the Company does not have any other authorized, issued or outstanding equity securities (or options, warrants, phantom stock, stock appreciation, profit participation or similar equity-based rights), including any outstanding securities convertible into, exchangeable for or measured by reference to any Shares or other equity securities of the Company. The Company is not subject to any option or obligation (contingent or otherwise) to repurchase or otherwise acquire or retire any of its capital stock, membership interests or other equity securities or any warrants, options or other rights to acquire any of its capital stock, membership interests or other equity securities. The Company has not violated any federal, provincial or state securities Laws in connection with the offer, sale or issuance of its capital stock, membership interests or other equity securities, and no such equity securities are subject to, nor were they issued in violation of, any preemptive rights or rights of first refusal or any securities Laws. Except as set forth on Schedule 3.2(b), there are no agreements with any Seller or any other Person with respect to the voting or transfer of any of the equity securities of the Company, or with respect to any other aspect of the Company's affairs.

(c) The Company does not have, and has never had, any Subsidiaries (nor has the Company taken any steps to incorporate or form any Subsidiaries) and does not own or hold any equity interest or other security or interest (including the right to acquire any such security or interest) in any Person nor have any obligation to make any capital contribution or other investment in any Person. Except as set forth on Schedule 3.2(c), the Company is not party to any joint venture, voting, proxy, partnership or other similar arrangement or relationship.

3.3 Noncontravention.

(a) Except as set forth on Schedule 3.3, the execution and delivery of this Agreement and each Ancillary Agreement to which the Company is a party, the execution and delivery of any of the agreements and instruments contemplated hereby, the fulfillment of and compliance with the respective terms hereof and thereof nor the consummation of the transactions contemplated hereby or thereby do not and shall not (i) conflict with or result in a breach of the terms, conditions or provisions of, (ii) constitute a default under (whether with or without the passage of time, the giving of notice or both), (iii) result in the creation of any Encumbrance upon the Shares or other equity securities, properties or assets of the Company pursuant to, (iv) give any third party the right to modify, terminate or accelerate any obligation under, (v) result in a violation of or (vi) require any authorization, consent, approval, exemption or other action of or by, or notice or declaration to, or filing with, any third party or any Governmental Authority pursuant to, the Governing Documents of the Company, or any Law, any material Contract, any Data Security

Requirement, any Company Permit or any judgment, decision, decree, order, injunction, writ, stipulation, determination or ruling to which the Company or its assets is subject.

(b) The Company is not party to or bound by any written or oral agreement with respect to a Company Transaction other than this Agreement. There is not any Action pending, threatened in writing or, to the Company's knowledge, threatened orally before any Governmental Authority wherein an unfavorable injunction, judgment, order, decree, award, ruling or charge would (i) prevent the performance of this Agreement or the consummation of any of the transactions contemplated hereby or declare unlawful any of the transactions contemplated hereby, (ii) cause any of the transactions contemplated by this Agreement to be rescinded following consummation or (iii) result in Buyer or the Company paying, or otherwise becoming subject to an obligation in respect of, damages or other relief in connection with the transactions contemplated hereby.

3.4 Financial Information.

(a) Attached hereto as Schedule 3.4(a) are the following financial statements: (i) the reviewed balance sheets of the Company as of December 31, 2020 and December 31, 2019 and the related statements of income and cash flows (or the equivalent) for the fiscal years then ended; and (ii) the balance sheet of the Company as of June 30, 2021 (the "Latest Balance Sheet") and the related statements of income and cash flows (or the equivalent) for the six (6)-month period then ended. Each of the foregoing financial statements (including in all cases the notes thereto, if any) is consistent with the books and records of the Company (which, in turn, are accurate and complete), present fairly in all material respects the financial condition and operating results of the Company and has been prepared in accordance with GAAP consistently applied throughout the periods covered thereby, subject, in each case (including in the case of the unaudited financial statements), to the absence of footnote disclosures (none of which footnote disclosures would, alone or in the aggregate, be adverse to the business, operations, assets, liabilities, financial condition, operating results, value, cash flow or net worth of the Company). There has been no change in the accounting methods or practices of the Company since the earliest date covered by the foregoing financial statements, which is not expressly described therein.

(b) The Company maintains and complies with a system of accounting controls in accordance with industry standards to provide that (i) transactions are recorded as necessary to permit preparation of financial statements in conformity with GAAP and (ii) access to properties and assets is permitted in accordance with management's general or specific authorization.

(c) Except as set forth on Schedule 3.4(c), (a) all accounts and notes receivable of the Company (net of reserves for doubtful accounts as reflected in the calculation of the Estimated Closing Total Merger Consideration as reflected on Schedule A and as determined in accordance with GAAP) are valid receivables arising in the Ordinary Course of Business; (b) no Person has any Encumbrance on such receivables or any part thereof, and no agreement for deduction, free goods, discount or other deferred price or quantity adjustment has been made with respect to any such receivables and (c) to the Company's knowledge, there is no pending or threatened contest with respect to the amount or validity of any amount of any such account receivables.

3.5 Absence of Undisclosed Liabilities. Except as set forth on Schedule 3.5, the Company does not have nor will have any Liability arising out of any transaction entered at or prior to the Closing, other than (a) liabilities reflected on the face of the Latest Balance Sheet, (b) liabilities and obligations which have arisen after the date of the Latest Balance Sheet in the Ordinary Course of Business (none of which is a Liability for breach of contract, breach of warranty, tort, infringement, dilution, misappropriation, dilution, violation of Law or arising out of a claim or lawsuit), (c) obligations under contracts and commitments described on Schedule 3.9(a) or under contracts and commitments entered into in the Ordinary Course of Business which are not required to be disclosed on such Schedule pursuant to Section 3.9(a) (but not

Liabilities for any breach of any such contract or commitment), (d) liabilities and obligations expressly disclosed in the other Schedules referred to in this Article III and (e) liabilities and obligations which have not had or would not reasonably be expected to have a Material Adverse Effect .

3.6 No Material Adverse Effect. Since December 31, 2020, there has occurred no fact or event which has had or would reasonably be expected to have a Material Adverse Effect.

3.7 Absence of Certain Developments. Except as set forth on Schedule 3.7, since the date of the Latest Balance Sheet, the Company has operated only in the Ordinary Course of Business and the Company has not:

(a) discharged or satisfied any Encumbrance or paid any Liabilities exceeding \$250,000 in the aggregate, other than current liabilities paid in the Ordinary Course of Business;

(b) declared, set aside or made any payment or distribution of cash or other property to any of its equityholders with respect to such equityholder's equity interest or otherwise;

(c) purchased, redeemed or otherwise acquired or issued any equity securities (including any warrants, options or other rights to acquire its shares, units, membership interests or other equity securities);

(d) sold, assigned, transferred, leased, subleased, licensed or sublicensed any of its tangible properties or assets, except sales, transfers, leases, subleases, licenses or sublicenses of such properties or assets in the Ordinary Course of Business;

(e) (i) sold, assigned, transferred, abandoned, permitted to lapse (except at the end of their maximum statutory terms), subjected to any Encumbrance (other than a Permitted Encumbrance), or otherwise disposed of any Intellectual Property Rights or (ii) disclosed (or permitted any Person to disclose) any Confidential Information to any Person (other than to Buyer and its Affiliates or in the Ordinary Course of Business, pursuant to written agreements, in circumstances in which it has imposed reasonable and customary confidentiality restrictions to preserve all rights of the Company in Trade Secrets) or disclosed, made available, licensed, released, or escrowed any Source Code, or, to the Company's knowledge, received any Confidential Information of any Person in violation of any obligations of confidentiality;

(f) (i) made, announced or granted any cash or equity or equity-based incentive awards, bonus, retention, change in control, transaction, severance or similar compensation or any wage or salary or other compensation or benefits increase or decrease to any current or former employee or other individual service provider, (ii) except as required by applicable Law, increased or accelerated or committed to accelerate the funding, payment or vesting of the compensation or benefits provided under any Plan, or amended, modified or terminated any Plan or adopted, established or entered into any Plan or take any action under this clause (ii) with respect to any plan, policy, program, agreement or arrangement that would be a Plan if in effect on the date hereof, (iii) negotiated, modified, extended, terminated, or entered into any collective bargaining agreement or other contract with any labor organization, labor union, or group of employees (each a "CBA"), or recognized or certified any labor union, works council, labor organization, or group of employees as the bargaining representative for any employees of the Company, (iv) taken any action to accelerate the time of payment, funding or vesting of any compensation or benefits under any Plan, or (v) hired or terminated the employment, engagement or service of any employee or independent contractor of the Company with an annual base salary or consulting fee and incentive compensation opportunity in excess of \$100,000;

(g) implemented or announced any employee layoffs, plant closings, reductions in force, furloughs, temporary layoffs, salary or wage reductions, work schedule changes, or other actions that would implicate the WARN Act;

(h) hired, engaged, furloughed, temporarily laid off, or terminated (without cause) any current or former employee or independent contractor with annual compensation in excess of \$125,000;

(i) waived or released any noncompetition, nonsolicitation, nondisclosure, noninterference, nondisparagement, or other restrictive covenant obligation of any current or former employee or independent contractor;

(j) suffered any extraordinary financial losses or cancelled or waived any debts, claims or other rights (except in the Ordinary Course of Business) in excess of \$50,000 in the aggregate;

(k) waived, settled or compromised any claim, other than waivers, settlements or compromises in the Ordinary Course of Business involving solely monetary payments not in excess of \$50,000 in the aggregate;

(l) suffered any damage, destruction or casualty loss to one of its assets or properties exceeding in the aggregate \$150,000, whether or not covered by insurance;

(m) made any commitment for capital expenditures in an amount in excess of \$250,000 that remain unpaid;

(n) made any charitable pledges exceeding in the aggregate \$20,000 or made any political contributions;

(o) made any loans or advances to any Person of more than \$25,000;

(p) made any change in any method of accounting or accounting policies, except as required by GAAP or applicable Law;

(q) made or changed any Tax election, settled any Tax claim or assessment, filed any amended Tax Return, entered into any closing agreement, adopted or changed any Tax accounting method; agreed to (or requested) an extension or waiver of a Tax statute of limitations period, failed to pay any Tax when due and payable (including any estimated Tax payments), incurred any Tax Liability other than in the Ordinary Course of Business, prepared or filed any Tax Return in a manner inconsistent with past practice, surrendered any right to claim a refund of Taxes, sought (nor has any Affiliate that would be aggregated with the Company and treated as one employer for purposes of Section 2301 of the CARES Act sought) a covered loan under paragraph (36) of Section 7(a) of the Small Business Act (15 U.S.C. 636(a)), as added by Section 1102 of the CARES Act, deferred any payroll tax obligations (including those imposed by Sections 3101(a) and 3201 of the Code) (including by a failure to timely withhold, deposit or remit such amounts in accordance with the applicable provisions of the Code and the Treasury Regulations promulgated thereunder) pursuant to or in connection with Notice 2020-65 or any U.S. presidential memorandum or executive order, or taken any other similar action relating to the filing of any Tax Return or the payment of any Tax;

(r) amended, modified or terminated any contract which, but for such termination, amendment, or modification would be a Material Contract;

(s) applied for or received any relief under the CARES Act or any other applicable Law or governmental program designed to provide relief related to COVID-19; or

(t) agreed or committed, whether orally or in writing, to do any of the foregoing.

3.8 Assets. Except as set forth on Schedule 3.8, the Company has good and marketable title to, or a valid leasehold interest in, all properties and assets used in, necessary for, or developed for the operation of the Company's business located on any of its premises or shown on the Latest Balance Sheet or acquired after the date thereof (other than inventory sold in the Ordinary Course of Business since the date of the Latest Balance Sheet) (the "Assets"), free and clear of all Encumbrances (except for Permitted Encumbrances).

3.9 Contracts and Commitments.

(a) Except as set forth on Schedule 3.9(a), the Company is not party to or bound by any written, or to the Company's knowledge, oral agreements, in effect as of the date of this Agreement and creating any legally binding right(s) or obligation(s) of the Company:

(i) profit sharing, option, profits interests, restricted unit, incentive equity, employee equity purchase, bonus or other plan or Contract providing for equity or equity-based compensation to current or former employees or other individual service providers;

(ii) Contract providing for (A) the employment, retainer or engagement of any former (to the extent of any ongoing Liability) or current director, officer, individual, employee or other Person on a full-time, part-time, consulting, independent contractor or other basis (x) with annual compensation in excess of \$125,000 or (y) that are not terminable upon thirty (30) days' notice or less without any liability to the Company, (B) retention, change of control, severance or other termination payments or benefits, or (C) loans to former or current equityholders, members, officers, directors, managers, employees, partners or Affiliates;

(iii) except for those on the standard form agreement provided to certain employees and independent contractors (which form was made available to Buyer) ("Form IP Agreements"), Contract that is a proprietary information and inventions assignment agreement, employee or independent contractor restrictive covenant agreement, or any other ancillary employment agreement;

(iv) Contract under which the Company has advanced or loaned any other Person amounts in the aggregate exceeding \$50,000 or Contract under which any Person would be deemed to have Indebtedness to the Company in amounts in the aggregate exceeding \$50,000;

(v) Contract or indenture relating to Indebtedness or the mortgaging, pledging or otherwise placing an Encumbrance (other than a Permitted Encumbrance) on any asset(s) or property(ies) of the Company;

(vi) lease or agreement under which the Company is lessee of or holds or operates any property, real or personal, owned by any other party, except for any lease of real or personal property under which the aggregate annual rental payments do not exceed \$100,000;

(vii) lease or agreement under which the Company is lessor of or permits any third party to hold or operate any property, real or personal, owned or controlled by the Company, except for any lease of real or personal property under which the aggregate annual rental payments do not exceed \$25,000;

(viii) Contract or group of related Contracts with the same party or group of affiliated parties the performance of which involves consideration in the aggregate in excess of \$500,000;

(ix) Contracts that relate to Intellectual Property Rights (including any licensing of or granting rights to Intellectual Property Rights by the Company to any Person or by any Person to the Company) and any other contracts affecting the Company's ability to own, use, transfer, license, disclose or enforce any Intellectual Property Rights (or any assignment, license, royalty, development (and co-development), acquisition or divestiture agreements, concurrent use, settlement, consent to use, covenant not to sue, software escrow and indemnification agreements relating to any Intellectual Property Rights, in each case other than any Off-the-Shelf Software Licenses) (collectively, "IP Agreements");

(x) warranty agreement with respect to its services rendered or its products sold or leased, other than any warranty provided in the Ordinary Course of Business;

(xi) Contract with a term of more than twelve (12) months which is not terminable by the Company upon less than sixty (60) days' notice without a penalty (other than Contracts calling for payments of less than \$100,000 per year);

(xii) Contract with a Material Customer;

(xiii) Contract with a Material Supplier;

(xiv) CBA;

(xv) Contract for the employment or engagement of any director, officer, employee or independent contractor providing for annual compensation in excess of \$150,000;

(xvi) indemnification, "change of control," retention, severance, restrictive covenant, proprietary information or inventions assignment with any director, officer, employee or independent contractor;

(xvii) settlement, conciliation or similar agreement;

(xviii) Government Contract, the performance of which involves consideration in the aggregate in excess of \$100,000;

(xix) sales representative, commission or similar agreement;

(xx) Contract under which pricing, discounts or benefits that change based on the pricing, discounts or benefits offered to other third parties (including any contract containing "most favored nation" or "tracking customer" or "best pricing" provisions), disclosure of company cost data or comparable pricing data, exclusive sales, distribution, marketing or other exclusive rights, rights of refusal or rights of first negotiation are granted or received;

(xxi) Contract which provides for or otherwise includes a minimum volume or purchase requirement or similar obligation or arrangement; or

(xxii) Contract prohibiting or restricting the Company from freely engaging in any business or competing anywhere in the world.

(b) All of the Contracts, leases, agreements and instruments set forth or required to be set forth on Schedule 3.9(a) (collectively, together with the Form IP Agreements, the "Material Contracts") are valid, binding and enforceable in accordance with their respective terms, in each case, except as enforceability may be limited or affected by applicable bankruptcy, insolvency, reorganization or other

Laws of general application relating to or affecting the rights of creditors and except as enforceability may be limited by rules of Law governing specific performance, injunctive relief or other equitable remedies. Except as set forth on Schedule 3.9(b), (i) the Company has performed all obligations required to be performed by it and is not in default under or in breach of nor in receipt of any claim of default or breach under any Material Contract to which it is subject, (ii) to the Company's knowledge, no event has occurred which with the passage of time or the giving of notice or both would result in a material default, breach or event of noncompliance under any Material Contract to which it is subject, (iii) to the Company's knowledge, no Material Contract by which the Company is bound is currently subject to cancellation or any other modification by the other party(ies) thereto or is subject to any penalty, right of set-off or other charge by the other party(ies) thereto for late performance or delivery (including as a result of COVID-19 and COVID-19 Measures) and (iv) to the Company's knowledge, there is no material breach or anticipated breach by the other party(ies) to any Material Contract to which the Company is a party. The Company has made available to Buyer a true, correct and complete copy in all material respects (including all amendments, waivers or other changes) of each Material Contract (excluding agreements with employees of the Company on the Company's standard forms which have been made available to Buyer).

