

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

FORM 8-K

CURRENT REPORT
Pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934

November 6, 2023
Date of Report (date of earliest event reported)



Redwire Corporation
(Exact name of registrant as specified in its charter)

Delaware
(State or other jurisdiction of
incorporation or organization)

001-39733
(Commission File Number)

98-1550429
(I.R.S. Employer Identification Number)

**8226 Philips Highway, Suite 101
Jacksonville, Florida 32256**

(Address of principal executive offices and zip code)

(650) 701-7722

(Registrant's telephone number, including area code)

Former Name or Former Address, if Changed Since Last Report: Not Applicable

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions:

- Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
- Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
- Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
- Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))

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

<u>Title of each class</u>	<u>Trading Symbol(s)</u>	<u>Name of each exchange on which registered</u>
Common Stock, par value \$0.0001 per share	RDW	New York Stock Exchange
Warrants, each to purchase one share of Common Stock	RDW WS	New York Stock Exchange

Indicate by check mark whether the registrant is an emerging growth company as defined in Rule 12b-2 of the Exchange Act. Emerging growth company

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

Item 2.02 - Results of Operations and Financial Condition.

On November 6, 2023, Redwire Corporation (the "Company") issued a press release announcing its results of operations for the three and nine months ended September 30, 2023. A copy of the press release is furnished as Exhibit 99.1 hereto and incorporated herein by reference.

The information in Item 2.02, including Exhibit 99.1, shall not be deemed "filed" for purposes of Section 18 of the Securities Exchange Act of 1934, or otherwise subject to the liability of that section, and shall not be deemed to be incorporated by reference into any filing under the Securities Act of 1933 or the Securities Exchange Act of 1934.

Item 9.01 - Financial Statements and Exhibits.

(d) Exhibits.

Exhibit No.	Description
99.1	Redwire Press Release dated November 6, 2023
104	Cover Page Interactive Data File (embedded within the Inline XBRL document)

SIGNATURE

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

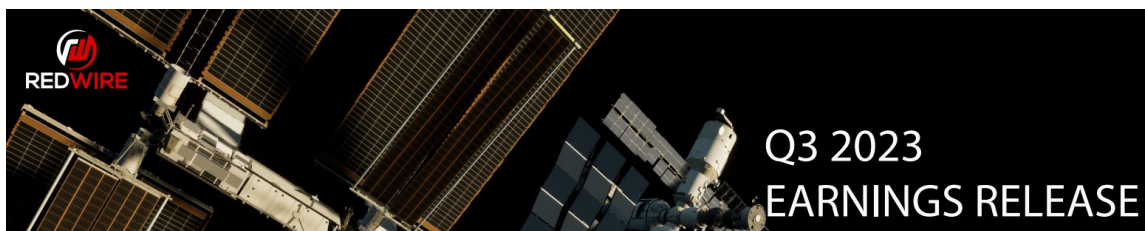
Dated: November 6, 2023

Redwire Corporation

By: /s/ Jonathan Baliff

Name: Jonathan Baliff

Title: Chief Financial Officer and Director



8226 Philips Highway, Suite 101
Jacksonville, FL 32256 USA

Investor Relations Contact:
investorrelations@redwirespace.com

Redwire Corporation Reports Third Quarter 2023 Financial Results

JACKSONVILLE, Fla. / November 6, 2023 Redwire Corporation (NYSE: RDW), a global leader in space infrastructure that provides the foundational building blocks that are enabling the most complex space missions, today announced results for its third quarter ended September 30, 2023. Unless otherwise referred to as Comparable Revenues, financial information presented herein includes the results of Space NV for periods including and subsequent to the acquisition date of October 31, 2022.

