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

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**FORM 8-K**

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

April 3, 2025  
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)

**88-1818410**  
(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)

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligations 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, \$0.0001 par value per share	RDW	New York Stock Exchange

Indicate by check mark whether the registrant is an emerging growth company as defined in Rule 405 of the Securities Act of 1933 (§230.405 of this chapter) or Rule 12b-2 of the Securities Exchange Act of 1934 (§240.12b-2 of this chapter).

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.

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### **Item 8.01 – Other Events**

As previously disclosed, on January 20, 2025, Redwire Corporation (“Redwire” or the “Company”) entered into an Agreement and Plan of Merger (as amended on February 3, 2025, the “Merger Agreement”) with Edge Autonomy Ultimate Holdings, LP, a Delaware limited partnership, Edge Autonomy Intermediate Holdings, LLC, a Delaware limited liability company (together with its subsidiaries, “Edge Autonomy”), Echelon Merger Sub, Inc., a Delaware corporation and a direct wholly-owned subsidiary of Redwire, and Echelon Purchaser, LLC, a Delaware limited liability company and a direct wholly-owned subsidiary of Redwire, pursuant to which Redwire will, via the mergers set forth in the Merger Agreement, acquire Edge Autonomy, a leading provider of field-proven uncrewed airborne system technology.

This Current Report on Form 8-K is being filed to include the financial statements and pro forma financial information under Item 9.01 of Form 8-K in connection with the potential acquisition of Edge Autonomy by Redwire.

### **Item 9.01 - Financial Statements and Exhibits**

(a) *Financial statements of businesses to be acquired.*

The audited consolidated financial statements of Edge Autonomy as of and for the year ended December 31, 2024, together with the accompanying Report of Independent Auditors are filed as Exhibit 99.1 to this Current Report on Form 8-K and incorporated herein by reference.

(b) *Pro forma financial information.*

The unaudited pro forma financial information of the Company giving effect to the proposed acquisition is filed as Exhibit 99.2 to this Current Report on Form 8-K and incorporated herein by reference.

- Unaudited Pro Forma Condensed Combined Consolidated Balance Sheet as of December 31, 2024
- Unaudited Pro Forma Condensed Combined Consolidated Statement of Operations for the year ended December 31, 2024
- Notes to Unaudited Pro Forma Condensed Combined Consolidated Financial Statements

The pro forma financial information included in this Current Report on Form 8-K is required pursuant to Article 8 and Article 11 of Regulation S-X. The amounts included in the pro forma information are based on the historical results of the Company and Edge Autonomy and may not be indicative of combined results that would have been realized had the acquisition of Edge Autonomy occurred as of the dates indicated or that may be achieved in the future.

(d) *Exhibits.*

<b>Exhibit No.</b>	<b>Description</b>
23.1	<a href="#">Consent of PwC, Independent Auditor of Edge Autonomy.</a>
99.1	<a href="#">Audited consolidated financial statements of Edge Autonomy Intermediate Holdings, LLC and its subsidiaries as of December 31, 2024 and 2023 and for the years ended December 31, 2024, 2023 and 2022.</a>
99.2	<a href="#">Unaudited Pro Forma Condensed Combined Balance Sheet of Redwire Corporation and Edge Autonomy Intermediate Holdings, LLC as of December 31, 2024 and the Unaudited Pro Forma Condensed Combined Statement of Operations and Comprehensive Income (Loss) of Redwire Corporation and Edge Autonomy Intermediate Holdings, LLC for the year ended December 31, 2024.</a>
104	Cover Page Interactive Data File (embedded within the Inline XBRL document).

### **Additional Information and Where to Find It**

Redwire will file with the U.S. Securities and Exchange Commission (the “SEC”) a proxy statement relating to a special meeting of Redwire’s stockholders (the “proxy statement”). STOCKHOLDERS ARE URGED TO CAREFULLY READ THE PROXY STATEMENT AND ANY OTHER RELEVANT DOCUMENTS TO BE FILED WITH THE SEC IN THEIR ENTIRETY WHEN THEY BECOME AVAILABLE BECAUSE THEY WILL CONTAIN IMPORTANT INFORMATION ABOUT REDWIRE, EDGE AUTONOMY, THE TRANSACTION AND RELATED MATTERS. Stockholders will be able to obtain free copies of the proxy statement and other documents filed with the SEC by the parties through the website maintained by the SEC at [www.sec.gov](http://www.sec.gov). In addition, investors and stockholders will be able to obtain free copies of the proxy statement and other documents filed with the SEC by the parties on the investor relations section of Redwire’s website at [redwirespace.com](http://redwirespace.com).