3.10 Intellectual Property Rights: IT, Cybersecurity and Data Privacy.

(a) Schedule 3.10(a) contains a complete and accurate list of all (i) applied-for, registered or issued Intellectual Property Rights owned by, registered to, or filed in the name of the Company or any of its Affiliates (collectively, the "Registered Company IP") and (ii) material unregistered Intellectual Property Rights (but, in the case of Trade Secrets, by way of a non-confidential description only). Except for the Trademarks designated in Schedule 3.10(a) and the patents designated in Schedule 3.10(a), in each case, as abandoned, expired or canceled, all Company IP that has been issued or registered or applied for is in full force and effect and subsisting and, to the Company's knowledge, valid and enforceable. Except as indicated on Schedules 3.10(a) and 3.10(e)(i), (A) The Company exclusively owns and possesses all right, title and interest in and to all Company IP and (B) the Company has sufficient rights pursuant to a valid and enforceable license (each of which is listed on 3.9(a)(ix) other than Off-the-Shelf Software Licenses) to all other Business IP, in each case of (A) and (B), free and clear of all Encumbrances other than Permitted Encumbrances. Except for the Trademarks listed in Schedule 3.10(a) and the patents and patent applications designated in Schedule 3.10(a) as abandoned or expired, all necessary registration, maintenance and renewal fees in connection with the Intellectual Property Rights set forth (or required to be set forth) in Schedule 3.10(a) have been paid by their applicable due dates and all necessary documents and certificates in connection with the foregoing have been filed with the relevant Intellectual Property Rights authorities in the United States or foreign jurisdictions, as the case may be, for the purposes of perfecting, prosecuting, and maintaining the foregoing.

(b) Except for routine patent and trademark prosecution office actions and other routine correspondence from the United States Patent and Trademark Office in the ordinary course of routine prosecution of Company IP, there are no, and there have not been during the past three (3) years any, Actions pending, sent or received in writing by, or, to the Company's knowledge, threatened by or against, the Company asserting, contesting or relating to any Intellectual Property Right (including the validity, use, ownership, registrability, scope, or enforceability thereof or infringement, misappropriation, or dilution thereof, or other conflict therewith (including any offers or demands to license or cease and desist letters)), Company Product, Data Security Requirement, Personal Information or Security Incident. Neither the Company, nor the conduct of the Business (including the use, sale, offer for sale or distribution of any Company Product), has infringed, misappropriated, diluted, or conflicted with, or infringes, misappropriates, dilutes or conflicts with, any Intellectual Property Rights of any other Person. To the Company's knowledge, in the past three (3) years no Person has infringed, misappropriated, diluted or conflicted with or is infringing, misappropriating, diluting or conflicting with, any Company IP.

(c) Except as would not reasonably be expected to have a Material Adverse Effect, the Company Systems (and license seats therefor licensed by the Company) are reasonably sufficient for the current needs of the Company. The Company Products, and to the Company's knowledge, the Company Systems, are free in all material respects from any Malicious Code. The Company has taken commercially reasonable precautions to (i) protect the confidentiality, integrity and security of the Company Systems and all information and Trade Secrets stored or contained therein or transmitted thereby from any theft, corruption, loss or unauthorized Processing or interruption and (ii) ensure that all Company Systems operate and run in a commercially reasonable business manner in all material respects. In the past three (3) years there have been no failures or other adverse events affecting any of the Company Systems that have caused any material disruption in or to the use of such Company Systems or the Business. The Company is, and in the past three (3) years has been, in compliance in all material respects with all Data Security Requirements. In the past three (3) years, the Company has not suffered, experienced, discovered, been subject to, or been notified of any Security Incidents.

(d) The Company has taken all actions reasonably necessary to maintain and protect all of the Business IP (including the secrecy and confidentiality of all Trade Secrets included therein). No such Trade Secrets have been disclosed or authorized to be disclosed (and no event has occurred, and to the Company's knowledge no circumstance or condition exists, that (whether with or without the passage of time, the giving of notice or both) will, or would reasonably be expected to, result in a requirement that the Company disclose or authorize to be disclosed any such Trade Secrets to any Person, other than to employees in the Ordinary Course of Business pursuant to a written confidentiality and non-disclosure agreement. Except as set forth on Schedule 3.10(a), each Person who has participated in the authorship, conception, creation, reduction to practice, or development of any Intellectual Property Rights for, on behalf of, or under the direction or supervision of the Company (such Intellectual Property Rights, "Developments") has executed and delivered to the Company a valid and enforceable written contract providing for (i) the confidentiality and non-disclosure by such Person of all Trade Secrets included in the Business IP and (ii) the assignment by such Person (by way of a present grant of assignment) to the Company of all right, title, and interest in and to such Intellectual Property Rights, or otherwise arising out of such Person's employment by, engagement by, or contract with the Company. To the Company's knowledge, no Person is in breach of any contract referenced in this section. No current or former employee or other third party has claimed any right, title or interest in or to any Company IP.

(e) Except as set forth in Schedules 3.10(a)(i) and 3.10(e)(i), or pursuant to Small Business Innovation Research agreements, no Intellectual Property Rights included in the Company IP or Developments were (in whole or in part) authored, created, conceived, developed, or reduced to practice by or on behalf of, or with or using any personnel, grants, funds, facilities, Intellectual Property Rights or other resources of, a Sponsor, and no Person who was involved in, or who contributed to, the authorship, creation, conception, development, or reduction to practice of any such Company IP or Development was employed by, under contract to, or performed services for any Sponsor during a period of time during which such Person was also performing services for the Company related to the development of such Company IP or Development. Except for the limited rights identified in Schedule 3.10(e)(ii) in the issued U.S. patents set forth on Schedule 3.10(e)(i), which limited rights are accorded to the relevant agencies and departments of the United States government as a result of such agencies or departments providing funding for federally sponsored research and development which research and development ultimately is included in such issued U.S. patents, no Sponsor has any claim or right in or to any Company IP or Developments.

(f) Schedule 3.10(f) contains a complete and accurate list of all (i) Company Products and (ii) Third Party Components (other than Open Source Software) and associated license agreements. Each of the Company Products operates in accordance in all material respects with the applicable specifications and documentation of the Company relating to such Company Product. With respect to any Third Party Component that constitutes Open Source Software, the Company is and has been in compliance in all

material respects with all applicable licenses with respect thereto. No Software that is a Third Party Component or that is otherwise licensed, disclosed, distributed, or otherwise made available to the Company is governed by a Reciprocal License. The Company is in possession of the Source Code and object code for all Software (A) included in a Company Product and owned by the Company, or (B) otherwise included in the Company IP. No Person other than the Company is in possession of, or has been granted any license or other right with respect to, any Source Code constituting Company IP. No such Source Code has been disclosed, licensed, released, distributed, escrowed or made available to or for any Person and no Person has been granted any rights thereto or agreed to disclose, license, release, deliver, or otherwise grant any right thereto under any circumstance. No event has occurred, and to the Company's knowledge no circumstance or condition exists, that (whether with or without the passage of time, the giving of notice or both) will, or would reasonably be expected to, result in a requirement that any such Source Code be disclosed, licensed, released, distributed, escrowed or made available to or for, or any other grant of any right be made with respect thereto, any third party by the Company.

3.11 Litigation. Except as set forth on Schedule 3.11 or routine patent and trademark prosecution office actions and other routine correspondence from the United States Patent and Trademark Office in the ordinary course of routine prosecution of Company IP, during the past three (3) years there has not been, and there is not, any material Action pending or threatened in writing or, to the Company's knowledge, orally threatened, against, by or affecting the Company or the Company's business (or to the Company's knowledge, pending or threatened against or affecting any of the officers, managers, employees, agents or representatives of the Company with respect to its business), or pending or threatened by the Company against any Person, at law or in equity, or before or by any Governmental Authority. Except as set forth on Schedule 3.11 the Company is fully insured with respect to each of the matters set forth on Schedule 3.11. Neither the Company nor the Company's business is, nor the Company's assets are, subject to any judgment, decision, decree, order, injunction, writ, stipulation, determination, award or ruling of any Governmental Authority.

3.12 Compliance with Laws; Permits and Licenses. Except as set forth on Schedule 3.12:

(a) At all times during the past three (3) years, the Company and each of its equityholders, members, officers, managers, and to the Company's knowledge, employees and Affiliates and each agent acting on any of their respective behalf have complied and are in compliance in all material respects with all applicable Laws relating to the Company. At all times during the past three (3) years, no written notices have been received by and no claims have been filed against, the Company alleging a material violation of any such Laws (including COVID-19 Measures).

(b) The Company is qualified to do business in every jurisdiction in which its ownership or lease of property or conduct of business requires it to qualify, except where the failure to be so qualified has not had and would not reasonably be expected to have a Material Adverse Effect, and the Company holds and is in compliance in all material respects with, and at all times in the past three (3) years, the Company has held and been in compliance in all material respects with, all certificates of occupancy, permits, licenses, franchises, bonds, approvals, certificates, qualifications, registrations, accreditations and other authorizations of all Governmental Authorities required for the conduct of the business of the Company and the ownership, use, occupancy, maintenance and operations of its properties and assets in the conduct of the business of the Company (collectively, the "Company Permits"). Schedule 3.12(b) sets forth a list of all of the Company Permits. No written notices have been received by the Company alleging the material failure to hold or comply with any Company Permit or threatening cancellation, termination or material modification of any Company Permit. The Company has made available to Buyer true, correct, and complete copies of all such Permits set forth on Schedule 3.12(b).

3.13 Environmental Matters.

(a) Except as set forth on Schedule 3.13(a), the Company is, and at all times during the past three (3) years has been, in compliance in all material respects with all Environmental Laws, which compliance includes and has included obtaining, maintaining and complying in all material respects with all Company Permits required pursuant to, or issued under, Environmental Laws.

(b) Except as set forth on Schedule 3.13(b), at all times in the past three (3) years (i) there have not been, and there are not any material Actions pending or threatened in writing or, to the Company's knowledge, orally threatened against the Company pursuant to Environmental Laws, and (ii) the Company has not received any written notice, report, claim, demand, notice of violation, citation notice, order, or directive, in each case, alleging any material violation of, or material Liability under, Environmental Laws.

(c) Except as set forth on Schedule 3.13(c), the Company has not (nor any other Person to the extent such Person's actions would give rise to material Liability to the Company) treated, stored, disposed or arranged for the disposal of, transported, distributed, manufactured, handled, marketed, released or exposed any Person to, or owned, leased, or operated any property or facility contaminated by, any Hazardous Substance, in each case, as has given or would give rise to material Liabilities of the Company under any Environmental Law.

(d) Except as set forth on Schedule 3.13(d), the Company has not assumed or provided an indemnity with respect to any Liability of any other Person with respect to Environmental Laws or any Hazardous Substance, other than general contractual indemnities entered pursuant to a lease or credit agreement in the Ordinary Course of Business.

(e) Copies of all environmental health and safety assessments, audits, reports and other material environmental, health or safety documents relating to Liabilities or compliance status under Environmental Laws of the Company or to the environmental condition of the Leased Real Property or any facilities previously owned or operated by the Company that are in the possession or under the reasonable control of any Seller or the Company, have been made available to Buyer.

3.14 Employees.

(a) Schedule 3.14(a) correctly sets forth the name or employee ID, job title, work location, status as full or part time, date of hire, exempt or non-exempt classification under the Fair Labor Standards Act and any other applicable Law regarding the payment of wages, visa status if not a U.S. citizen (as applicable), current annual salary or hourly wage rate (as applicable), bonus and commission entitlement of the Company's employees, and whether any employees are absent from active employment, including furloughs, leaves of absence or disability (and where an employee is absent or on furlough or leave, the type of absence or leave and expected return to work date). Except as set forth on Schedule 3.14(a), (i) the Company is not, and at no time in the past three (3) years has the Company been, party to or bound by any CBA, nor has any employee of the Company been represented by a labor union, works council or other labor organization; (ii) the Company is in compliance with, and at all times in the last three (3) years has complied in all material respects with, all Laws relating to employment, labor and employment practices including all Laws relating to wages and hours, classification of exempt and non-exempt employees, classification of independent contractors, vacation, human rights, employment standards, workers' compensation, labor relations, plant closings, furloughs and layoffs (including the WARN Act), occupational health and safety and accessibility (including as related to COVID-19), workplace safety and insurance, immigration (including the completion of Forms I-9 for all employees and the proper confirmation of employee visas), harassment, employee leave issues, employee trainings and notices, pay equity, equal opportunity, affirmative action and Office of Federal Contract Compliance Programs compliance, fair labor standards, nondiscrimination and retaliation, whistleblowing, disability rights or

benefits employment equity, and the withholding, collection, remittance and payment (as the case may be) of social security, unemployment insurance, statutory deductions and withholdings, and other Taxes or any other employment- or labor-related Laws; (iii) there is no pending, to the Company's knowledge, threatened strike, slow-down, work interruption, stoppage, lockout, walkout, labor grievance, hand billing, picketing, unfair labor practice charge, labor grievance, labor arbitration or other material labor or employment dispute against, by or involving the Company, and no such dispute has occurred or been threatened in the last three years; (iv) the Company is not, and for the past three years has not been, in material breach of any provision of, an employment, consulting or independent contractor-related agreement; (v) to the Company's knowledge, there are no ongoing or threatened union organizing or decertification activities or proceedings with respect to any employees of the Company and no such activities or proceedings have occurred in the last three (3) years; (vi) to the Company's knowledge, no employee or independent contractor of the Company is subject to any non-compete, non-disclosure, confidentiality, employment, consulting or similar agreements that would restrict such employee or independent contractor in the performance of his or her duties or the ability of the Company to conduct its business; and (vii) except for Mark S. Deuser, to the Company's knowledge, no officer, executive, key employee of the Company or other employee with annual base compensation at or above \$100,000 has any expressed intention to terminate his or her employment within the first twelve (12) months following the Closing.

(b) The Company has fully and timely paid all wages, salary, wage premiums, prevailing wages, commissions, bonuses, fees, vacation pay, holiday pay, sick leave pay, severance and termination payments or other compensation which have come due and payable to its current and former employees, directors, officers and independent contractors in all material respects under applicable Law, contract or Company policy. The Company is not liable for any fines, Taxes, interest or other penalties for any failure to pay or delinquency in paying such compensation.

(c) Each individual who is providing, or has within the past three (3) years provided, services to the Company and who is or was classified and treated as an (i) independent contractor, consultant or other non-employee service provider, or (ii) exempt employee, in each case, is, and has been, properly classified and treated as such for all applicable purposes.

(d) The Company has promptly investigated all employment discrimination, sexual harassment or other discrimination, retaliation or policy violation allegations of which the Company has received written notice. With respect to each such allegation with potential merit, the Company has taken prompt corrective action that is reasonably calculated to prevent further discrimination and harassment and the Company does not reasonably expect to incur any Liability with respect to any such allegation.

(e) Except as set forth on Schedule 3.14(e), the Company has not (i) planned, announced or taken any actions since March 1, 2020, to close or shut down any facility, furlough or otherwise temporarily lay-off employees or individual independent contractors, terminate the employment or engagement of any employee or independent contractor, reduce hours, wages or fees or benefits of employees or individual independent contractors or provided notice of any intent to do any of the foregoing or (ii) otherwise experienced any material employment-related Liability with respect to COVID-19. No current or former employee or independent contractor of the Company has filed or, to Company's knowledge, has threatened, any Actions against the Company related to COVID-19.

(f) To the Company's knowledge, no current or former employee or independent contractor of the Company is in any material respect in violation of any term of any employment agreement, nondisclosure agreement, common law nondisclosure obligation, fiduciary duty, noncompetition agreement, nonsolicitation agreement, restrictive covenant or other obligation (i) owed to the Company or (ii) owed to any third party with respect to such person's right to be employed or engaged by the Company.

3.15 Employee Benefit Plans.

(a) Schedule 3.15(a) sets forth an accurate and complete list of each Plan. For the purposes of this Agreement, "Plan" means each "employee benefit plan" (as such term is defined in Section 3(3) of ERISA, whether or not subject to ERISA), as well as all other benefit or compensation plans, programs, contracts, policies, agreements or arrangements, including any bonus plan, arrangement for deferred compensation, option, stock purchase, restricted stock unit, stock appreciation, phantom equity, profits interests, other equity or equity-based, retirement, pension, employment, restrictive covenant, separation, consulting, severance, gratuity, termination indemnity, incentive, commission, retention, stay bonus, profit sharing, vacation, death benefit, sick leave, fringe benefit, paid time off, accident, disability, change of control or transaction, employee health or other welfare benefit plan, program, policy, agreement or other arrangement, whether written or oral, involving direct or indirect benefits, (x) maintained, sponsored or contributed to (or required to be contributed to) by the Company or any of its Subsidiaries, (y) maintained or sponsored or contributed to (or required to be contributed to) by the Sellers or any of their respective Affiliates for the benefit of current or former officers, directors, managers, employees, agents, contractors or representatives of the business of the Company, or (z) otherwise with respect to which the Company or any of its Subsidiaries has any Liability.