Redwire will live stream a presentation with slides on November 7, 2023 at 9:00 a.m. ET. Please use the link below to follow along with the live stream: <https://event.choruscall.com/mediaframe/webcast.html?webcastid=7sq0B6S0>

Third Quarter 2023 Highlights

- Revenues for the third quarter of 2023 increased 68.1% to \$62.6 million, as compared to \$37.2 million for the third quarter of 2022. Revenues also grew sequentially by 4.2%, as compared to the second quarter of 2023.
- Comparable Revenues¹ for the third quarter of 2023 increased 31.8% to \$49.1 million, as compared to \$37.2 million for the third quarter of 2022. Comparable Revenues also grew sequentially by 7.1%, as compared to the second quarter of 2023.
- Net Loss for the third quarter of 2023 improved 39.3% to \$(6.3) million, as compared to \$(10.4) million for the third quarter of 2022. Net Loss increased sequentially by \$0.9 million or 15.7%, as compared to the second quarter of 2023.
- Adjusted EBITDA¹ for the third quarter of 2023 increased by \$6.4 million to \$4.9 million as compared to \$(1.5) million for the third quarter of 2022. Adjusted EBITDA increased sequentially by \$0.6 million as compared to the second quarter of 2023.
- Contracted Backlog² increased 59.5% year-over-year to \$253.4 million as of September 30, 2023, as compared to \$158.9 million as of September 30, 2022.
- For the full year ended December 31, 2023, Redwire affirms that it expects revenues to be in a range of \$220.0 million to \$250.0 million.

“Q3 was our third consecutive quarter of strong revenue growth and positive Adjusted EBITDA¹,” stated Peter Cannito, Chairman and Chief Executive Officer of Redwire. “We continue to be disciplined in our technical execution, balancing growth with performance. This results in Redwire’s team of talented space professionals delivering real value for our customers in the present that positions us well for future success.”

¹Comparable Revenues and Adjusted EBITDA are not measures of results under generally accepted accounting principles in the United States. Please refer to “Non-GAAP Financial Information” and the reconciliation tables included in this press release for details regarding these Non-GAAP measures.

²Contracted Backlog is a key business measure. Please refer to “Key Performance Indicators” and the tables included in this press release for additional information.

Additional Financial Highlights:

- Book-to-bill³ ratio for the third quarter of 2023 was 0.74 as compared to 0.91 as of the third quarter of 2022. On a last twelve month (LTM) basis, book-to-bill was 1.38 as of the third quarter of 2023, as compared to 1.25 as of the third quarter of 2022.
- Net cash provided by (used in) operating activities for the third quarter of 2023 improved by \$8.0 million to \$(3.3) million, as compared to \$(11.2) million for the third quarter of 2022. Free Cash Flow⁴ for the third quarter of 2023 was \$(5.9) million, as compared to \$(12.6) million for the third quarter of 2022.
- Total available liquidity was \$30.9 million as of September 30, 2023, comprised of \$10.9 million in cash and cash equivalents and \$20.0 million in available borrowings from our existing credit facilities.

“Our strong financial and operational momentum continued through the third quarter of 2023; during the quarter, we once again recognized record revenues of \$62.6 million and achieved record positive Adjusted EBITDA of \$4.9 million. Our profitability improved due to sequential and year-over-year increase in Gross Margin with a change in contract mix and improved on-time delivery. Our continued management of G&A and other operating expenses also drove improved financial and operating performance.” said Jonathan Baliff, Chief Financial Officer of Redwire. “Operating and free cash flow improved year-over-year. Given our investments in the business year-to-date and our LTM book-to-bill ratio of 1.38, Redwire is poised for a strong finish to 2023.”

Webcast and Investor Call

Management will conduct a conference call starting at 9:00 a.m. ET on Tuesday, November 7, 2023 to review financial results for the third quarter ended September 30, 2023. This release and the most recent investor slide presentation are available in the investor relations area of our website at redwirespace.com.

Redwire will live stream a presentation with slides during the call. Please use the following link to follow along with the live stream: <https://event.choruscall.com/mediaframe/webcast.html?webcastid=7sq0B6S0>. The dial-in number for the live call is 877-485-3108 (toll free) or 201-689-8264 (toll), and the conference ID is 13742212.

A telephone replay of the call will be available for two weeks following the event by dialing 877-660-6853 (toll-free) or 201-612-7415 (toll) and entering the access code 13742212. The accompanying investor presentation will be available on November 7, 2023 on the investor section of Redwire’s website at redwirespace.com.