(b) No Plan is, and none of the Company nor any entity treated as a single employer with the Company or any Subsidiary under Section 414 of the Code or Section 4001(b) of ERISA (an "ERISA Affiliate") have, sponsored, maintained, contributed to or had any obligation to contribute to or has any other Liability (including current or potential withdrawal liability) with respect to, any (i) "multiemployer plan" (as defined in Section 3(37) of ERISA), (ii) employee benefit plan which is a "defined benefit plan" (as defined in Section 3(35) of ERISA), or any other plan that is or was subject to Title IV of ERISA or Sections 412 or 430 of the Code, (iii) "multiple employer welfare arrangement" (as such term is defined in Section 3(40) of ERISA) or (iv) "multiple employer plan" within the meaning of 210 of ERISA or Section 413(c) of the Code. Neither the Company nor any of its Subsidiaries has any Liability with respect to any "employee benefit plan" (as such term is defined in Section 3(3) of ERISA) by reason of being treated as an ERISA Affiliate with any other entity other than the Company.

(c) The Company does not have any current or contingent obligation under any Plan or otherwise to provide medical, health, life insurance or other welfare-type benefits to current or future retired or terminated employees or other service providers or their dependents (except for limited continued medical benefit coverage required to be provided under COBRA for which the recipient pays the full premium cost).

(d) With respect to each Plan, all required payments (including all employer contributions and employee salary reduction contributions), premiums, contributions, reimbursements or accruals for all periods ending prior to or as of the Closing that are due have been timely made under the terms of any Plan, ERISA, the Code and applicable Law and all such contributions or payments ending on or prior to the date hereof that are not yet due have been made or properly accrued for in accordance with GAAP. None of the Plans have any unfunded liabilities which are not reflected on the Latest Balance Sheet in accordance with GAAP.

(e) The Plans and all related arrangements, agreements, trusts, insurance contracts and funds have been established, maintained, funded, invested, operated and administered (including the filing of any required governmental forms or participant distributions) in compliance in all material respects with their terms and with the applicable provisions of ERISA, the Code and other applicable Laws and no act or omission has occurred and no condition exists with respect to any Plan that would subject the Company, Buyer or any of their respective Affiliates to any fine, penalty, Tax or other Liability imposed under ERISA, the Code or other applicable Law. The Company has not incurred (whether or not assessed) and does not reasonably expect to incur any Tax, penalty or other Liability under Sections 4980B, 4980D, 4980H, 6721 or 6722 of the Code.

(f) There have been no non-exempt "prohibited transactions" (as defined in Section 4975 of the Code or Section 406 of ERISA) or any breaches of fiduciary duty (as determined under ERISA) with respect to any Plan that would reasonably be expected to result in material liability to the Company. No Actions with respect to the Plans (other than routine claims for benefits) are pending or, to the Company's knowledge, threatened.

(g) Each of the Plans which is intended to be qualified under Section 401(a) of the Code has received a current favorable determination letter or opinion letter, as applicable, from the IRS, under which the Plan is currently entitled to rely upon, that such plan is qualified under Section 401(a) of the Code, and to the Company's knowledge there are no circumstances which would reasonably be expected to adversely affect the qualified status of any such Plan.

(h) The Company has made available to Buyer true, complete and correct copies, as applicable, of: (i) the plan documents (or written descriptions of any unwritten Plans), including any trust documents (with all amendments thereto) and summary plan descriptions with any applicable summaries of material modifications thereto, (ii) the most recent determination or opinion letter received from the IRS, (iii) the most recent annual report required to be filed with any Governmental Authority (including any Form 5500, with all applicable schedules and attachments), (iv) all related trust agreements, insurance contracts, administrative agreements and other funding arrangements that implement each Plan and (v) any written communications to or from any Governmental Authority, or any written notices to or from any Governmental Authority in the past three (3) years, addressing any matter involving actual or potential Liability relating to a Plan.

(i) To the Company's knowledge, any individual who performs services for the Company and who is not treated as an employee for federal income tax purposes by the Company is not an employee under applicable Law for any purpose including, without limitation, for Tax withholding purposes or Plan purposes. To the Company's knowledge, the Company has no material Liability by reason of an individual who performs or performed services for the Company in any capacity being improperly excluded from participating in a Plan or any person being improperly allowed to participate in any Plan.

(j) Except as otherwise disclosed on Schedule 3.15(j), neither the execution and delivery of this Agreement nor the consummation of the transactions contemplated hereby (either alone or in conjunction with any other event) would, directly or indirectly (i) give rise to any Liability or the forgiveness of any indebtedness under any Plan or otherwise, including Liability for compensation, benefits, severance pay, unemployment compensation, termination pay or withdrawal liability; (ii) require funding or payment, or accelerate the time of payment, funding or vesting or increase the amount of, or result in the forfeiture of, any compensation or benefits due to any officer, director, manager, employee or other service provider of the Company (whether current, former or retired) or their beneficiaries; (iii) limit or restrict the right to amend, terminate, or transfer the assets of, any Plan, or (iv) result in an obligation to fund or otherwise set aside assets to secure to any extent any of the obligations under any Plan.

(k) The Company has not made any payments or provided benefits, is not obligated to make any payments or provide benefits, and is not party to any agreement (whether written or unwritten) that has resulted or could result, separately or in the aggregate, in the payment (whether in cash property or the vesting of property) or provision of any "excess parachute payment" within the meaning of Section 280G of the Code (or any corresponding provision of any state, provincial, local or non-U.S. Tax Law).

3.16 Insurance. Schedule 3.16 sets forth a true and complete list of all currently active policies, binders and insurance contracts that are maintained by or for the benefit of the Company (the "Insurance Policies"), including the name of the insurer, type of policy, policy number, effective date, limits and deductibles, together with a list of all "self-insurance" programs and a list of the claims history of the Company in the past three (3) years. Each of the Insurance Policies is in full force and effect with all

premiums due having been paid in full, and the Company is not in material default under any Insurance Policy. The Company has not received any written notice of cancellation, termination, non-renewal or denial of coverage with respect to any Insurance Policy. There is no claim pending under any Insurance Policy as to which coverage has been questioned, denied or disputed by the underwriter of such Insurance Policy. The Insurance Policies are sufficient for compliance in all material respects with all applicable Laws and Material Contracts to which the Company is a party or by which the Company is bound. At no time in the past three (3) years has there been any lapse in coverage of the insurance carried by the Company. Except as set forth on Schedule 3.16, none of the Insurance Policies provides for any retrospective premium adjustment or other experience-based liability on the part of the Company.

3.17 Tax Matters.

(a) The Company has timely filed with the appropriate Taxing Authority all Tax Returns filed or required to be filed by it and all such Tax Returns are true, correct, complete and accurate in all material respects and were prepared in substantial compliance with all applicable Laws. The Company has not requested or obtained any extension of the time in which to file any Tax Return that has not been filed or to pay any Tax that has not been paid. All Taxes due and payable by the Company (whether or not shown or required to be shown on any Tax Return) have been timely paid, and the Company has withheld and timely paid over to the appropriate Taxing Authority all Taxes which it is required to withhold from amounts paid or owing to any employee, independent contractor, unitholder, creditor or other third party. All Forms W-2 and 1099 required with respect thereto have been properly completed and timely filed. The Company has made available to Buyer true and complete copies of all Tax Returns, examination reports and statements of deficiencies assessed against, or agreed to by the Company for all Tax periods beginning on or after January 1, 2018. The Company has correctly classified those individuals performing services as common law employees, leased employees, independent contractors or agents of the Company. The unpaid Taxes of the Company did not, as of the date of the Latest Balance Sheet, exceed the reserve for Tax Liability (rather than any reserve for deferred Taxes established to reflect timing differences between book and Tax income) accrued on the face of the Latest Balance Sheet (rather than in any notes thereto). Since the date of the Latest Balance Sheet, the Company has not incurred any Liability for Taxes outside the Ordinary Course of Business.

(b) (i) The Company has not waived or consented to extend any statute of limitations in respect of any Taxes or agreed to any extension of time with respect to a Tax assessment or deficiency for any taxable period and no such request to waive or extend is outstanding; (ii) there is no dispute or claim concerning any Tax Liability of the Company either claimed or raised by any Taxing Authority in writing nor is there any Action pending or ongoing with respect to Taxes; (iii) no claim has ever been made by a Governmental Authority in a jurisdiction where the Company does not file Tax Returns claiming that the Company is or may be subject to Taxes assessed by such jurisdiction and the Company is not subject to Tax in any country outside the country in which it is organized organization by virtue of (A) having a permanent establishment or other fixed place of business or (B) having a source of income in that jurisdiction; and (iv) there are no Encumbrances for Taxes (other than Taxes not yet due and payable) upon the assets of the Company.

(c) The Company has not received from any U.S. federal, state, local or non-U.S. Taxing Authority (including jurisdictions where the Company has not filed Tax Returns) (i) any written notice indicating an intent to open an audit or other review, (ii) any request for information related to Tax matters or (iii) any written notice of deficiency or proposed adjustment for any amount of Tax proposed, asserted or assessed by any Taxing Authority against the Company.

(d) The Company (i) is not now nor has it ever been a member of an Affiliated Group filing a combined, consolidated or unitary Tax Return and (ii) does not have any Liability for the Taxes of any Person under Treasury Regulation Section 1.1502-6 (or any similar provision of any Law), as a

transferee or successor, by contract or otherwise. The Company is not now nor ever has been, nor will the Company be at the Closing, a United States real property holding corporation within the meaning of Section 897(c)(2) of the Code during the applicable period specified in Section 897(c)(1)(A)(ii) of the Code.

(e) The Company has properly collected and remitted all sales and similar Taxes with respect to sales or leases made or services provided to its customers and has properly received and retained any appropriate Tax exemption certificates or other documentation for all such sales, leases or other services made without charging or remitting sales or similar Taxes that qualify as exempt from sales and similar Taxes.

(f) Neither the Company nor the Buyer Parties will be required to include any item of income in, or exclude any item of deduction from, taxable income for any taxable period (or portion thereof) ending after the date hereof as a result of any: (i) change in method of accounting for a taxable period ending on or prior to the date hereof; (ii) use of an improper method of accounting for a taxable period ending on or prior to the date hereof; (iii) "closing agreement" as described in Section 7121 of the Code (or any corresponding or similar provision of any state, provincial, local or non-U.S. income Tax Law) executed on or prior to the date hereof; (iv) intercompany transaction occurring at or prior to the Closing or excess loss account in existence at Closing described in Treasury Regulations under Section 1502 of the Code (or any corresponding or similar provision of state, local or non-U.S. income Tax Law); or (v) installment sale or open transaction disposition made on or prior to the date hereof or (vi) prepaid amount received on or prior to the date hereof or deferred revenue accrued on or prior to the date hereof.

(g) The cash receipts and disbursements method of accounting for federal or applicable state or local income Tax purposes is not and has never been used since January 1, 2001 by, or with respect to, the Company.

(h) The Company has not adopted as a method of accounting, or otherwise accounted for any advance payment or prepaid amount under, (i) the "deferral method" of accounting described in Rev. Proc. 2004-34, 2004-22 IRB 991 (or any similar method under other Law) or (ii) the method described in Treasury Regulation Section 1.451-5(b)(1)(ii) or Sections 455 or 456 of the Code (or any similar method under other Law).

(i) The Company is not and has not been a party to any "reportable transaction," as defined in Section 6707A(c)(1) of the Code and Treasury Regulation Section 1.6011-4(b).

(j) The Company has not, and no officer, director, manager, employee or other service provider of the Company (whether current, former or retired) has incurred any liability (including as a result of any indemnification obligation) arising out of or related to Section 409A of the Code. Each contract, arrangement or plan of the Company that is a "nonqualified deferred compensation plan" (as defined for purposes of Section 409A(d)(1) of the Code) complies with and has been maintained in accordance with the requirements of Sections 409A(a)(2), (3) and (4) of the Code and the applicable guidance issued thereunder in all respects and no amount under any such 409A contract, arrangement or plan is or has been subject to the interest and additional Tax set forth under Section 409A(a)(1)(B) of the Code. The Company does not have any actual or potential obligation to reimburse or otherwise "gross-up" any Person for the interest or additional Tax set forth under Sections 409A(a)(1)(B) or 4999 of the Code.

(k) The Company is organized in the United States. At all times since January 1, 1990 through and including the date hereof, the Company was a validly electing S Corporation within the meaning of Section 1361 and 1362 of the Code for U.S. federal and applicable state and local income tax purposes. The Company has never made any election on IRS Form 8832 or otherwise to be treated as a corporation under Subchapter C of the Code. From and after the Pre-Closing Restructuring until the Closing, the Company has been a validly existing Qualified Subchapter S Subsidiary within the meaning

of Section 1361 of the Code (and any corresponding provisions of state or local Law) or a limited liability company that is disregarded as an entity separate from its single owner for federal and applicable state and local income Tax purposes. The Company has never had any "qualified subchapter S subsidiaries" within the meaning of Section 1361(b)(3)(B) of the Code (and any similar provision of state or local Law). With respect to all states in which the Company engages in business or is otherwise subject to tax which allow or recognize a corporation to be treated as a "small business corporation" within the meaning of Section 1361 and 1362 of the Code for state tax purposes, all elections for such small business treatments have been properly and validly made in such states and the Company has maintained compliance at all times with all applicable qualifications and filing procedures for such treatment.

(l) The Company does not have any potential Tax Liability under Section 1374 of the Code (or any similar provision of state or local income Tax Law). The Company has not in the past three (3) years (i) acquired assets from a corporation in a transaction in which the Company's Tax basis for the acquired assets was determined, in whole or in part, by reference to the Tax basis of the acquired assets (or any other property) in the hands of the transferor or (ii) acquired the stock of any corporation that is a qualified subchapter S subsidiary.

(m) The Company does not have any assets that are subject to or potentially subject to "anti-churning" under Section 197(f)(9) of the Code, and the Company and Sellers are not subject to any limitation on the ability to amortize any "Section 197 intangible" as defined by Section 197(d)(1) of the Code.

(n) The Company has not requested or received any Tax ruling that would have continuing effect after the date hereof.

(o) The Company has not elected to defer any Taxes payable by the Company pursuant to Section 2302 of the CARES Act. In the event that the Company has elected to defer any Taxes payable by the Company pursuant to Section 2302 of the CARES Act, the Company has (i) properly complied with all requirements of applicable Tax Law in order to defer the amount of the employer's share of any "applicable employment taxes" under Section 2302 of the CARES Act, (ii) to the extent applicable, properly complied with all requirements of applicable Tax Law and duly accounted for any available Tax credits under Sections 7001 through 7005 of the Families First Act and Section 2301 of the CARES Act, (iii) not deferred any payroll tax obligations (including those imposed by Sections 3101(a) and 3201 of the Code) (for example, by a failure to timely withhold, deposit or remit such amounts in accordance with the applicable provisions of the Code and the Treasury Regulations promulgated thereunder) pursuant to or in connection with any U.S. presidential memorandum or executive order, and (iv) not sought (nor has any Affiliate that would be aggregated with the Company and treated as one employer for purposes of Section 2301 of the CARES Act sought) a covered loan under paragraph (36) of Section 7(a) of the Small Business Act (15 U.S.C. 636(a)), as added by Section 1102 of the CARES Act. All Taxes payable by the Company which have been deferred under Section 2302 of the CARES Act have been properly accrued for and are reflected on the Latest Balance Sheet.

(p) Any application by the Company for a PPP Loan, including all representations and certifications contained therein, was true, correct and complete in all material respects and was otherwise completed and submitted in accordance with all guidance issued, as of the date of such application, in respect of the Payroll Protection Program described in the CARES Act (including all certifications therein). The Company has used the proceeds of the PPP Payment solely for the purposes permitted by the CARES Act and has complied in all respects with all requirements of the CARES Act and the Payroll Protection Program described in the CARES Act in connection therewith. Schedule 3.17(p) sets forth (i) the original amount of any PPP Payment received by the Company, (ii) the proceeds of any PPP Payment used by the Company, including a description of the use of such proceeds, amounts and dates of use, and (iii) the outstanding amount of the PPP Payment.

(q) None of the equity interests in the Company for which a valid election under Section 83(b) of the Code has not been made is non-transferable and subject to a substantial risk of forfeiture within the meaning of Section 83 of the Code.

(r) The Company is not a party to or bound by, or has any Liability under, any Tax allocation, indemnification, sharing or similar agreements or arrangements.

(s) The Company has not distributed stock of another Person, or has had its stock distributed by another Person, in a transaction that was purported or intended to be governed in whole or in part by Sections 355 or 361 of the Code.

3.18 Brokerage. Except for brokerage fees set forth on Schedule 3.18, there are no claims for, and no Person is entitled to any, brokerage commissions, finders' fees or similar compensation in connection with the transactions contemplated by this Agreement based on any arrangement or agreement binding upon the Company.

3.19 Bank Accounts; Names and Locations. Schedule 3.19 lists all of the bank accounts owned by the Company (designating each authorized signatory and the level of each signatory's authorization). Except as set forth on Schedule 3.19, during the three (3)-year period prior to the execution and delivery of this Agreement, neither the Company nor any of its predecessors has used any name or names under which it has invoiced account debtors, maintained records concerning its assets or otherwise conducted business. All of the tangible assets and properties of the Company are located at the locations set forth on Schedule 3.19.