Any replay, rebroadcast, transcript or other reproduction or transmission of this conference call, other than the replay accessible by calling the number and website above, has not been authorized by Redwire Corporation and is strictly prohibited. Investors should be aware that any unauthorized reproduction of this conference call may not be an accurate reflection of its contents.

About Redwire Corporation

Redwire Corporation (NYSE: RDW) is a global 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 an 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. For more information, please visit www.redwirespace.com.

³ Book-to-bill is a key business measure. Please refer to “Key Performance Indicators” and the tables included in this press release for additional information.

⁴ Free Cash Flow and Adjusted EBITDA are not measures of results under generally accepted accounting principles in the United States. Please refer to “Non-GAAP Financial Information” and the reconciliation tables included in this press release for details regarding these Non-GAAP measures.

Cautionary Statement Regarding Forward-Looking Statements

Readers are cautioned that the statements contained in this press release regarding expectations of our performance or other matters that may affect our business, results of operations, or financial condition are “forward-looking statements” as defined by the “safe harbor” provisions in the Private Securities Litigation Reform Act of 1995. Such statements are made in reliance on the safe harbor provisions of Section 27A of the Securities Act of 1933 and Section 21E of the Securities Exchange Act of 1934. All statements, other than statements of historical fact, included or incorporated in this press release, including statements regarding our strategy, financial position, guidance, funding for continued operations, cash reserves, liquidity, projected costs, plans, projects, awards and contracts, and objectives of management, among others, are forward-looking statements. Words such as “expect,” “anticipate,” “should,” “believe,” “hope,” “target,” “continued,” “project,” “plan,” “goals,” “opportunity,” “appeal,” “estimate,” “potential,” “predict,” “demonstrates,” “may,” “will,” “might,” “could,” “intend,” “shall,” “possible,” “would,” “approximately,” “likely,” “outlook,” “schedule,” “on track,” and variations of these terms or the negative of these terms and similar expressions are intended to identify these forward-looking statements, but the absence of these words does not mean that a statement is not forward-looking. These forward-looking statements are not guarantees of future performance, conditions or results. Forward-looking statements are subject to a number of risks and uncertainties, many of which involve factors or circumstances that are beyond our control.

These factors and circumstances include, but are not limited to: (1) risks associated with the continued economic uncertainty, including high inflation, supply chain challenges, labor shortages, high interest rates, foreign currency exchange volatility, concerns of economic slowdown or recession and reduced spending or suspension of investment in new or enhanced projects; (2) the failure of financial institutions or transactional counterparties; (3) the Company’s limited operating history; (4) the inability to successfully integrate recently completed and future acquisitions; (5) the development and continued refinement of many of the Company’s proprietary technologies, products and service offerings; (6) competition with new or existing companies; (7) the possibility that the Company’s expectations and assumptions relating to future results may prove incorrect; (8) adverse publicity stemming from any incident involving Redwire or our competitors; (9) unsatisfactory performance of our products; (10) the emerging nature of the market for in-space infrastructure services; (11) inability to realize benefits from new offerings or the application of our technologies; (12) the inability to convert orders in backlog into revenue; (13) our dependence on U.S. government contracts, which are only partially funded and subject to immediate termination; (14) the fact that we are subject to stringent U.S. economic sanctions, and trade control laws and regulations; (15) the need for substantial additional funding to finance our operations, which may not be available when we need it, on acceptable terms or at all; (16) the fact that the issuance and sale of shares of our Series A Convertible Preferred Stock has reduced the relative voting power of holders of our common stock and diluted the ownership of holders of our capital stock; (17) AE Industrial Partners and Bain Capital have significant influence over us, which could limit your ability to influence the outcome of key transactions; (18) provisions in our Certificate of Designation with respect to our Series A Convertible Preferred Stock may delay or prevent our acquisition by a third party, which could also reduce the market price of our capital stock; (19) our Series A Convertible Preferred Stock has rights, preferences and privileges that are not held by, and are preferential to, the rights of holders of our other outstanding capital stock; (20) there may be sales of a substantial amount of our common stock by our current stockholders, and these sales could cause the price of our common stock and warrants to fall; (21) the impact of the issuance of the Series A Convertible Preferred Stock on the price and market for our common stock; (22) the trading price of our common stock and warrants is and may continue to be volatile; (23) risks related to short sellers of our common stock; (24) our management team’s limited experience operating a public company; (25) inability to report our financial condition or results of operations accurately or timely as a result of identified material weaknesses and (26) other risks and uncertainties described in our most recent Annual Report on Form 10-K and Quarterly Reports on Form 10-Q and those indicated from time to time in other documents filed or to be filed with the SEC by the Company.