3.20 Affiliated Transactions. Except as set forth on Schedule 3.20, no current or former equityholder, officer, director, employee, member, manager, managing member or Affiliate of the Company, including any Seller or their respective Affiliates (other than the Company) or, to the Company's knowledge, any Immediate Family Member to any such individual or any entity in which any such Person or individual owns or has any interest in, has any ownership or right, title or other interest in any tangible (real or personal) or intangible property or assets (including Intellectual Property Rights) owned or used by, is a party to any agreement, contract, commitment or transaction with, or performs any services for, or on behalf of, or provides any group purchasing benefits to or with respect to, or that is necessary for the operation of, the Company.

3.21 Customers and Suppliers. Schedule 3.21 sets forth (a) a list of the top ten (10) customers of the Company (by volume of sales to such customers) (collectively, the "Material Customers") and (b) a list of the top ten (10) suppliers of the Company (by volume of purchases from such suppliers) (collectively, the "Material Suppliers"), for the fiscal year ended December 31, 2020 and the six-month period ended June 30, 2021. The Company has not received any written notice from any Material Customer to the effect that, any such Material Customer will stop, decrease the rate of or change the terms (whether related to payment, price or otherwise) with respect to, buying goods, products or services from the Company (whether as a result of the consummation of the transactions contemplated hereby or otherwise). The Company has not received any written notice from any Material Supplier to the effect that, any such Material Supplier will stop, decrease the rate of or change the terms (whether related to payment, price or otherwise) with respect to, supplying materials, products or services to the Company (whether as a result of the consummation of the transactions contemplated hereby or otherwise). Since December 31, 2020, no Governmental Authority has provided written notice to the Company or provided any written notice to any Material Customer(s) that such Governmental Authority or any instrumentality, branch or subdivision thereof intends, anticipates or otherwise expects to stop, materially decrease the volume of, or materially change, materially adjust or otherwise materially modify any of the terms (whether related to payment, price or otherwise) with respect to directly or, indirectly through transactions with any such Material

Customer(s), purchasing materials, products or services from the Company in any manner materially adverse to the Company.

3.22 Real Property.

(a) The Company does not own any real property.

(b) Schedule 3.22(b) sets forth the address of each Leased Real Property. The Company has delivered or made available to Buyer a true, correct and complete copy of each such Lease document, and in the case of any oral Lease, a written summary of the material terms of such Lease. Except as set forth on Schedule 3.22(b) and subject to any Enforcement Limitations, with respect to each Lease: (i) such Lease is legal, valid, binding, enforceable and in full force and effect; (ii) the transactions contemplated by this Agreement do not require the consent of any other party to such Lease, will not result in a breach of or default under such Lease, and will not otherwise cause such Lease to cease to be legal, valid, binding, enforceable and in full force and effect on identical terms following the Closing; (iii) the Company's possession and quiet enjoyment of the Leased Real Property under such Lease has not been disturbed and there are not any disputes with respect to such Leases; (iv) neither the Company nor, to the knowledge of the Company, any other party to the Lease is in material breach or default under such Lease, and to the knowledge of the Company no event has occurred which, with the delivery of notice, the passage of time or both, would reasonably be expected to constitute such a breach or default, or permit the termination, modification or acceleration of rent under such Lease; (v) the Company has not subleased, licensed or otherwise granted any Person the right to use or occupy the Leased Real Property or any portion thereof; and (vi) the Company has not assigned, transferred, sublet or collaterally assigned or granted any other security interest in such Lease or any interest therein. The Leased Real Property identified in Schedule 3.22(b) comprises all of the real property used in the Business.

3.23 International Trade Matters.

(a) Neither the Company, nor any of its officers, managers or employees, nor, to the Company's knowledge, any agent or other third-party representative acting on behalf of the Company, (x) is currently, or at any time in the previous three (3) years has been: (i) a Sanctioned Person; (ii) engaging in any dealings or transactions with any Sanctioned Person or in any Sanctioned Country; (iii) engaging in any export, reexport, transfer or provision of any goods, software, technology, data or service without, or exceeding the scope of, any required or applicable licenses or authorizations under all Ex-Im Laws; or (iv) otherwise in violation of Sanctions Laws, Ex-Im Laws or the anti-boycott Laws (collectively, "Trade Control Laws") or (y) has at any time made any unlawful payment or given, offered, promised, or authorized or agreed to give, any money or thing of value, directly or indirectly, to any Government Official or other Person, or has otherwise taken any action or failed to take any action, in violation of any applicable Anti-Corruption Laws.

(b) At all times in the previous three (3) years, the Company has maintained complete and accurate books and records in all material respects, including records of payments to any agents, consultants, representatives, third parties and Government Officials.

(c) The Company has not received at any time in the previous three (3) years from any Governmental Authority or any other Person any written notice, inquiry, or internal or external allegation; made any voluntary or involuntary disclosure to a Governmental Authority or conducted any internal investigation or audit concerning any actual or potential violation or wrongdoing related to Trade Control Laws or Anti-Corruption Laws.

3.24 Government Contracts.

(a) Except as set forth on Schedule 3.24(a), the Company has not materially breached or violated any applicable Law, certification, representation, clause, provision or requirement pertaining to any Government Contract nor received written notice that the Company (i) has breached or violated any Law, certification, representation, clause or provision, (ii) is in breach of any Government Contract or Government Bid or (iii) is subject to any cost disallowance, withhold, offset, overpayment or credit requested by or on behalf of a Governmental Authority. No Government Bid submitted by the Company has been found to be non-responsive.

(b) No written notice of termination, cure notice, show cause notice or other indication of termination is currently, or within the last three years has been, in effect pertaining to any Government Contract.

(c) With respect to each Government Contract and Government Bid: (i) all pricing discounts have been properly in all material respects reported to and credited to the customer; (ii) the Company has not received any written notice of any interruption or decrease in the purchasing of products or services; (iii) the Company fully expects and intends to perform in all material respects all obligations thereunder and the Company has or will obtain all Governmental Authority authorizations and all third-party certifications and approvals required for such performance; (iv) neither the Company nor any of its officers or employees have had access to confidential or non-public information to which they were not lawfully entitled; (v) the Company has not violated any requirements associated with offers of employment or the employment of current or former officials or employees of a Governmental Authority; (vi) there are no applicable overhead rate ceilings; and (vii) there are no assignment of revenues or anticipated revenues.

(d) Except as set forth on Schedule 3.24(d), the Company has been awarded any "small business set aside contract," any other "set aside contract" or other order or contract requiring small business or other preferred bidder status that is currently in effect.

(e) Schedule 3.23(e) lists all proposals submitted by the Company with certified cost or pricing data to any Governmental Authority or otherwise with respect to any Government Contract within the last three (3) years.

(f) All invoices and claims submitted for payment, reimbursement or adjustment submitted by the Company were accurate in all material respects as of their respective submission dates.

(g) Neither the Company, nor to the knowledge of the Company, any of their officers, senior management or employees has been debarred, suspended or excluded from participation in the award or performance of any Government Contract for any reason nor has any debarment, suspension or exclusion investigation, been threatened or initiated against the Company or, to the knowledge of the Company, any of its officers or senior management.

(h) Neither the Company, nor any of its officers, senior management, nor, to the knowledge of the Company, employees is or within the last three (3) years has been under or subject to any administrative, civil or criminal investigation, indictment, information lawsuit, subpoena, document request, administrative proceeding or audit pertaining to an alleged or potential violation of any requirement, regulation or Law applicable to any Government Contract or Government Bid.

(i) To the knowledge of the Company, within the last three (3) years, other than in the Ordinary Course of Business, the Company has not conducted or initiated any internal investigation, made a voluntary or been under any obligation to disclose to any Governmental Authority, or any other Person

with respect to any alleged or potential irregularity, misstatement or omission arising under or relating to a Government Contract or Government Bid.

(j) Except as set forth on Schedule 3.24(j), the Company maintains internal controls that are in compliance in all material respects with all applicable requirements of the Company's Government Contracts.

(k) To the knowledge of the Company, there are no outstanding or unsettled allegations of fraud, false claims or overpayments nor any investigations or audits by any Governmental Authority with regard to the Company's Government Contracts.

(l) The Company has complied in all material respects with the U.S. Department of Defense requirements for safeguarding covered defense information and cyber incident reporting.

(m) Except as set forth on Schedule 3.24(m), all representations, certifications and statements executed, acknowledged or submitted by or on behalf of the Company to a Governmental Authority or any other Person in connection with any Government Contract within the last three (3) years were current, accurate and complete in all material respects as of their respective effective dates and the Company has provided any reasonably required updates to such representations, certifications and statements.

(n) Neither the Company nor any of its officers or, to the Company's knowledge, any senior management or employees have (i) used any funds of the Company to offer or provide any kickback, bribe, or unlawful gift or gratuity or (ii) to the knowledge of the Company, made any unlawful expenditures relating to political activity (the foregoing clauses (i) or (ii), collectively, an "Unlawful Payment"). The Company has not received written notice of any Unlawful Payment and the Company has controls to detect and prevent, where possible, any such Unlawful Payments.

(o) To the knowledge of the Company, there are no outstanding claims, disputes or other Actions with the Company arising under or relating to any Government Contract or Government Bid.

(p) The Company has taken all commercially reasonable steps to preserve and protect its rights in and title to all Intellectual Property Rights delivered, deliverable or otherwise provided directly or indirectly through any other Person to any Governmental Authority in connection with any Government Contract or Government Bid, including (i) providing all notices required in connection with the development of any patentable invention and (ii) properly asserting any restricted, limited or government purpose rights in connection with the delivery of any data, including Software.

(q) Except as set forth on Schedule 3.24(m), none of the Company's Government Contracts or Government Bids require the Company to hold a Facility Security Clearance as that term is defined in the National Industrial Security Program Operating Manual, DOD 5220.22-M (February 28, 2006)(Change 2 May 18, 2016).

3.25 Product Warranties. During the past three (3) years, all products manufactured, serviced, distributed, sold or delivered by the Company have been manufactured, serviced, distributed, sold or delivered in conformity in all material respects with all applicable contractual commitments, all express and implied warranties, if any, and other applicable Laws and no material Liability, other than in the Ordinary Course of Business (and solely to the extent reflected in the final Closing Net Working Capital as determined pursuant to Section 2.3), exists for replacement or other damages in connection with any such product. The Company does not have any material Liability arising from or alleged to arise from, any actual or alleged injury to Persons, damage to property or other loss as a result of the ownership, possession or use of any product manufactured, sold, distributed, licensed, leased or delivered by the Company. During

the past three (3) years, there have been no product recalls or withdrawals or written requests for product recalls or withdrawals by any Governmental Authority or by any customers of the Company. To the knowledge of the Company, there are no material design defects with respect to the Company's products.

ARTICLE IV

REPRESENTATIONS AND WARRANTIES CONCERNING SELLERS

As a material inducement to Buyer to enter into this Agreement and consummate the transactions contemplated hereby, each Seller, and only with respect to such Seller, hereby represents and warrants to Buyer that:

4.1 Capacity. Such Seller has full power, authority and legal capacity, to the extent applicable to such Seller, to enter into this Agreement and the other documents contemplated hereby to which such Seller is a party and to perform such Seller's obligations hereunder and thereunder.

4.2 Title to Shares. The Shares constitute the only equity interests of the Company. Such Seller is the record owner of and beneficial owner of and has good and marketable title to all of the Shares set forth next to such Seller's name on Schedule 4.2 free and clear of all Encumbrances (other than restrictions on transfer arising under applicable securities Laws). Such Seller, by its execution and delivery hereof, is authorizing, approving, consenting to and ratifying the Merger and adopting, authorizing, approving, consenting to and ratifying this Agreement as the shareholders of the Company for all purposes under the Indiana Act, the DGCL and the Governing Documents of the Company and is waiving any right to appraisal for such Seller's shares under the Indiana Act or the DGCL.

4.3 Authorization. This Agreement has been duly executed and delivered by such Seller and constitutes a valid and binding obligation of such Seller, enforceable in accordance with its terms, and each of the Ancillary Agreements to which such Seller is or will be a party, when executed and delivered by such Seller in accordance with the terms hereof and thereof, shall each constitute a valid and binding obligation of such Seller, enforceable in accordance with its respective terms, in any case, except as enforceability may be limited or affected by applicable bankruptcy, insolvency, reorganization or other Laws of general application relating to or affecting the rights of creditors and except as enforceability may be limited by rules of Law governing specific performance, injunctive relief or other equitable remedies.

4.4 No Violation. Such Seller is not subject to nor obligated under any applicable Law or any agreement, instrument, license or permit, or subject to any judgment, decision, decree, order, injunction, writ, stipulation, determination or ruling, which would be breached or violated by such Seller's execution, delivery or performance of this Agreement or any of the other agreements and instruments contemplated hereby to which such Seller is a party or the consummation of the transactions contemplated hereby or thereby.

4.5 Governmental Authorities and Consents. No permit, consent, approval or authorization of, or declaration to or filing with, any Governmental Authority or any other Person is required in connection with such Seller's execution, delivery or performance of this Agreement or any of the other agreements and instruments contemplated hereby to which such Seller is a party or the consummation of the transactions contemplated hereby or thereby.

4.6 Litigation. There are no actions, suits, proceedings, orders or investigations pending threatened in writing or, to such Seller's knowledge, orally threatened, against or affecting such Seller, at law or in equity, or before or by any Governmental Authority which would adversely affect such Seller's performance under this Agreement or any of the other agreements and instruments contemplated hereby to which such Seller is a party or the consummation of the transactions contemplated hereby or thereby.

4.7 Brokerage. There are no claims for brokerage commissions, finders' fees or similar compensation in connection with the transactions contemplated hereby based on any arrangement or agreement binding upon such Seller.

4.8 Residency. Such Seller is a resident of the state set forth on Schedule D.

4.9 Acquisition of Buyer Shares.

(a) Such Seller is a "qualified institutional buyer" (as defined in Rule 144A under the Securities Act), an "accredited investor" (within the meaning of Rule 501(a) under the Securities Act) satisfying the applicable requirements set forth on Exhibit C, or a "qualified purchaser" (as defined in Section 2(a)(51)(A) of the Investment Company Act of 1940, as amended) satisfying the applicable requirement set forth on Exhibit C attached hereto and is sophisticated in financial matters and is able to evaluate the risks and benefits of the investment in the Buyer Shares. Such Seller has completed Exhibit C attached hereto and the information contained therein is accurate and complete. Such Seller is not an entity formed for the specific purpose of acquiring the Buyer Shares;

(b) the Buyer Shares to be acquired by such Seller pursuant to this Agreement will be acquired for such Seller's own account not for the account of others and not with a view to, or intention of, distribution thereof in violation of the Securities Act, or any applicable state securities laws;

(c) such Seller has had an opportunity to review Buyer's Governing Documents and ask questions and receive answers concerning the terms and conditions of the offering of Buyer Shares and has had full access to such other information concerning Buyer as it has reasonably requested;

(d) such Seller acknowledges and agrees that there may be additional issuances of equity securities of Buyer after the date hereof and the equity interests of Buyer held by such Seller may be diluted in connection with any such issuance;

(e) such Seller has had the opportunity to consult its own legal counsel with respect to the terms of this Agreement and the terms of Buyer's Governing Documents and with respect to the legal implications of the transactions contemplated hereby and thereby;

(f) such Seller has had the opportunity to consult its own tax counsel as to the U.S. federal, state, local and non-U.S. tax consequences of the transactions contemplated by this Agreement and acknowledges that Buyer has not made any representations regarding such tax consequences or benefits upon which such Seller has relied; and

(g) such Seller is not acquiring the Buyer Shares as a result of or subsequent to any advertisement, article, notice or other communication published in any newspaper, magazine, internet publication or similar media or broadcast over television, radio or the internet or presented at any public seminar or meeting.

4.10 No Other Representations and Warranties. Neither Buyer nor any of its Affiliates has made, and no Seller has relied on (and each Seller expressly disclaims any reliance on), any representation or warranty, express or implied, to such Seller or any of its Affiliates except for the representations and warranties made by Buyer to Sellers expressly set forth in this Agreement or in any Ancillary Agreement, and Buyer and its Affiliates disclaim all such other representations and warranties.

ARTICLE V

REPRESENTATIONS AND WARRANTIES CONCERNING BUYER AND MERGER SUB

As a material inducement to the Company and Sellers to enter into this Agreement and consummate the transactions contemplated hereby, each of Buyer and Merger Sub, as applicable, hereby represents and warrants to the Company and Sellers as follows:

5.1 Organization and Power. Buyer is a corporation duly organized, validly existing and in good standing under the Laws of the State of Delaware. Buyer has all requisite corporate power and authority to execute and deliver this Agreement and to perform its obligations hereunder and carry out the transactions contemplated hereby. Merger Sub is a corporation duly organized, validly existing and in good standing under the Laws of the State of Delaware. Merger Sub has all requisite corporate power and authority to execute and deliver this Agreement and to perform its obligations hereunder and carry out the transactions contemplated hereby. Merger Sub has all requisite limited liability company power and authority to execute and deliver this Agreement and to perform its obligations hereunder and carry out the transactions contemplated hereby.