The forward-looking statements contained in this press release are based on our current expectations and beliefs concerning future developments and their potential effects on us. If underlying assumptions to forward-looking statements prove inaccurate, or if known or unknown risks or uncertainties materialize, actual results could vary materially from those anticipated, estimated, or projected. The forward-looking statements contained in this press release are made as of the date of this press release, and the Company disclaims any intention or obligation, other than imposed by law, to update or revise any forward-looking statements, whether as a result of new information, future events, or otherwise. Persons reading this press release are cautioned not to place undue reliance on forward-looking statements.

Non-GAAP Financial Information

This press release contains financial measures that have not been prepared in accordance with United States Generally Accepted Accounting Principles (“U.S. GAAP”). These financial measures include Adjusted EBITDA, Pro Forma Adjusted EBITDA, Free Cash Flow, and Comparable Revenues.

Non-GAAP financial 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 is defined as net income (loss) adjusted for interest expense, net, income tax expense (benefit), depreciation and amortization, impairment expense, acquisition deal costs, acquisition integration costs, acquisition earnout costs, purchase accounting fair value adjustment related to deferred revenue, severance costs, capital market and advisory fees, litigation-related expenses, write-off of long-lived assets, equity-based compensation, committed equity facility transaction costs, debt financing costs, and warrant liability fair value adjustments. **Pro Forma Adjusted EBITDA** is defined as Adjusted EBITDA further adjusted for the incremental Adjusted EBITDA that acquired businesses would have contributed for the periods presented if such acquisitions had occurred on January 1 of the year in which they occurred. Accordingly, historical financial information for the businesses acquired includes pro forma adjustments calculated in a manner consistent with the concepts of Article 8 of Regulation S-X, which are ultimately added back in the calculation of Adjusted EBITDA. **Free Cash Flow** is computed as net cash provided by (used in) operating activities less capital expenditures. **Comparable Revenues** is calculated as revenues less acquisition-related revenues. Revenues are considered acquisition-related for the first four full quarters since the entities’ acquisition date. After the completion of four fiscal quarters, revenues from acquired entities are presented as comparable in the current period with prior periods conformed to current presentation.

We use Adjusted EBITDA and Pro Forma Adjusted EBITDA 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. We use Free Cash Flow as a useful indicator of liquidity to evaluate our period-over-period operating cash generation that will be used to service our debt, and can be used to invest in future growth through new business development activities and/or acquisitions, among other uses. Free Cash Flow does not represent the total increase or decrease in our cash balance, and it should not be inferred that the entire amount of Free Cash Flow is available for discretionary expenditures, since we have mandatory debt service requirements and other non-discretionary expenditures that are not deducted from this measure. Comparable Revenues is used to compare revenues over various periods, excluding the impact of acquisitions whose results are not reflected in all periods presented. We believe Pro Forma Adjusted EBITDA and Comparable Revenues provide meaningful insights into the impact of strategic acquisitions as well as an indicative run rate of the Company’s future operating performance.

Key Performance Indicators

Management uses Key Performance Indicators (“KPIs”) to assess the financial performance of the Company, monitor relevant trends and support financial, operational and strategic decision-making. Management frequently monitors and evaluates KPIs against internal targets, core business objectives as well as industry peers and may, on occasion, change the mix or calculation of KPIs to better align with the business, its operating environment, standard industry metrics or other considerations. If the Company changes the method by which it calculates or presents a KPI, prior period disclosures are recast to conform to current presentation.

During the first quarter of 2023, we made the following changes with respect to our KPIs:

- Changed the book-to-bill calculation to present this metric on an LTM (“Last Twelve Months”) basis, whereas prior period disclosures were presented on a year-to-date basis. Book-to-bill LTM is calculated by aggregation of quarterly revenues and contracts awarded for the last four quarters.
- Changed the backlog calculation to present only contracted backlog, whereas prior period disclosures also presented uncontracted backlog. There was no change in the calculation of contracted backlog.

Management believes these presentation changes will provide meaningful insights into contract award trends and increase comparability of the Company's performance metrics with those of industry peers.

REDWIRE CORPORATION
CONDENSED CONSOLIDATED BALANCE SHEETS
Unaudited

(In thousands of U.S. dollars, except share data)

	September 30, 2023	December 31, 2022
Assets		
Current assets:		
Cash and cash equivalents	\$ 10,859	\$ 28,316
Accounts receivable, net	24,641	26,726
Contract assets	39,779	31,041
Inventory	1,687	1,469
Income tax receivable	688	688
Prepaid insurance	1,304	2,240
Prepaid expenses and other current assets	5,464	5,687
Total current assets	84,422	96,167
Property, plant and equipment, net of accumulated depreciation of \$5,526 and \$3,032, respectively	14,631	12,761
Right-of-use assets	14,041	13,103
Intangible assets, net of accumulated amortization of \$16,612 and \$11,247, respectively	62,969	66,871
Goodwill	64,413	64,618
Equity method investments	3,241	3,269
Other non-current assets	509	909
Total assets	\$ 244,226	\$ 257,698
Liabilities, Convertible Preferred Stock and Equity (Deficit)		
Current liabilities:		
Accounts payable	\$ 14,185	\$ 17,584
Notes payable to sellers	—	1,000
Short-term debt, including current portion of long-term debt	1,976	2,578
Short-term operating lease liabilities	3,677	3,214
Short-term finance lease liabilities	364	299
Accrued expenses	37,678	36,581
Deferred revenue	27,059	29,817
Other current liabilities	2,310	3,666
Total current liabilities	87,249	94,739
Long-term debt, net	79,943	74,745
Long-term operating lease liabilities	13,118	12,670
Long-term finance lease liabilities	883	579
Warrant liabilities	3,789	1,314
Deferred tax liabilities	2,195	3,255
Other non-current liabilities	355	506
Total liabilities	\$ 187,532	\$ 187,808

REDWIRE CORPORATION
CONDENSED CONSOLIDATED BALANCE SHEETS
Unaudited
(In thousands of U.S. dollars, except share data)

	September 30, 2023	December 31, 2022
Convertible preferred stock, \$0.0001 par value, 88,000.00 shares authorized; 87,289.66 and 81,250.00 issued and outstanding as of September 30, 2023 and December 31, 2022, respectively. Liquidation preference of \$179,349 and \$162,500 as of September 30, 2023 and December 31, 2022, respectively.	\$ 85,395	\$ 76,365
Shareholders' Equity (Deficit):		
Preferred stock, \$0.0001 par value, 99,912,000 shares authorized; none issued and outstanding as of September 30, 2023 and December 31, 2022, respectively	—	—
Common stock, \$0.0001 par value, 500,000,000 shares authorized; 64,799,841 and 64,280,631 issued and outstanding as of September 30, 2023 and December 31, 2022, respectively	6	6
Treasury stock, 236,012 and 141,811 shares, at cost, as of September 30, 2023 and December 31, 2022, respectively	(629)	(381)
Additional paid-in capital	195,500	198,126
Accumulated deficit	(225,503)	(206,528)
Accumulated other comprehensive income (loss)	1,775	2,076
Total shareholders' equity (deficit)	(28,851)	(6,701)
Noncontrolling interests	150	226
Total equity (deficit)	(28,701)	(6,475)
Total liabilities, convertible preferred stock and equity (deficit)	\$ 244,226	\$ 257,698