5.2 Authorization. The execution, delivery and performance of this Agreement and all of the other agreements and instruments contemplated hereby to which Buyer or Merger Sub is a party have been duly authorized by Buyer or Merger Sub, as applicable, and no other corporate or limited liability company act or other proceeding on the part of Buyer or Merger Sub is necessary to authorize the execution, delivery or performance of this Agreement or any Ancillary Agreement and the consummation of the transactions contemplated hereby or thereby. This Agreement has been duly executed and delivered by Buyer and Merger Sub and constitutes a valid and binding obligation of Buyer and Merger Sub, enforceable in accordance with its terms, and each of the Ancillary Agreements to which Buyer or Merger Sub is a party, when executed and delivered by Buyer or Merger Sub, as applicable, in accordance with the terms hereof and thereof, shall each constitute a valid and binding obligation of Buyer or Merger Sub, as applicable, enforceable in accordance with its respective terms, in any case, except as enforceability may be limited or affected by applicable bankruptcy, insolvency, reorganization or other Laws of general application relating to or affecting the rights of creditors and except as enforceability may be limited by rules of Law governing specific performance, injunctive relief or other equitable remedies.

5.3 No Violation. Neither Buyer nor Merger Sub is subject to or obligated under its Governing Documents, or any applicable Law, or any agreement, instrument, license or permit, or subject to any judgment, decision, decree, order, injunction, writ, stipulation, determination or ruling, which would be breached or violated by Buyer's or Merger Sub's execution, delivery or performance of this Agreement or any of the other agreements and instruments contemplated hereby to which Buyer or Merger Sub is a party or the consummation of the transactions contemplated hereby or thereby.

5.4 Governmental Authorities and Consents. No permit, consent, approval or authorization of, or declaration to or filing with, any Governmental Authority or any other Person is required in connection with Buyer's or Merger Sub's execution, delivery or performance of this Agreement or any of the other agreements and instruments contemplated hereby to which Buyer or Merger Sub is a party or the consummation of the transactions contemplated hereby or thereby.

5.5 Litigation. There are no actions, suits, proceedings, orders or investigations pending or, to Buyer's or Merger Sub's knowledge, threatened against or affecting Buyer or Merger Sub, at law or in equity, or before or by any Governmental Authority which would adversely affect Buyer's or Merger Sub's performance under this Agreement or any of the other agreements and instruments contemplated hereby to which Buyer is a party or the consummation of the transactions contemplated hereby or thereby.

5.6 Brokerage. There are no claims for brokerage commissions, finders' fees or similar compensation in connection with the transactions contemplated hereby based on any arrangement or agreement binding upon Buyer or Merger Sub.

5.7 Investment Intent. Buyer is acquiring the Company for its own account, for investment purposes and not with a view to, or for sale in connection with, any resale or other distribution thereof, nor with any present intention of distributing or selling the Shares in violation of applicable securities Laws. Buyer acknowledges and agrees that the Shares cannot be sold, transferred, offered for sale, pledged, hypothecated or otherwise disposed of, and Buyer will not sell, transfer, offer for sale, pledge, hypothecate or otherwise dispose of any of the Shares, without registration under the Securities Act and any applicable state securities Laws, except pursuant to an exemption from such registration under such act and Laws.

5.8 Buyer Shares. Upon issuance, the Buyer Shares will be duly authorized, validly issued, fully paid and non-assessable.

5.9 No Other Representations and Warranties; Independent Investigation.

(a) Neither the Company nor the Sellers have made any representation or warranty, express or implied, to Buyer or any of its Affiliates except for the representations and warranties made by the Company and Sellers to Buyer expressly set forth in this Agreement or in any Ancillary Agreement, and the Company and Sellers disclaim all such other representations and warranties.

(b) Buyer is a sophisticated purchaser, possesses such knowledge and experience in financial and business matters that it is capable of evaluating the merits and risks of its investment under this Agreement. Buyer has conducted an investigation of the financial condition, assets, liabilities, properties and projected operations of the Company relying on the representations, warranties, covenants and other provisions in this Agreement and the Ancillary Agreements.

ARTICLE VI

ADDITIONAL AGREEMENTS: COVENANTS AFTER CLOSING

6.1 Survival of Representations and Warranties. It being the express intent of the parties hereto to modify any statute of limitation or other time period which would otherwise apply, the representations, warranties, covenants and agreements in this Agreement (and all remedies with respect thereto) shall survive the Closing as follows:

(a) Each of the Fundamental Representations and the representations and warranties set forth in Section 5.1 (Organization and Power), Section 5.2 (Authorization), Section 5.3 (No Violation) and Section 5.6 (Brokerage) shall survive for the shorter of: six (6) years following the date hereof or the applicable statute of limitations and terminate immediately thereafter;

(b) all representations and warranties in this Agreement other than the Fundamental Representations and the representations and warranties set forth in Section 5.1 (Organization and Power), Section 5.2 (Authorization), Section 5.3 (No Violation) and Section 5.6 (Brokerage) shall survive for twelve (12) months following the date hereof and terminate immediately thereafter; and

(c) all covenants and agreements set forth in this Agreement shall survive for the time periods specified therein or, if not specified therein, then for the longest statute of limitations permitted by applicable Law in respect of such covenants and agreements;

provided, that any representation, warranty, covenant or agreement in respect of which indemnity may be sought under Section 6.2, and the indemnity with respect thereto, shall survive the time at which it would

otherwise terminate pursuant to this Section 6.1 if, prior to such time, notice of the nonfulfillment, violation, inaccuracy or breach or potential nonfulfillment, violation, inaccuracy or breach thereof giving rise to such right or potential right of indemnity shall have been given in accordance with Section 7.2 to the party(ies) against whom such indemnity may be sought.

6.2 Indemnification.

(a) Indemnification by Sellers. Sellers shall, severally and not jointly in proportion to their respective Pro Rata Share, indemnify Buyer and its Affiliates (including the Surviving Corporation after the Closing), and their respective equityholders, shareholders, officers, directors, employees, members, managers, managing members, agents, partners, representatives, heirs, successors and assigns (collectively, the "Buyer Indemnitees"; provided that neither any Seller nor any director, officer, agent, representative, heir, successor or assign of any Seller shall be a Buyer Indemnitee), and save and hold each of them harmless against and pay on behalf of or reimburse such Buyer Indemnitee as and when incurred for any Loss which any Buyer Indemnitee may suffer, sustain or become subject to (regardless of whether or not such Losses relate to any third-party claim and including, for the avoidance of doubt, Losses related to claims between or among the parties hereto), as a result of, in connection with, relating or incidental to or by virtue of:

- (i) any inaccuracy in, or breach of, any of the representations and warranties set forth in Article III or in any Ancillary Agreement by the Company or Sellers pursuant hereto;
- (ii) any nonfulfillment, violation or breach of any covenant or agreement by Sellers' Representative under this Agreement or in any Ancillary Agreement pursuant hereto;
- (iii) any Indebtedness of the Company outstanding as of the Closing (or otherwise relating to periods on or prior to the Closing) to the extent not taken into account in calculating the Final Closing Total Merger Consideration;
- (iv) any Transaction Expenses unpaid as of the Closing to the extent not taken into account in calculating the Final Closing Total Merger Consideration; or
- (v) any Indemnified Taxes.

(b) Indemnification by each Seller. Each Seller shall severally with respect to himself only (and not jointly with any other Seller(s)) indemnify the Buyer Indemnitees and save and hold each of them harmless against and pay on behalf of or reimburse such Buyer Indemnitees as and when incurred for Losses which any such Buyer Indemnitee may suffer, sustain or become subject to (regardless of whether or not such Losses relate to any third-party claim and including, for the avoidance of doubt, Losses related to claims between or among the parties hereto), as a result of, in connection with, relating or incidental to or by virtue of:

- (i) any inaccuracy in, or any breach by such Seller of, any of such Seller's representations and warranties set forth in Article IV or in any Ancillary Agreement delivered by such Seller pursuant hereto; or
- (ii) any nonfulfillment, violation or breach of any covenant or agreement by such Seller under this Agreement or any Ancillary Agreement delivered by such Seller.

(c) Indemnification by Buyer. Buyer shall, and shall cause the Surviving Corporation to, indemnify Sellers and each of their Affiliates, and their respective equityholders, agents, partners, representatives, successors and assigns (collectively, the "Seller Parties") and hold each of them harmless

against any Losses which any of them may suffer, sustain or become subject to (regardless of whether or not such Losses relate to any third-party claim and including, for the avoidance of doubt, Losses related to claims between or among the parties hereto), as the result of, in connection with, relating or incidental to or by virtue of:

(i) any inaccuracy in, or any breach by Buyer of, any of the representations and warranties set forth in Article V or in any Ancillary Agreement delivered by Buyer pursuant thereto; or

(ii) any nonfulfillment, violation or breach of any covenant or agreement by Buyer under this Agreement or in any Ancillary Agreement delivered pursuant hereto.

(d) Limitations on Indemnification.

(i) The amount of Losses which the Buyer Parties may recover pursuant to Section 6.2(a) and Section 6.2(b) shall be determined net of any amounts actually recovered by the Buyer Parties under any insurance policies with respect to such Losses, net of any costs or expenses incurred in connection with such recovery or premium increases. If any such insurance proceeds are actually recovered under insurance policies after payment of any amount otherwise required to be paid to a Buyer Party under this Section 6.2, the applicable Buyer Party shall repay to Sellers, promptly after such determination, any amount that Sellers would not have had to pay pursuant to this Section 6.2 had such determination been made at the time of such payment.

(ii) The Buyer Parties shall not be entitled to recover any Losses under Section 6.2(a)(i) (other than with respect to the Fundamental Representations) unless (A) the amount of Losses relating to an individual breach (or series of related breaches) exceeds \$25,000 and (B) the aggregate amount of all such Losses exceeds on a cumulative basis an amount equal to \$195,000 (the "Deductible"), at which time the Buyer Parties shall be entitled to recover the amount of all such Losses in excess of the Deductible.

(iii) In no event shall (A) Sellers' aggregate liability under Section 6.2(a)(i) or Section 6.2(b)(i) (in each case, other than with respect to the Fundamental Representations), collectively, exceed the value (as determined in accordance with Section 6.2(e) of the Indemnity Escrow Shares, (B) Sellers' aggregate liability under Section 6.2(a) and Section 6.2(b), collectively, exceed the Maximum Amount or (C) any individual Seller's aggregate liability under Section 6.2(a) and Section 6.2(b) exceed such Seller's Pro Rata Share of the Maximum Amount.

(e) Manner of Payment. Except as otherwise provided herein, any indemnification of the Buyer Parties or the Seller Parties pursuant to this Section 6.2 shall be effected by wire transfer of immediately available funds from the applicable Seller(s) or Buyer, as the case may be, to the account(s) designated by the applicable Buyer Party or Seller Party, as the case may be, within five (5) days after the determination thereof; provided, that any amounts so owing from Sellers pursuant to Section 6.2(a)(i) shall be satisfied first by cancellation of a corresponding number of Buyer Shares from the Indemnity Escrow Shares (which shall be valued based on the VWAP Price as of such date) and, in furtherance thereof, Sellers' Representative shall, together with Buyer, deliver joint written instructions to the Escrow Agent to cause the Escrow Agent to surrender to the Company for cancellation the applicable Buyer Shares within five (5) days after determination thereof; provided, further, that the Buyer Parties shall be entitled to (but shall not be required to) set-off any amounts due or payable to any of the Buyer Parties by any Seller hereunder, against any amounts otherwise payable by any of the Buyer Parties or such Seller(s). All indemnification payments under this Section 6.2 shall be deemed adjustments to the Final Closing Total Merger Consideration for all Tax purposes, unless otherwise required by Law.

(f) Defense of Third-Party Claims. Except as set forth in Section 6.9, any Person making a claim for indemnification under this Section 6.2 (an "Indemnitee") shall notify the indemnifying party (an "Indemnitor") of the claim in writing promptly after receiving written notice of any Action against it (if by a third party), describing the claim, the amount thereof (if known and quantifiable) and the basis thereof; provided, that the failure to so notify an Indemnitor shall not relieve the Indemnitor of its obligations hereunder except to the extent that (and only to the extent that) such failure shall have caused the damages for which the Indemnitor is obligated to be greater than such damages would have been had the Indemnitee given the Indemnitor prompt written notice hereunder. Any Indemnitor shall be entitled to participate in the defense of such Action giving rise to an Indemnitee's claim for indemnification at such Indemnitor's expense, and at its option (subject to the limitations set forth in this Section 6.2(f)) shall be entitled to assume the defense thereof by appointing a recognized and reputable counsel acceptable to the Indemnitee to be the lead counsel in connection with such defense; provided, that prior to the Indemnitor assuming control of such defense it shall first verify to the Indemnitee in writing that such Indemnitor shall provide indemnification for all Losses relating to such claim for indemnification subject only to the applicable monetary limitations set forth in this Article VI; and provided, further, that:

(i) the Indemnitee shall be entitled to participate in the defense of such claim and to employ counsel of its choice for such purpose; provided, that the fees and expenses of such separate counsel shall be borne by the Indemnitee (other than any reasonable fees and expenses of such separate counsel that are incurred prior to the date the Indemnitor effectively assumes control of such defense which, notwithstanding the foregoing, shall be borne by the Indemnitor, and except that the Indemnitor shall pay all of the reasonable fees and expenses of such separate counsel if the Indemnitee has been advised by counsel that a reasonable likelihood exists of a conflict of interest between the Indemnitor and the Indemnitee);

(ii) the Indemnitor shall not be entitled to assume control of such defense (unless otherwise agreed to in writing by the Indemnitee) and shall pay the reasonable fees and expenses of counsel retained by the Indemnitee if (A) the claim for indemnification relates to or arises in connection with any criminal or quasi-criminal proceeding, action, indictment, allegation or investigation or is with respect to Taxes; (B) the claim for indemnification relates to a customer relationship of the Company; (C) the claim seeks an injunction or equitable relief against the Indemnitee; (D) the Indemnitee has been advised by counsel that a reasonable likelihood exists of a conflict of interest between the Indemnitor and the Indemnitee; (E) upon petition by the Indemnitee, the appropriate court rules that the Indemnitor failed or is failing to vigorously prosecute or defend such claim; or (F) the Indemnitee reasonably believes that the Losses relating to such claim would exceed the maximum amount that the Indemnitee would then be entitled to recover under the applicable provisions of this Article VI; and

(iii) if the Indemnitor shall control the defense of any such claim, the Indemnitor shall obtain the prior written consent of the Indemnitee before entering into any settlement of a claim or ceasing to defend such claim if, pursuant to or as a result of such settlement or cessation, injunctive or other equitable relief will be imposed against the Indemnitee or if such settlement does not expressly and unconditionally release the Indemnitee from all Liabilities with respect to such claim, with prejudice.

Notwithstanding anything in this Section 6.2(f) to the contrary, in the event that there is a conflict between the rights of Sellers under this Section 6.2(f) to control the defense of a claim and the rights of insurers under any insurance policy of the Surviving Corporation or any of its Affiliates to control the defense of such claim, the rights of such insurer(s) will prevail.

(g) Disregard for Qualifications as to Materiality. Notwithstanding anything in this Agreement to the contrary, for purposes of determining whether any representation or warranty (other than the representations and warranties set forth in Section 3.6) has been breached and the amount of Losses arising therefrom, each representation and warranty in this Agreement and the schedules and exhibits hereto

shall be read without regard to or giving effect to, and ignoring any reference to, the Materiality Exceptions or similar words or phrases contained in such representation or warranty (as if such words, clauses or phrases, as applicable, were deleted from such representation and warranty) to the extent the inclusion of such words or phrases which limit or potentially limit a claim or recovery for a breach of such representation or warranty.

(h) Exclusive Remedy: Fraud. Subject to the last sentence of this Section 6.2(h), other than the rights of the parties hereto pursuant to Sections 2.3, 6.4 and 6.7 and any other rights arising under any of the Ancillary Agreements (including the other documents and agreements contemplated thereby), the rights of parties hereto under this Section 6.2 shall be the exclusive remedy of the parties hereto with respect to claims based upon a breach or alleged breach of the representations, warranties, covenants and agreements contained herein or with respect to the transactions consummated pursuant hereto. Notwithstanding anything in this Agreement to the contrary, nothing in this Agreement (or elsewhere) shall limit or restrict any of the Buyer Parties' rights to bring, maintain or recover any amounts from a Seller in connection with any action or claim based upon fraud actually committed by such Seller.

(i) Indemnity Escrow Shares. On the first Business Day following the date which is twelve (12) months following the date hereof, Buyer and Sellers' Representative shall deliver joint written instructions to the Escrow Agent directing the Escrow Agent transfer the Indemnity Escrow Shares then held in the Indemnity Escrow Account to Sellers' Representative (for the benefit of, and for further distribution to, Sellers of their respective Pro Rata Share), unless the Buyer Parties have previously delivered a written notice prior to such date for any indemnification claim pursuant to Section 6.2(a) which has not been resolved by agreement of Buyer and Sellers' Representative or by a final nonappealable order of a court of competent jurisdiction or arbitrator (each, a "Pending Claim"), in which case a number of Indemnity Escrow Shares with a value (based on the VWAP Price as of such date) equal to the aggregate dollar amount claimed with respect to such Pending Claim(s) (as shown in the applicable claim notice(s) in connection with such Pending Claim(s)) shall be retained by the Escrow Agent in the Indemnity Escrow Account (and the balance transferred to Sellers in accordance with their respective Pro Rata Share) until such time as each such Pending Claim is so resolved, at which time Sellers' Representative and Buyer shall deliver joint written instructions to the Escrow Agent or a final order of a court of competent jurisdiction or arbitrator specifying the amount of the Indemnity Escrow Shares to be transferred to the Company for cancellation as determined in connection with the resolution of each such Pending Claim. Any Indemnity Escrow Shares remaining following the resolution of all Pending Claims and completion of any payments to the Buyer Parties in respect of such Pending Claims shall be transferred to Sellers in accordance with their respective Pro Rata Share).

(j) Mitigation. Each Indemnitee shall take, and instruct its Affiliates to take, all commercially reasonable steps to mitigate any Loss to the extent required by applicable Law.

6.3 Certain Waivers: etc. Each Seller on behalf of itself and its Affiliates, and each of their respective heirs, successors, assigns, descendants, and beneficiaries (each, a "Releasing Party") hereby irrevocably waives, releases and discharges the Company and its Affiliates (including, after the Closing, Buyer, the Surviving Corporation and their Affiliates) and each of their respective directors, officers, employees, members, managers, equityholders and partners (each, a "Released Party"), to the maximum extent permitted by applicable Law, from any and all Liabilities to such Releasing Parties of any kind or nature whatsoever, that such Releasing Party may have had, known or unknown, at any time through and including the Closing Date, whether in the capacity as a direct or indirect equityholder, as a director, officer or employee of the Company or otherwise and whether arising under any agreement or understanding or otherwise at law or in equity, and each Seller agrees on behalf of itself and its Releasing Parties that no such Seller or such Releasing Party shall seek to recover any amounts in connection therewith or thereunder from any of the Released Parties; provided, that the foregoing shall not apply to (a) claims in respect of any obligation of the Company under its organizational or governing documents to indemnify such Seller in

accordance with the terms thereof or any insurance policy of the Company providing for coverage with respect thereto, (b) claims arising under or obligations of Buyer set forth in this Agreement or the Ancillary Agreements or (c) any obligations to any Seller for salary or benefits with respect to such Seller's employment prior to the date hereof to the extent accrued in the Closing Net Working Capital. Notwithstanding the foregoing or anything else herein to the contrary, in no event shall the Surviving Corporation or any of the other Released Parties have any Liability whatsoever to any Seller or any other Releasing Party for any breaches (or matters causing or constituting breaches) of the representations, warranties, agreements or covenants of Sellers hereunder, and in any event Sellers may not seek contribution or indemnification from the Surviving Corporation or any of the other Released Parties in respect of any payments required to be made by Sellers pursuant to this Agreement.

6.4 Business Covenants.

(a) Each Seller acknowledges that (u) such Seller is selling to Buyer all of its interests in the Company (including the Company's goodwill) in connection with the transactions contemplated by this Agreement, (v) such Seller is intimately familiar with the Trade Secrets included in the Company IP and with other Confidential Information, (w) the covenants and agreements set forth in this Section 6.4 are reasonable in terms of duration, scope and territory restrictions and are necessary to protect the goodwill of the Business, the Trade Secrets included in the Company IP and Confidential Information, and the substantial investment in the Company made by Buyer hereunder, (x) the covenants and agreements set forth in this Section 6.4 were a material inducement to Buyer to enter into this Agreement and to perform its obligations hereunder and that Buyer and its direct and indirect equityholders would not obtain the benefit of the bargain set forth in this Agreement as specifically negotiated by the parties hereto if such Seller breached the provisions of this Section 6.4, (y) that the covenants and agreements set forth in this Section 6.4 are being made by such Seller in connection with the sale by such Seller of Shares pursuant to this Agreement and not directly or indirectly in connection with such Seller's employment or other relationship with the Company and (z) such Seller have had the opportunity to consult with legal counsel regarding the covenants and agreements set forth in this Section 6.4 and agrees that such restrictions are enforceable and reasonable. Therefore, each Seller agrees, in further consideration of the amounts to be paid hereunder as merger consideration to such Seller, that:

(i) from the Closing until the fourth (4th) anniversary of the Closing (the "Restricted Period"), each Seller shall not (and shall cause their respective Affiliates not to) directly or indirectly (A) induce or attempt to induce any Person who was an employee, service provider, or independent contractor of the Surviving Corporation or its Affiliates at any time during the twelve (12) month period ending on the date hereof to leave the employ of, or cease providing services to, the Surviving Corporation or its Affiliates (or in any way interfere with the relationship between the Company or its Affiliates and any such employee, service provider or independent contractor) except as part of a general solicitation, search or advertisement for employees or consultants through public advertisements not targeted at such employees or (B) hire or engage any person who was an employee or independent contractor of the Surviving Corporation or its Affiliates at any time during the twelve (12) month period ending on the date hereof (other than the independent contractors set forth on Schedule 7.4(a)); and

(ii) such Seller shall (A) not disclose or use at any time (and shall cause each of their respective Affiliates not to use or disclose at any time) any Confidential Information (provided that such Seller shall not be in violation or breach of the foregoing by virtue of any authorized use or disclosure by such Seller in furtherance of such Seller's duties as a director, manager, officer or employee of Buyer or the Company) and (B) take all appropriate steps (and cause each of its Affiliates to take all appropriate steps) to safeguard such Confidential Information and to protect it against disclosure, misuse, espionage, loss and theft; provided, that, in the event that such Seller or any of their respective Affiliates are required by Law to disclose any Confidential Information, such Seller may make such disclosures to the extent (but only to the extent) required by Law, so long as such Seller, as permitted by law, promptly notifies Buyer in

writing prior to any such required disclosure, which notification shall include the nature of the legal requirement and the extent of the required disclosure, and such Seller and its Affiliates cooperate in a commercially reasonable manner with Buyer and the Company to preserve the confidentiality of such information consistent with applicable Law. At Closing, each Seller (subject to any agreements between the Company and such Seller entered into in connection with the consummation of the transactions contemplated by this Agreement) shall, and agree to cause their respective Affiliates to, at Buyer's request, use commercially reasonable efforts to delete, destroy, or return any Trade Secrets included in the Company IP that is in the possession of any Seller or any of their respective Affiliates, including on any systems thereof.

(iii) each Seller further acknowledges that (A) Buyer would not receive the benefit of the bargain in connection with the transactions contemplated by this Agreement if such Seller were to engage or prepare to engage in a competing business or engage with the Surviving Corporation's customers, suppliers or other similar business relations during the Restricted Period, (B) the Surviving Corporation would be irreparably damaged if such Seller were to provide services to or otherwise participate in the business of any Person competing or preparing to compete with the Surviving Corporation during the Restricted Period in the Restricted Territory, and that any such competition by such Seller (or its Affiliates) would result in a significant loss of goodwill by the Surviving Corporation and (C) the Company's business has been, or is currently contemplated to be, conducted throughout North America, Asia, Europe and Middle East (the "Restricted Territory") and therefore such Seller agrees, in further consideration of the amounts to be paid hereunder for the Shares, that during the Restricted Period, such Seller shall not (and shall cause its Affiliates not to) directly or indirectly (including through any other Person) (A) own any interest in, manage, control, participate in (whether as an officer, director, manager, employee, partner, agent, representative or otherwise), consult with, render services for or in any other manner engage anywhere in the Restricted Territory in (x) any business engaged directly or indirectly in the Business or (y) any other business that competes with the business of the Surviving Corporation (as the Company's business is conducted as of the date hereof); provided, that (1) nothing herein shall prohibit such Seller or any of its Affiliates from owning direct or indirect equity interests in the Company or being a passive owner of not more than two percent (2%) of the outstanding stock of any class of a corporation that is publicly traded so long as such Seller does not have any active participation in the business or management of such corporation, (2) subject to Section 6.12 of this Agreement and the terms and conditions of that certain Asset Purchase Agreement, dated October 28, 2021 between the Company and Techshot Lighting, LLC ("Lighting"), nothing herein shall prohibit such Seller or any of its Affiliates from operating the Lighting Business as currently being conducted, (3) nothing herein shall prohibit such Seller, or any of its Affiliates from providing teaching, speaking or similar educational services to an educational institution (who is not a customer of the Company), with the prior written consent of Buyer, which consent shall not be unreasonably withheld, conditioned or delayed, and (4) such Seller shall not be in violation or breach of the foregoing by virtue of its authorized actions in furtherance of its duties as a director, manager, officer, employee or equityholder of the Surviving Corporation, (B) induce or attempt to induce any customer, supplier or other business relation of the Surviving Corporation or its Affiliates, at any time prior to the Closing, to cease doing business with the Surviving Corporation or its Affiliates or in any way interfere with the relationship between any such customer, supplier or business relation and the Surviving Corporation or its Affiliates in a manner adverse to the Surviving Corporation or its Affiliates or (C) take any action which is designed, intended or would reasonably be anticipated to have the effect of discouraging customers, suppliers, lessors, licensors and other business associates from maintaining the same business relationships with the Surviving Corporation and its Affiliates at any time after the date hereof as were maintained with the Company prior to the date hereof.

(iv) each Seller further agrees not to disparage Buyer, the Surviving Corporation or any of their respective Affiliates, officers, directors, employees, and products. The foregoing shall not be violated by truthful statements in response to legal process, required governmental testimony

or filings, or administrative or arbitral proceedings (including depositions in connection with such proceedings) with apparent or actual jurisdiction to order such Person to disclose or make accessible such information.

(b) If, at the time of enforcement of the covenants contained in this Section 6.4 (the "Restrictive Covenants"), a court shall hold that the duration, scope or area restrictions stated herein are unreasonable under circumstances then existing, the parties agree that the maximum duration, scope or area reasonable under such circumstances shall be substituted for the stated duration, scope or area and that the court shall be allowed and directed to revise the restrictions contained herein to cover the maximum period, scope and area permitted by Law.

(c) If a Seller or any of its Affiliates breaches, or threatens to commit a breach of, any of the Restrictive Covenants, Buyer, the Surviving Corporation and their respective Affiliates shall, without limiting any other rights and remedies available to Buyer, the Surviving Corporation or any of their respective Affiliates at Law or in equity, have the right to have the Restrictive Covenants specifically enforced by any court of competent jurisdiction by way of injunction, it being agreed that any breach or threatened breach of the Restrictive Covenants would cause irreparable injury to Buyer and the Surviving Corporation and that money damages would not provide an adequate remedy to Buyer or the Surviving Corporation. The parties hereto acknowledge and agree that the Surviving Corporation is an express third-party beneficiary of this Section 6.4.

(d) The Restrictive Covenants and other obligations contained in this Section 6.4 are independent of, supplemental to and do not modify, supersede or restrict (and shall not be modified, superseded by or restricted by) any non-competition, non-solicitation, non-hire, non-disparagement, confidentiality or other similar covenants in any other current or future agreement to which any Seller, as applicable, is a party unless express written reference is made to the specific provisions hereof which are intended to be superseded.

(e) In the event of any breach or violation by a Seller of any of the Restrictive Covenants, the time period of such covenant shall be tolled until such breach or violation is resolved.

6.5 Press Releases and Announcements. Unless required by Law or the rules or regulations of any relevant securities exchange (in which case each of the parties hereto agree to use reasonable efforts to consult with the other party prior to any such disclosure as to the form and content of such disclosure) or as otherwise agreed in writing by Buyer and Sellers' Representative (on behalf of the Sellers), no press releases, announcements to the employees, customers, suppliers or other business relation of the Surviving Corporation or other public releases of information related to this Agreement or the transactions contemplated hereby will be issued or released without the consent of each of Buyer and Sellers' Representative (on behalf of the Sellers); provided, that, without the consent of any other party hereto, (a) Buyer, the Surviving Corporation and their respective Affiliates may issue any such releases of information which do not disclose the economic terms hereof, (b) Buyer and its Affiliates may provide ordinary course communications regarding this Agreement and the transactions contemplated hereby to existing or prospective direct or indirect equityholders on a confidential basis and (c) Buyer, its existing or potential lenders and any of their respective representatives may make public statements or announcements regarding this Agreement and the transactions contemplated hereby as may be necessary in connection with any debt financing being arranged for or on behalf of Buyer.

6.6 Expenses. Except as otherwise provided herein or in any Ancillary Agreement, each Seller and Buyer shall pay all of its own (and in the case of Sellers, the Company's) respective fees, costs and expenses (including fees, costs and expenses of legal counsel, accountants, investment bankers, brokers and other representatives and consultants) incurred in connection with the negotiation of this Agreement, the

performance of such Person's obligations hereunder and the consummation of the transactions contemplated hereby.

6.7 Specific Performance. Each of the parties hereto agrees that irreparable damage may occur for which monetary damages, even if available, may not be an adequate remedy in the event that the parties hereto do not perform their obligations under the provisions of this Agreement in accordance with its specified terms or otherwise breach such provisions. Each of the parties hereto acknowledges and agrees that Buyer, the Surviving Corporation and Sellers' Representative (on behalf of Sellers) shall therefore be entitled to seek an injunction or injunctions, specific performance or other equitable relief to prevent breaches of this Agreement and to enforce specifically the terms and provisions hereof in any action instituted in any court in the United States or in any state or province having jurisdiction over the parties and the matter in addition to any other remedy to which they may be entitled pursuant hereto, and that such explicit rights of specific enforcement are an integral part of the transactions contemplated by this Agreement and without such rights, neither Buyer nor any Seller would have entered into this Agreement. Each party agrees that it will not oppose the granting of an injunction, specific performance and other equitable relief on the basis that the other parties hereto have an adequate monetary or other remedy at law. Each of the parties hereto acknowledges and agrees that if Buyer, the Surviving Corporation or Sellers' Representative (on behalf of Sellers) seeks an injunction or injunctions to prevent breaches of this Agreement or to enforce specifically the terms and provisions of this Agreement, neither Buyer, the Surviving Corporation nor Sellers' Representative (on behalf of Sellers) shall be required to provide any bond or other security in connection with any such order or injunction. The court selected pursuant to this Section 6.7 shall be entitled to award to the prevailing party, if any, the costs and attorneys' fees reasonably incurred by the prevailing party in connection with obtaining such equitable relief and the enforcement of its rights under this Section 6.7 and, if such court determines a party to be the prevailing party under circumstances where the prevailing party won on some but not all of the claims for equitable relief, the court may award the prevailing party an appropriate percentage of the costs and attorneys' fees reasonably incurred by the prevailing party in connection with obtaining such equitable relief and the enforcement of its rights under this Section 6.7.

6.8 Further Assurances. In the event that at any time after the Closing any further action is necessary or desirable to carry out the purposes of this Agreement or the transactions contemplated hereby, each of the parties hereto will take such further action (including the execution and delivery of such further instruments and documents) as any other party hereto reasonably may request in good faith. Each Seller acknowledges and agrees that, from and after the Closing, Buyer will be entitled to possession of all documents, books, records (including Tax records), agreements and financial data of any sort relating to the Surviving Corporation. No Seller shall take any action which is designed, intended or would reasonably be anticipated to have the effect of discouraging customers, suppliers, lessors, licensors and other business associates from maintaining the same business relationships with the Company and its Affiliates at any time after the date hereof as were maintained with the Surviving Corporation and its Affiliates prior to the date hereof.

6.9 Tax Matters.

(a) Sellers' Representative shall prepare or cause to be prepared and file or cause to be filed when due (i) all Tax Returns of the Company that are filed prior to the Closing Date; and (ii) all Flow-Through Income Tax Returns of the Company for all Pre-Closing Taxable Periods. Sellers' Representative shall prepare each Flow-Through Income Tax Return of the Company in a manner, to the extent permitted by law or regulations, consistent with past practices employed by the Company. Sellers' Representative shall provide Buyer with a draft of each such Flow-Through Income Tax Return (and supporting schedules) of the Company for review by Buyer a reasonable period of time before the due date (after giving effect to any applicable extensions of time for filing) of the Tax Return so that Buyer has a meaningful opportunity to review and comment on such draft, and Sellers' Representative shall incorporate any reasonable

comments provided in writing by Buyer to Sellers' Representative prior to the due date (after giving effect to any applicable extensions of time for filing) of the Tax Return. Buyer shall prepare or caused to be prepared all other Tax Returns of the Company; provided, however, Tax Returns for the Company prepared and filed by Buyer for a Straddle Period shall be prepared in a manner, to the extent permitted by law or regulations, consistent with past practices employed by the Company, including any elections, accounting methods and asset write-off periods properly used by the Company. Buyer shall provide Sellers' Representative with a draft of each such Tax Return (and supporting schedules) of the Company for a Straddle Period for review by Sellers' Representative a reasonable period of time before the due date (after giving effect to any applicable extensions of time for filing) of the Tax Return so that Sellers' Representative has a meaningful opportunity to review and comment on such draft, and Buyer shall incorporate any reasonable comments provided in writing by Sellers' Representative to Buyer prior to the due date (after giving effect to any applicable extensions of time for filing) of any Tax Return with respect to any Pre-Closing Tax Period. Notwithstanding anything herein to the contrary, nothing in this Agreement shall prevent Buyer or the Company from timely filing any Tax Return.