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		Nine Months Ended	
	September 30, 2023	September 30, 2022	September 30, 2023	September 30, 2022
Revenues	\$ 62,612	\$ 37,249	\$ 180,315	\$ 106,844
Cost of sales	45,495	29,300	133,077	86,742
Gross margin	17,117	7,949	47,238	20,102
Operating expenses:				
Selling, general and administrative expenses	18,302	15,312	52,026	53,825
Transaction expenses	—	1,819	13	1,913
Impairment expense	—	—	—	80,462
Research and development	1,532	1,133	3,990	4,565
Operating income (loss)	(2,717)	(10,315)	(8,791)	(120,663)
Interest expense, net	2,629	2,401	7,937	5,523
Other (income) expense, net	1,232	(158)	2,689	(14,493)
Income (loss) before income taxes	(6,578)	(12,558)	(19,417)	(111,693)
Income tax expense (benefit)	(253)	(2,135)	(369)	(6,949)
Net income (loss)	(6,325)	(10,423)	(19,048)	(104,744)
Net income (loss) attributable to noncontrolling interests	(72)	—	(73)	—
Net income (loss) attributable to Redwire Corporation	(6,253)	(10,423)	(18,975)	(104,744)
Less: dividends on Convertible Preferred Stock	2,874	—	12,040	—
Net income (loss) available to common shareholders	\$ (9,127)	\$ (10,423)	\$ (31,015)	\$ (104,744)
Net income (loss) per common share:				
Basic and diluted	\$ (0.14)	\$ (0.16)	\$ (0.48)	\$ (1.66)
Weighted-average shares outstanding:				
Basic and diluted	64,795,985	63,460,527	64,475,390	63,050,769
Comprehensive income (loss):				
Net income (loss) attributable to Redwire Corporation	\$ (6,253)	\$ (10,423)	\$ (18,975)	\$ (104,744)
Foreign currency translation gain (loss), net of tax	(860)	(177)	(304)	(663)
Total other comprehensive income (loss), net of tax	(860)	(177)	(304)	(663)
Total comprehensive income (loss)	\$ (7,113)	\$ (10,600)	\$ (19,279)	\$ (105,407)

REDWIRE CORPORATION
CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS
(Unaudited)
(In thousands of U.S. dollars)

	Nine Months Ended	
	September 30, 2023	September 30, 2022
Cash flows from operating activities:		
Net income (loss) attributable to Redwire Corporation	\$ (18,975)	\$ (104,744)
Net income (loss) attributable to noncontrolling interests	(73)	—
Net income (loss)	(19,048)	(104,744)
Adjustments to reconcile net income (loss) to net cash provided by (used in) operating activities:		
Depreciation and amortization expense	7,971	8,836
Amortization of debt issuance costs and discount	448	345
Equity-based compensation expense	6,317	8,672
(Gain) loss on change in fair value of committed equity facility	179	231
(Gain) loss on change in fair value of warrants	2,475	(16,005)
Deferred provision (benefit) for income taxes	(1,012)	(6,964)
Impairment expense	—	80,462
Non-cash lease expense	248	229
Non-cash interest expense	525	270
Other	157	143
Changes in assets and liabilities:		
(Increase) decrease in accounts receivable	2,031	(283)
(Increase) decrease in contract assets	(9,008)	(4,590)
(Increase) decrease in inventory	(221)	(1,362)
(Increase) decrease in prepaid insurance	936	(227)
(Increase) decrease in prepaid expenses and other assets	255	(803)
Increase (decrease) in accounts payable and accrued expenses	(2,202)	6,793
Increase (decrease) in deferred revenue	(2,734)	1,714
Increase (decrease) in operating lease liabilities	(241)	—
Increase (decrease) in other liabilities	(979)	454
Increase (decrease) in notes payable to sellers	(557)	—
Net cash provided by (used in) operating activities	(14,460)	(26,829)
Cash flows from investing activities:		
Purchases of property, plant and equipment, net	(3,524)	(2,793)
Purchase of intangible assets	(1,690)	(639)
Net cash provided by (used in) investing activities	(5,214)	(3,432)
Cash flows from financing activities:		
Proceeds received from debt	23,696	19,696
Repayments of debt	(19,890)	(4,489)
Payment of debt issuance fees to third parties	—	(1,147)
Repayment of finance leases	(282)	—
Proceeds from issuance of common stock	84	2,956
Payment of committed equity facility transaction costs	(571)	(161)
Payments of issuance costs related to convertible preferred stock	(52)	—
Shares repurchased for settlement of employee tax withholdings on share-based awards	(248)	—
Payment of contingent earnout	(443)	—
Net cash provided by (used in) financing activities	2,294	16,855
Effect of foreign currency rate changes on cash and cash equivalents	(77)	(86)
Net increase (decrease) in cash and cash equivalents	(17,457)	(13,492)
Cash and cash equivalents at beginning of period	28,316	20,523
Cash and cash equivalents at end of period	\$ 10,859	\$ 7,031

REDWIRE CORPORATION
Supplemental Non-GAAP Information
Unaudited

Adjusted EBITDA and Pro Forma Adjusted EBITDA

The following table presents the reconciliations of Adjusted EBITDA and Pro Forma Adjusted EBITDA to net income (loss), computed in accordance with U.S. GAAP.

(in thousands)	Three Months Ended		Nine Months Ended	
	September 30, 2023	September 30, 2022	September 30, 2023	September 30, 2022
Net income (loss)	\$ (6,325)	\$ (10,423)	\$ (19,048)	\$ (104,744)
Interest expense, net	2,629	2,402	7,937	5,523
Income tax expense (benefit)	(253)	(2,135)	(369)	(6,949)
Depreciation and amortization	2,887	1,776	7,971	8,836
Impairment expense	—	—	—	80,462
Acquisition deal costs (i)	—	1,819	13	1,913
Acquisition integration costs (i)	—	1,417	546	2,819
Purchase accounting fair value adjustment related to deferred revenue (ii)	—	40	15	106
Severance costs (iii)	62	5	382	468
Capital market and advisory fees (iv)	2,536	1,407	6,891	4,815
Litigation-related expenses (v)	249	256	317	2,824
Equity-based compensation (vi)	2,451	2,518	6,317	8,672
Committed equity facility transaction costs (vii)	245	194	179	964
Debt financing costs (viii)	—	102	17	102
Warrant liability change in fair value adjustment (ix)	464	(850)	2,475	(16,005)
Adjusted EBITDA	4,945	(1,472)	13,643	(10,194)
Pro forma impact on Adjusted EBITDA (x)	—	1,103	—	3,612
Pro Forma Adjusted EBITDA	\$ 4,945	\$ (369)	\$ 13,643	\$ (6,582)

- i. Redwire incurred acquisition costs including due diligence, integration costs and additional expenses related to pre-acquisition activity.
- ii. Redwire recorded adjustments related to the impact of recognizing deferred revenue at fair value as part of the purchase accounting for previous acquisitions.
- iii. Redwire incurred severance costs related to separation agreements entered into with former employees.
- iv. Redwire incurred capital market and advisory fees related to advisors assisting with transitional activities associated with becoming a public company and the internalization of corporate services.
- v. Redwire incurred expenses related to the 2021 Audit Committee investigation and resulting securities litigation.
- vi. Redwire incurred expenses related to equity-based compensation under Redwire's equity-based compensation plan.
- vii. Redwire incurred expenses related to the committed equity facility with B. Riley, which includes consideration paid to enter into the Purchase Agreement as well as changes in fair value recognized as a gain or loss during the respective periods.
- viii. Redwire incurred expenses related to debt financing agreements, including amendment related fees paid to third parties that are expensed in accordance with U.S. GAAP.
- ix. Redwire adjusted the private warrant liability to reflect changes in fair value recognized as a gain or loss during the respective periods.
- x. Pro forma impact is computed in a manner consistent with the concepts of Article 8 of Regulation S-X and 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 periods presented, the pro forma impact included the results of Space NV.