(b) In the case of any Straddle Period, the amount of any Taxes based on or measured by income, gross or net sales, receipts, transactions, proceeds, profits, payroll or similar items of the Company for the Pre-Closing Tax Period of such Straddle Period shall be determined based on an interim closing of the books as of the close of business on the day before the date hereof and the amount of other Taxes of the Company for a Straddle Period that relates to the Pre-Closing Tax Period shall be deemed to be the amount of such Tax for the entire taxable period multiplied by a fraction, the numerator of which is the number of days in the taxable period ending on the day before the date hereof and the denominator of which is the number of days in such Straddle Period.

(c) All transfer, documentary, sales, use, stamp, registration and other such Taxes, and all conveyance fees, recording charges and other fees and charges (including any penalties and interest) incurred in connection with the consummation of the transactions contemplated by this Agreement (collectively, "Transfer Taxes") shall be paid fifty percent (50%) by Sellers and fifty percent (50%) by Buyer, and the party required by Law to file shall file all necessary Tax Returns and other documentation with respect to such Transfer Taxes, at their sole expense, and, shall present them to the other party for such party's review, comment and consent (not to be unreasonably withheld, conditioned or delayed) and if required by applicable Law, the other party will join in the execution of any such Tax Returns and documentation.

(d) Buyer, the Company, Sellers' Representative and each Seller shall cooperate fully, as and to the extent reasonably requested by another party hereto, at the requesting party's expense, in connection with the filing of Tax Returns of the Company and any audit, litigation or other proceeding with respect to Taxes of the Company. Such cooperation shall include signing such Tax Returns as may be reasonably requested by the requesting party and not inconsistent with the procedures set forth in this Section 6.9 in connection with the preparation of any Tax Return or any audit or other proceeding that relates to the Company and (upon the other party's request and at the requesting party's expense) the provision of records and information at the requesting party's expense that are reasonably relevant to any such audit, litigation or other proceeding (to the extent within such party's possession) and making employees available on a mutually convenient basis with reasonable notice during normal business hours to provide additional information and explanation of any material provided hereunder. Buyer agrees to give written notice to Sellers' Representative of the receipt of any written notice by Buyer, the Company or any of their Affiliates which involves the assertion of any claim for Taxes, or the commencement of any Action involving Taxes, in respect of which an indemnity may be sought by Buyer against Sellers pursuant to this Agreement (a "Tax Claim"); *provided, that failure to comply with this provision shall not affect Buyer's right to indemnification hereunder as long as Sellers are not materially prejudiced by such delay.* Sellers' Representative shall, at its own expense, control the contest or resolution of any Tax Claim and provide

Buyer with notice of any settlement of a Tax Claim; provided, however, that (i) Buyer shall have the right to participate in any such Tax Claim, at its own expense, (ii) Sellers' Representative shall keep Buyer reasonably informed of the status of any such Tax Claim (including by providing Buyer with copies of all written correspondence regarding such Tax Claim), (iii) Sellers' Representative shall not settle any such Tax Claim without Buyer's prior written consent (not to be unreasonably withheld, conditioned or delayed), (iv) Sellers' Representative shall diligently prosecute each such Tax Claim in good faith and (v) Sellers' Representative shall not control any Tax Claim, the outcome of which could reasonably be expected to materially impact Taxes or Tax positions of the Company in a period after the Closing; provided, however, in respect of any claim Sellers' Representative does not control under this Section 7.9(d)(v), Sellers' Representative shall have the rights afforded to Buyer in Section 7.9(d)(i)-(iv).

(e) Notwithstanding any provision in this Agreement to the contrary, Buyer covenants that, without the prior written consent of Sellers' Representative (which consent shall not be unreasonably withheld, conditioned or delayed), Buyer will not, nor will it cause or permit the Company to (i) take any action on the Closing Date after the Closing other than in the Ordinary Course of Business that could reasonably be expected to increase the Tax liability of any Seller or the Company in respect of any Pre-Closing Tax Period or (ii) communicate with a taxing authority or Governmental Authority about a Pre-Closing Tax Period other than in accordance with Section 6.9(d), make or change any Tax election in respect of a Pre-Closing Tax Period, amend or take any action with respect to any Tax return in respect of a Pre-Closing Tax Period, enter into any voluntary compliance program with respect to any Pre-Closing Tax Period, in each case, that could reasonably be expected to increase any Tax liability of any Seller or the Company in respect of any Pre-Closing Tax Period.

(f) For U.S. federal income tax purposes (and for purposes of any applicable state or local income Tax that follows the U.S. federal income Tax treatment), assuming that eighty percent (80%) or more of the Final Closing Total Merger Consideration and any other amounts treated as consideration for U.S. federal (and applicable state and local) income tax purposes is comprised of Buyer Shares, the parties hereto intend and agree that the Merger is a plan of reorganization and qualifies as a "reorganization" within the meaning of Section 368(a) of the Code and the Treasury Regulations thereunder (the "Intended Income Tax Treatment"). The parties will prepare and file all Tax Returns consistent with the Intended Income Tax Treatment and will not take any inconsistent position on any Tax Return or during the course of any audit, litigation or other proceeding with respect to Taxes, except as otherwise required by a determination within the meaning of Section 1313(a) of the Code. Each of the parties agrees to promptly notify all other parties in writing of any challenge to the Intended Income Tax Treatment by any Governmental Authority (with such notice including a copy of any such challenge).

(g) No party hereto shall take or cause to be taken any action, or fail to take or cause to be taken any action, which action or failure to act would reasonably be expected to prevent the Merger from so qualifying for the Intended Income Tax Treatment.

6.10 Director and Officer Indemnification. The provisions of Governing Documents (as the same may be amended and as currently in effect as of the Closing) of the Company relating to indemnification of the managers, directors and officers of the Company for periods prior to the Closing shall remain substantially similar to such provisions of such Governing Documents as in effect as of the Closing and shall not be amended or repealed in any manner adverse to the former directors, managers or officers of the Company until at least six (6) years following the date hereof except as otherwise required by Applicable Law.

6.11 Appointment of Sellers' Representative.

(a) Each Seller irrevocably constitutes and appoints Mark S. Deuser as Sellers' Representative and as such Seller's true and lawful attorney-in-fact and agent and authorizes Sellers'

Representative acting for such Seller and in such Seller's name, place and stead, in any and all capacities to do and perform every act and thing required or permitted to be done in connection with this Agreement (including to calculate and determine all amounts payable to, or by, such Seller), as fully to all intents and purposes as such Seller might or could do in person, including taking any and all action on behalf of such Seller from time to time as contemplated hereunder. Each Seller grants unto said attorney-in-fact and agent full power and authority to do and perform each and every act and thing necessary or desirable to be done in connection with this Agreement, the transactions contemplated hereby, as fully to all intents and purposes as the undersigned might or could do in person, hereby ratifying and confirming all act Sellers' Representative may lawfully do or cause to be done by virtue hereof. Each Seller acknowledges and agrees that upon execution of this Agreement, upon any delivery by Sellers' Representative of any waiver, amendment, agreement, certificate or other document executed by Sellers' Representative, and such Seller shall be bound by such documents or action as fully as if such Seller had executed and delivered such documents. Sellers shall pay all fees, costs and expenses incurred by Sellers' Representative in performing Sellers' Representatives' duties hereunder. Each Seller acknowledges and agrees that except as otherwise provided herein, all payments owed to Sellers pursuant to this Agreement or otherwise shall be paid by Buyer, the Company or their respective designees, as applicable, to Sellers' Representative for subsequent distribution to Sellers. Each Seller further acknowledges that any payment made to Sellers' Representative on behalf of any Seller shall be deemed to have been directly paid to such Seller and agrees that Buyer's and the Company's respective payment obligations hereunder shall be satisfied in full upon receipt by Sellers' Representative of such payment and Sellers and Sellers' Representative hereby waive any and all claims against Buyer or the Company relating to any such payment.

(b) Upon the death, disability or incapacity of the initial Sellers' Representative appointed pursuant to this Section 6.11 or any replacement Sellers' Representative, the holders of the majority of the outstanding Shares immediately prior to the Closing and Buyer shall mutually appoint a replacement Sellers' Representative hereunder within thirty (30) days of such death, disability or incapacity and such Person shall thereafter be Sellers' Representative for all purposes until such Person's resignation, death, disability or incapacity. If the holders of the majority of the outstanding Shares immediately prior to the Closing and Buyer shall mutually agree that the removal of a Sellers' Representative is necessary at a given time, such holders of the majority of the outstanding Shares immediately prior to the Closing and Buyer shall mutually appoint a replacement Sellers' Representative.

(c) Each Seller agrees that Buyer and the Company shall be entitled to rely without qualification, investigation or verification on any action taken, or the failure to take any action, by Sellers' Representative, on behalf of Sellers pursuant to this Section 6.11, and that each such action or inaction shall be binding on each Seller as fully as if such Seller had taken or failed to take such action.

(d) Sellers' Representative shall be indemnified, held harmless and reimbursed by Sellers severally based on each Seller's Pro Rata Share, and not jointly, against all costs, expenses (including reasonable attorneys' fees), judgments, fines and amounts paid or incurred by Sellers' Representative in connection with any Action to which Sellers' Representative is made a party by reason of the fact that it is or was acting as Sellers' Representative pursuant to the terms of this Agreement; provided, however, that the foregoing indemnification shall not apply in the event of any Action which finally adjudicates the liability of Sellers' Representative hereunder for its bad faith or willful misconduct.

6.12 Use of Name. Each Seller agrees to change its name, or to cause its applicable Affiliates (which for the avoidance of doubt shall include Techshot Products, LLC, Techshot Power, Techshot Data, and Techshot Automation) to change their names, on or before December 31, 2021, to a name which does not use any Business Mark. Each Seller agrees that its and its Affiliates' use of the Business Marks after December 31, 2021 shall be solely in reference to the Business Marks as a former name in an accurate and historical manner. Each Seller (on behalf of themselves and their Affiliates), as of the date hereof and December 31, 2021, hereby assigns to the Company any right, title, or interest it may have in or to any

Business Mark (including all goodwill related thereto) and agrees to cooperate with the Company to effectuate the foregoing assignment.

6.13 Restrictive Legend. Each Seller acknowledges that each certificate evidencing the Buyer Shares shall bear the following restrictive legend, either as an endorsement or on the face thereof:

"THE SHARES REPRESENTED BY THIS CERTIFICATE HAVE NOT BEEN REGISTERED UNDER THE SECURITIES ACT OF 1933, AS AMENDED, OR UNDER STATE SECURITIES LAWS AND HAVE BEEN ACQUIRED FOR INVESTMENT AND NOT WITH A VIEW TO, OR IN CONNECTION WITH, THE SALE AND DISTRIBUTION THEREOF. NO SUCH SALE, DISTRIBUTION, OR OTHER TRANSFER, PLEDGE OF HYPOTHECATION MAY BE EFFECTED WITHOUT AN EFFECTIVE REGISTRATION STATEMENT RELATED THERETO OR AN OPINION OR COUNSEL SATISFACTORY TO THE ISSUER THAT SUCH REGISTRATION IS NOT REQUIRED UNDER THE SECURITIES ACT OF 1933 OR APPLICABLE SECURITIES LAWS."

6.14 Registration Rights. Buyer shall, as soon as is reasonably practicable, use commercially reasonable efforts to file a Form S-1 covering the resale of 1,750,000 Buyer Shares on a delayed or continuous basis. Buyer shall use its commercially reasonable efforts to cause such Form S-1 to become effective under the Securities Act as soon as practicable after such filing.

ARTICLE VII

MISCELLANEOUS

7.1 Amendment and Waiver. This Agreement may be amended, and any provision of this Agreement may be waived; provided, that any such amendment or waiver will be binding upon each Seller or Sellers' Representative only if such amendment or waiver is set forth in a writing executed by Sellers' Representative, and any such amendment or waiver will be binding upon Buyer only if such amendment or waiver is set forth in a writing executed by Buyer. No course of dealing between or among any Persons having any interest in this Agreement shall be deemed effective to modify, amend or discharge any part of this Agreement or any rights or obligations of any Person under or by reason of this Agreement. No waiver of any of the provisions of this Agreement shall be deemed or shall constitute a waiver of any other provisions, whether or not similar, nor shall any waiver constitute a continuing waiver.

7.2 Notices. All notices, requests, demands and other communications permitted or required to be given or delivered under or by reason of the provisions of this Agreement shall be in writing and shall be deemed conclusively to have been given (i) when personally delivered, (ii) when sent by electronic mail with no notice of failed delivery, (iii) one (1) Business Day after being sent by reputable overnight express courier (charges prepaid) or (iv) three (3) Business Days following mailing by certified or registered mail, postage prepaid and return receipt requested. Unless another address is specified in writing, notices, requests, demands and communications to the parties hereto shall be sent to the address on Schedule D.

7.3 Successors and Assigns. This Agreement and all of the covenants and agreements contained herein and rights, interests or obligations hereunder, by or on behalf of any of the parties hereto, shall bind and inure to the benefit of the respective heirs, successors and assigns of the parties hereto whether so expressed or not, except that neither this Agreement nor any of the covenants and agreements herein or rights, interests or obligations hereunder may be assigned or delegated by Sellers without the prior written consent of Buyer or by Buyer without the prior written consent of Sellers' Representative; provided, that Buyer may assign any of its rights and obligations hereunder and under any of the other agreements and instruments contemplated hereby, in whole or in part, without the consent of any of the other parties hereto (a) to any of its Affiliates, (b) in connection with any direct or indirect disposition or transfer of all or any portion of Buyer or the Company or their respective businesses in any form of transaction or (c) to any of

the Surviving Company's lenders as collateral security. No assignment shall relieve the assigning party of any of its obligations hereunder.

7.4 Severability. Whenever possible, each provision of this Agreement will be interpreted in such manner as to be effective and valid under applicable Law, but if any provision of this Agreement is held to be prohibited by or invalid under applicable Law, such provision will be ineffective only to the extent of such prohibition or invalidity, without invalidating the remainder of such provision or the remaining provisions of this Agreement.

7.5 Interpretation. The headings and captions used in this Agreement, in any Schedule or Exhibit hereto, in the table of contents or in any index hereto are for convenience of reference only and do not constitute a part of this Agreement and shall not be deemed to limit, characterize or in any way affect any provision of this Agreement or any Schedule or Exhibit hereto, and all provisions of this Agreement and the Schedules and Exhibits hereto shall be enforced and construed as if no caption or heading had been used herein or therein. Any capitalized terms used in any Schedule or Exhibit attached hereto and not otherwise defined therein shall have the meanings set forth in this Agreement. Each defined term used in this Agreement shall have a comparable meaning when used in its plural or singular form. The use of the word "including" herein shall mean "including without limitation" and, unless the context otherwise requires, "neither," "nor," "any," "either" and "or" shall not be exclusive. The parties hereto intend that each representation, warranty and covenant contained herein shall have independent significance. If any party hereto has breached any representation, warranty or covenant contained herein in any respect, the fact that there exists another representation, warranty or covenant relating to the same subject matter (regardless of the relative levels of specificity) which such party has not breached shall not detract from or mitigate the fact that such party is in breach of the first representation, warranty or covenant. The parties hereto have participated jointly in the negotiation and drafting of this Agreement. In the event an ambiguity or question of intent or interpretation arises, this Agreement shall be construed as if drafted jointly by the parties hereto, and no presumption or burden of proof shall arise favoring or disfavoring any party hereto by virtue of the authorship of any of the provisions of this Agreement. Any reference to any federal, state, local or other statute or Law shall be deemed also to refer to all rules and regulations promulgated thereunder, unless the context requires otherwise. The term "dollars" or "\$" mean dollars in the lawful currency of the United States. All references to materials being "made available" or "furnished" by the Company or Sellers means (a) documents posted and accessible to Buyer and its advisors in the electronic data room for "Project Tin Man" hosted by Firmex Inc. (the "Data Room") no less than one (1) day prior to the date of this Agreement and remained so posted and accessible continuously through the Closing and ten (10) Business Days thereafter or (b) all documents provided by the Company, Sellers or their respective Representatives by email to Buyer or its Representatives (with confirmation of receipt) during the period beginning one (1) day prior to the date of this Agreement and ending at the Closing, which such documents are also uploaded to the Data Room as soon as reasonably practicable following the email delivery thereof.

7.6 No Third-Party Beneficiaries. Except for the Surviving Corporation which is and shall be a third-party beneficiary with respect to Section 6.4 and each of the former officers, directors or managers of the Company which are and shall be third-party beneficiaries with respect to Section 6.9(d), nothing herein expressed or implied is intended or shall be construed to confer upon or give to any Person other than the parties hereto and their respective permitted successors and assigns, any rights or remedies under or by reason of this Agreement, such third parties specifically including employees and creditors of the Surviving Corporation.