Free Cash Flow

The following table presents the reconciliation of Free Cash Flow to Net cash provided by (used in) operating activities, computed in accordance with U.S. GAAP.

(in thousands)	Three Months Ended		Nine Months Ended	
	September 30, 2023	September 30, 2022	September 30, 2023	September 30, 2022
Net cash provided by (used in) operating activities	\$ (3,256)	\$ (11,245)	\$ (14,460)	\$ (26,829)
Less: Capital expenditures	(2,666)	(1,359)	(5,214)	(3,432)
Free Cash Flow	\$ (5,922)	\$ (12,604)	\$ (19,674)	\$ (30,261)

Comparable Revenues

The following table presents the reconciliation of Comparable Revenues to Revenues, computed in accordance with U.S. GAAP.

(in thousands)	Three Months Ended		Nine Months Ended	
	September 30, 2023	September 30, 2022	September 30, 2023	September 30, 2022
Revenues	\$ 62,612	\$ 37,249	\$ 180,315	\$ 106,844
Acquisition-related revenues:				
Space NV	(13,515)	—	(40,025)	—
Comparable Revenues	\$ 49,097	\$ 37,249	\$ 140,290	\$ 106,844

REDWIRE CORPORATION
KEY PERFORMANCE INDICATORS
Unaudited

Book-to-Bill

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

(in thousands, except ratio)	Three Months Ended		Last Twelve Months	
	September 30, 2023	September 30, 2022	September 30, 2023	September 30, 2022
Contracts awarded	\$ 46,523	\$ 34,042	\$ 322,837	\$ 185,480
Revenues	62,612	37,249	234,020	147,919
Book-to-bill ratio	0.74	0.91	1.38	1.25

Book-to-bill is the ratio of total contracts awarded to revenues recorded in the same period. The contracts awarded balance includes firm contract orders, including time and material contracts, 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 contracts awarded in a given period to exceed the revenue recorded, thus yielding a book-to-bill ratio greater than 1.0.

Our book-to-bill ratio was 0.74 for the three months ended September 30, 2023, as compared to 0.91 for the three months ended September 30, 2022. For both the three months ended September 30, 2023 and 2022, none of the contracts awarded balance relates to acquired contract value.

Our book-to-bill ratio was 1.38 for the LTM ended September 30, 2023, as compared to 1.25 for the LTM ended September 30, 2022. For the LTM ended September 30, 2023, contracts awarded includes acquired contract value from the Space NV acquisition, which was completed in the fourth quarter of 2022. For the LTM ended September 30, 2022, contracts awarded includes acquired contract value from the Techshot, Inc. acquisition, which was completed in the fourth quarter of 2021.

Backlog

The following table presents our contracted backlog as of September 30, 2023 and December 31, 2022, and related activity for the three months ended September 30, 2023 as compared to the year ended December 31, 2022.

(in thousands)	September 30, 2023	December 31, 2022
Organic backlog, beginning balance	\$ 184,912	\$ 139,742
Organic additions during the period	97,252	194,539
Organic revenue recognized during the period	(140,291)	(148,891)
Foreign currency translation	(46)	(478)
Organic backlog, ending balance	141,827	184,912
Acquisition-related contract value, beginning balance	128,145	—
Acquisition-related contract value acquired during the period	—	109,765
Acquisition-related additions during the period	24,581	22,731
Acquisition-related revenue recognized during the period	(40,025)	(11,658)
Foreign currency translation	(1,098)	7,307
Acquisition-related backlog, ending balance	111,603	128,145
Contracted backlog, ending balance	\$ 253,430	\$ 313,057

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 \$30.1 million and \$37.4 million in remaining contract value from time and materials contracts as of September 30, 2023 and as of December 31, 2022, respectively.

Organic 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. The acquisition-related contract backlog activity presented in the table above includes only the contracted backlog of Space NV. 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.

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 expects all amounts reflected in contracted backlog to ultimately be fully funded. Contracted backlog from foreign operations in Luxembourg and Belgium was \$113.7 million and \$129.9 million as of September 30, 2023 and December 31, 2022, respectively. These amounts are subject to foreign exchange rate translations 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.