7.7 Complete Agreement. This Agreement and the agreements and documents referred to herein contain the entire agreement and understanding between the parties hereto with respect to the subject matter hereof and supersede all prior agreements and understandings (other than the Restrictive Covenants, which are in addition to, and not in lieu of, any other restrictive covenants to which any Seller is a party or otherwise bound), whether written or oral, relating to such subject matter in any way, by and between the

parties hereto or any of the respective Affiliates. In the event an ambiguity or question of intent or interpretation arises with respect to this Agreement, the terms and provisions of the execution version of this Agreement will control and prior drafts of this Agreement and the documents referenced herein will not be considered or analyzed for any purpose (including in support of parol evidence proffered by any Person in connection with this Agreement) and will be deemed not to provide any evidence as to the meaning of the provisions hereof or the intent of the parties hereto.

7.8 Electronic Delivery; Counterparts. This Agreement and any Ancillary Agreement, and any amendments hereto or thereto, may be executed in one or more counterparts, all of which shall constitute one and the same instrument. Any such counterpart, to the extent delivered by means of a .pdf, .tif, .gif, .jpeg or similar attachment to electronic mail or other means of electronic transmission, including any electronic signature that complies with the U.S. federal ESIGN Act of 2000, (any such delivery, an "Electronic Delivery") shall be treated in all manner and respects as an original executed counterpart and shall be considered to have the same binding legal effect as if it were the original signed version thereof delivered in person. At the request of any party hereto, each other party hereto or to any Ancillary Agreement shall re-execute the original form of this Agreement or the applicable Ancillary Agreement and deliver such form to all other parties hereto or thereto. No party hereto shall raise the use of Electronic Delivery to deliver a signature or the fact that any signature or agreement or instrument was transmitted or communicated through the use of Electronic Delivery as a defense to the formation of a contract, and each such party forever waives any such defense, except to the extent such defense relates to lack of authenticity. Minor variations in the form of the signature page, including footers from earlier versions of this Agreement or any such other document, will be disregarded in determining a party's intent or the effectiveness of such signature.

7.9 GOVERNING LAW; CHOICE OF LAW. ALL ISSUES AND QUESTIONS CONCERNING THE CONSTRUCTION, VALIDITY, INTERPRETATION AND ENFORCEABILITY OF THIS AGREEMENT, THE SCHEDULES ATTACHED HERETO AND THE ANCILLARY AGREEMENTS AND THE PERFORMANCE OF THE OBLIGATIONS IMPOSED HEREUNDER OR THEREUNDER SHALL BE INTERPRETED AND CONSTRUED IN ACCORDANCE WITH THE LAWS OF THE STATE OF DELAWARE. ANY AND ALL ACTIONS AND CAUSES OF ACTION ARISING OUT OF OR RELATING TO THIS AGREEMENT OR ANY ANCILLARY AGREEMENT, WHETHER SOUNDING IN CONTRACT, TORT OR STATUTE, SHALL BE GOVERNED BY THE LAWS OF THE STATE OF DELAWARE, INCLUDING ITS STATUTES OF LIMITATIONS (EXCEPT AS OTHERWISE EXPRESSLY SET FORTH HEREIN), WITHOUT GIVING EFFECT TO ANY CHOICE OF LAW OR CONFLICT OF LAW RULES OR PROVISIONS (WHETHER OF THE STATE OF DELAWARE OR ANY OTHER JURISDICTION) THAT WOULD RESULT IN THE APPLICATION OF THE LAWS OR STATUTE OF LIMITATIONS OF A JURISDICTION OTHER THAN THE STATE OF DELAWARE.

7.10 Arbitration; WAIVER OF JURY TRIAL.

(a) Except as expressly provided elsewhere in this Agreement (including, for the avoidance of doubt, in Sections 2.3, 6.4 and 6.7), any Action arising under or relating to this Agreement or any Ancillary Agreement or any breach or threatened breach hereof or thereof ("Arbitrable Dispute") shall be resolved by final and binding arbitration administered by American Arbitration Association ("AAA"); provided, that nothing in this Section 7.10(a) shall prohibit (i) the Surviving Corporation, Buyer and their respective Affiliates from having the right to specifically enforce Section 6.4 and the Restrictive Covenants by way of specific performance, restraining order, injunction or other equitable relief in any court of competent jurisdiction, without complying with the procedures in Sections 7.10(b)-(e), (ii) a party from instituting litigation to enforce any Final Determination in any court of competent jurisdiction, without complying with the procedures in Sections 7.10(b)-(e) and (iii) any party from seeking remedies under Section 6.7, without complying with the procedures in Sections 7.10(b)-(e). Except as otherwise provided

in this Section 7.10(a) or in the rules and procedures of AAA as in effect from time to time, the arbitration procedures and any Final Determination hereunder shall be governed by and shall be enforced pursuant to the Uniform Arbitration Act and applicable provisions of Delaware Law.

(b) In the event that any party asserts that there exists an Arbitrable Dispute, such party shall deliver a written notice to each other party involved therein specifying the nature of the asserted Arbitrable Dispute and requesting a meeting to attempt to resolve the same. If no such resolution is reached within thirty (30) days after such delivery of such notice, the party delivering such notice of Arbitrable Dispute may, within forty-five (45) days after delivery of such notice, commence arbitration hereunder by delivering to each other party involved therein a notice of arbitration (a "Notice of Arbitration") and by filing a copy of such Notice of Arbitration with the New York office of AAA. Such Notice of Arbitration shall specify the matters as to which arbitration is sought, the nature of any Arbitrable Dispute and the claims of each party to the arbitration and shall specify the amount and nature of any damages, if any, sought to be recovered as a result of any alleged claim, and any other matters required by the rules and procedures of AAA as in effect from time to time to be included therein, if any.

(c) Within twenty (20) days after receipt of the Notice of Arbitration, the parties shall use their best efforts to agree on an independent arbitrator expert in the subject matters of the Arbitrable Dispute (the "Arbitrator"). If the parties cannot agree on the identity of the Arbitrator, each of the parties to the Arbitrable Dispute shall select one independent arbitrator expert in the subject matter of the Arbitrable Dispute. In the event that any party fails to select an independent arbitrator as set forth herein within twenty (20) days after delivery of a Notice of Arbitration, then the matter shall be resolved by the arbitrator(s) selected by the other party(ies). The arbitrators selected by the parties to the Arbitrable Dispute shall select the Arbitrator, and the Arbitrator shall resolve the matter according to the procedures set forth in this Section 7.10.

(d) The Arbitrator selected pursuant to Section 7.10(c) shall award to the prevailing party, if any, the costs and attorneys' fees reasonably incurred by the prevailing party in connection with the arbitration of any Arbitrable Dispute and the enforcement of its rights under this Agreement or any Ancillary Agreement and, if the Arbitrator determines a party to be the prevailing party under circumstances where the prevailing party won on some but not all of the claims and counterclaims, the Arbitrator may award the prevailing party an appropriate percentage of the costs and attorneys' fees reasonably incurred by the prevailing party in connection with the arbitration and the enforcement of its rights under this Agreement or any Ancillary Agreement.

(e) The arbitration shall be conducted under the rules and procedures of AAA as in effect from time to time, except as otherwise set forth herein or as modified by the agreement of all of the parties. The arbitration shall be conducted in New York, New York. The Arbitrator shall conduct the arbitration so that a final result, determination, finding, judgment or award (the "Final Determination") is made or rendered as soon as practicable, but in no event later than sixty (60) days after the delivery of the Notice of Arbitration nor later than ten (10) days following completion of the arbitration. The Final Determination must be agreed upon and signed by the Arbitrator. The Final Determination shall be final and binding on all parties hereto and there shall be no appeal from or reexamination of the Final Determination, except for fraud, perjury, evident partiality or misconduct by an arbitrator to correct manifest clerical errors.

(f) Buyer, the Surviving Corporation and Sellers' Representative (on behalf of Sellers) each may enforce any Final Determination in any court of competent jurisdiction.

(g) Each party hereby irrevocably consents to the service of process by registered mail or personal service.

(h) If any party shall fail to pay the amount of any damages, if any, assessed against it within five (5) days after the delivery to such party of such Final Determination, the unpaid amount shall bear interest from the date of such delivery at the Applicable Rate. Interest on any such unpaid amount shall be compounded monthly, computed on the basis of a three hundred sixty five (365) day year and shall be payable on demand. In addition, such party shall promptly reimburse the other party for any and all costs or expenses of any nature or kind whatsoever (including all attorneys' fees and expenses) incurred in seeking to collect such damages or to enforce any Final Determination.

(i) EACH OF THE PARTIES HERETO HEREBY IRREVOCABLY WAIVES, TO THE FULLEST EXTENT PERMITTED BY LAW, ANY RIGHT TO TRIAL BY JURY OF ANY ACTION, SUIT OR PROCEEDING (I) ARISING UNDER THIS AGREEMENT OR ANY ANCILLARY AGREEMENT OR (II) IN ANY WAY CONNECTED WITH OR RELATED OR INCIDENTAL TO THE DEALINGS OF THE PARTIES HERETO IN RESPECT OF THIS AGREEMENT, ANY ANCILLARY AGREEMENT OR ANY OF THE TRANSACTIONS RELATED HERETO OR THERETO, IN EACH CASE WHETHER NOW EXISTING OR HEREAFTER ARISING, AND WHETHER IN CONTRACT, TORT, EQUITY OR OTHERWISE (INCLUDING, FOR THE AVOIDANCE OF DOUBT, ANY SEEKING EQUITABLE RELIEF).

7.11 Time Periods. Unless specified otherwise, any action required hereunder to be taken within a certain number of days shall be taken within that number of calendar days (and not Business Days); provided, however, that if the last day for taking such action falls on a day that is not a Business Day, the period during which such action may be taken shall be automatically extended to the next Business Day.

7.12 Schedules. No exceptions to any representations or warranties disclosed on one Schedule shall constitute an exception (i) to a representation or warranty unless such representation or warranty calls for exceptions set forth on the Schedules or (ii) to any other representations or warranties made in this Agreement unless such exception is disclosed as provided herein on each such other applicable Schedule or the applicability of such disclosure is readily apparent on its face as an exception to such other representation or warranty (excluding Section 3.6), notwithstanding the omission of an appropriate cross-reference. Summaries of, or references to, actual documents in these Schedules are qualified in their entirety by reference to such documents. All Schedules attached hereto or referred to herein are hereby incorporated in and made a part of this Agreement as if set forth in full herein. A disclosure in the Schedules shall not constitute an admission that the matter disclosed is material for purposes of the Agreement or an admission of any sort for any purpose other than the Agreement, nor shall such information be deemed to establish a standard of materiality (and the actual standard of materiality may be higher or lower than the matters disclosed by such information).

7.13 Legal Representation. Buyer (on behalf of itself and the Surviving Corporation) and Sellers agree that, notwithstanding any current or prior representation of any Seller by Faegre Drinker Biddle & Reath LLP ("Faegre"), Faegre shall be allowed to represent any Seller, Sellers' Representative or any of their Affiliates in any matters and disputes adverse to Buyer or the Surviving Corporation that either is existing on the date hereof or that arises in the future and, in each case, relates to this Agreement, any Ancillary Agreement or the transactions contemplated hereby or thereby. Buyer (on behalf of itself and the Surviving Corporation) hereby (a) waives any claim that it has or may have that Faegre has a conflict of interest or is otherwise prohibited from engaging in such representation and (b) agrees that, in the event that a dispute arises with respect to matters related to this Agreement or any Ancillary Agreement and the transactions contemplated hereby or thereby after the Closing between Buyer or the Surviving Corporation, on the one hand, and any Seller or any of their respective Affiliates, on the other hand, Faegre may represent such Seller or their respective Affiliates in such dispute even though the interests of such Seller or their respective Affiliates may be directly adverse to Buyer or the Surviving Corporation and even though Faegre may have represented the Company in a matter substantially related to such dispute, or handled matters for the Company at any time prior to the Closing. Buyer (on behalf of itself and the Surviving Corporation)

and Sellers each further agree that any and all documents in Faegre's files which constitute attorney-client privileged communications or attorney work-product relating to this Agreement or any Ancillary Agreement or the transactions contemplated hereby or thereby, in each case, relating to periods prior to the Closing which constitute attorney-client privileged communications or attorney work-products shall be the property of and shall be retained by Faegre and shall not be delivered to Buyer or the Surviving Corporation in connection with the transactions contemplated by this Agreement.

* * * * *

IN WITNESS WHEREOF, the parties hereto have executed this Securities Purchase Agreement as of the date first written above.

BUYER:

REDWIRE CORPORATION

By: _____ /s/ Peter Cannito
Name: Peter Cannito
Title: CEO and Chairman

MERGER SUB:

PROJECT TIN MAN MERGER SUB, INC.

By: _____ /s/ Peter Cannito
Name: Peter Cannito
Title: CEO and Chairman

[Signature Page to Securities Purchase Agreement]

SELLERS:

/s/ John C. Velling
Name: John C. Velling

/s/ Mark S. Deuser
Name: Mark S. Deuser

SELLERS' REPRESENTATIVE:

Mark S. Deuser, in his capacity as Sellers' Representative

/s/ Mark S. Deuser
Name: Mark S. Deuser

KIRKLAND & ELLIS LLP

AND AFFILIATED PARTNERSHIPS

300 North LaSalle
Chicago, IL 60654
United States
+1 312 862 2000Facsimile:
+1 312 862 2200

www.kirkland.com

Redwire Corporation
8226 Philips Highway, Suite 101
Jacksonville, Florida 32256Re: Registration Statement on Form S-1

Ladies and Gentlemen:

We are issuing this opinion letter in our capacity as special legal counsel to Redwire Corporation, a Delaware corporation (the "Company"). This opinion letter is being delivered in connection with the preparation of the Registration Statement on Form S-1 (such Registration Statement, as it may be subsequently amended or supplemented, is hereinafter referred to as the "Registration Statement") filed with the Securities and Exchange Commission (the "Commission") on June 15, 2022 under the Securities Act of 1933, as amended (the "Securities Act"), by the Company.

The Registration Statement relates to the issuance of 1,750,000 shares of our common stock, par value \$0.0001 per share ("Common Stock") and resale thereof by the selling security holders named in the Registration Statement.

In connection with the registration of the Common Stock, we have examined originals, or copies certified or otherwise identified to our satisfaction, of such documents, corporate records and other instruments as we have deemed necessary for the purposes of this opinion, including: (i) the organizational documents of the Company, (ii) resolutions of the Company with respect to the registration of the Common Stock and (iii) the Registration Statement and the exhibits thereto.

For purposes of this opinion, we have assumed the authenticity of all documents submitted to us as originals, the conformity to the originals of all documents submitted to us as copies and the authenticity of the originals of all documents submitted to us as copies. We have also assumed the legal capacity of all natural persons, the genuineness of the signatures of persons signing all documents in connection with which this opinion is rendered, the authority of such persons signing on behalf of the parties thereto other than the Company and the due authorization, execution and delivery of all documents by the parties thereto other than the Company. We have not independently established or verified any facts relevant to the opinions expressed herein, but have relied upon statements and representations of the officers and other representatives of the Company and others as to factual matters.

Based upon the foregoing and subject to the assumptions, qualifications and limitations set forth herein, we are of the opinion that the shares of Common Stock have been duly authorized and are validly issued, fully paid and non-assessable.

KIRKLAND & ELLIS LLP

Redwire Corporation
June 15, 2022
Page 2

Our opinion expressed above is subject to the qualification that we express no opinion as to the applicability of, compliance with, or effect of any laws except the General Corporation Law of the State of Delaware (including the statutory provisions, all applicable provisions of the Delaware constitution and reported judicial decisions interpreting the foregoing).

We hereby consent to the filing of this opinion with the Commission as Exhibit 5.1 to the Registration Statement. We also consent to the reference to our firm under the heading “Legal Matters” in the Registration Statement. In giving this consent, we do not thereby admit that we are in the category of persons whose consent is required under Section 7 of the Act or the rules and regulations of the Commission.

We do not find it necessary for the purposes of this opinion, and accordingly we do not purport to cover herein, the application of the securities or “Blue Sky” laws of the various states to the issuance and sale of the Common Stock.

This opinion is limited to the specific issues addressed herein, and no opinion may be inferred or implied beyond that expressly stated herein. This opinion speaks only as of the date that the Registration Statement becomes effective under the Act, and we assume no obligation to revise or supplement this opinion after the date of effectiveness should the General Corporation Law of the State of Delaware be changed by legislative action, judicial decision or otherwise after the date hereof.

Sincerely,

/s/ Kirkland & Ellis LLP

CONSENT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

We hereby consent to the use in this Registration Statement on Form S-1 of Redwire Corporation of our report dated April 8, 2022 relating to the financial statements of Redwire Corporation, which appears in this Registration Statement. We also consent to the reference to us under the heading "Experts" in such Registration Statement.

/s/ PricewaterhouseCoopers LLP
Jacksonville, Florida
June 15, 2022

CONSENT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

We hereby consent to the use in this Registration Statement on Form S-1 of Redwire Corporation of our report dated May 11, 2021 relating to the financial statements of In Space Group, Inc., which appears in this Registration Statement. We also consent to the reference to us under the heading "Experts" in such Registration Statement.

/s/ PricewaterhouseCoopers LLP

Jacksonville, Florida

June 15, 2022