### **Participants in the Solicitation**

Redwire and its directors and executive officers may be deemed to be participants in the solicitation of proxies from the stockholders of Redwire in respect of the proposed business combination contemplated by the proxy statement. Information regarding the persons who are, under the rules of the SEC, participants in the solicitation of the stockholders of Redwire, respectively, in connection with the proposed business combination, including a description of their direct or indirect interests, by security holdings or otherwise, will be set forth in the proxy statement when it is filed with the SEC. Information regarding Redwire's directors and executive officers is contained in Redwire's Annual Report on Form 10-K for the year ended December 31, 2024 and its Proxy Statement on Schedule 14A, dated April 22, 2024, which are filed with the SEC.

### **No Offer or Solicitation**

This communication is not intended to and does not constitute an offer to sell or the solicitation of an offer to subscribe for or buy or an invitation to purchase or subscribe for any securities or the solicitation of any vote in any jurisdiction pursuant to the proposed business combination or otherwise, nor shall there be any sale, issuance or transfer of securities in any jurisdiction in contravention of applicable law.

### **Forward-Looking Statements**

Readers are cautioned that the statements contained in this communication regarding expectations of our performance or other matters that may affect our or the combined company's 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 communication, including statements regarding our or the combined company's strategy, financial projections, including the prospective financial information provided in this communication, financial position, funding for continued operations, cash reserves, liquidity, projected costs, plans, projects, awards and contracts, and objectives of management, the entry into the potential business combination, the expected benefits from the proposed business combination, the expected performance of the combined company, the expectations regarding financing the proposed business combination, among others, are forward-looking statements. Words such as "expect," "anticipate," "should," "believe," "target," "continued," "project," "plan," "opportunity," "estimate," "potential," "predict," "demonstrates," "may," "will," "could," "intend," "shall," "possible," "forecast," "trends," "contemplate," "would," "approximately," "likely," "outlook," "schedule," "pipeline" 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, increased labor costs, 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) Redwire's limited operating history and history of losses to date as well as the limited operating history of Edge Autonomy and the relatively novel nature of the drone industry; (4) the inability to successfully integrate recently completed and future acquisitions, including the proposed business combination with Edge Autonomy, as well as the failure to realize the anticipated benefits of the transaction or to realize estimated projected combined company results; (5) the development and continued refinement of many of Redwire's and the combined company's proprietary technologies, products and service offerings; (6) competition with new or existing companies; (7) the possibility that Redwire's expectations and assumptions relating to future results and projections with respect to Redwire or Edge Autonomy may prove incorrect; (8) adverse publicity stemming from any incident or perceived risk involving Redwire, Edge Autonomy, the combined company or their competitors; (9) unsatisfactory performance of our and the combined company's products resulting from challenges in the space environment, extreme space weather events, the environments in which drones operate, including in combat or other areas where hostilities may occur, or otherwise; (10) the emerging nature of the market for in-space infrastructure services and the market for drones and related services; (11) inability to realize benefits from new offerings or the application of our or the combined company's technologies; (12) the inability to convert orders in backlog into revenue; (13) our and the combined company's dependence on U.S. and foreign government contracts, which are only partially funded and subject to immediate termination, which may be affected by changes in government program requirements, spending priorities or budgetary constraints, including government shutdowns, or which may be influenced by the level of military activities and related spending with respect to ongoing or future conflicts, including the war in Ukraine; (14) the fact that we are and the combined company will be subject to stringent economic sanctions and trade control laws and regulations; (15) the need for substantial additional funding to finance our and the combined company's operations, which may not be available when needed, on acceptable terms or at all; (16) the dilution of existing holders of our common stock that will result from the issuance of additional shares of common stock as consideration for the acquisition of Edge Autonomy, as well as the issuance of common stock in any offering that may be undertaken in connection with such acquisition; (17)

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; (18) the ability to achieve the conditions to cause, or timing of, any mandatory conversion of the Series A Convertible Preferred stock into common stock; (19) the fact that AE Industrial Partners, LP, a Delaware limited partnership, and its affiliates and BCC Redwire Aggregator, L.P., a Delaware limited partnership, have significant influence over us, which could limit your ability to influence the outcome of key transactions; (20) 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; (21) the fact that 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; (22) the possibility of sales of a substantial amount of our common stock by our current stockholders, as well as the equity owners of Edge Autonomy following consummation of the transaction, which sales could cause the price of our common stock to fall; (23) the impact of the issuance of additional shares of Series A Convertible Preferred Stock as paid-in-kind dividends on the price and market for our common stock; (24) the volatility of the trading price of our common stock; (25) risks related to short sellers of our common stock; (26) Redwire's or the combined company's inability to report our financial condition or results of operations accurately or timely as a result of identified material weaknesses in internal control over financial reporting, as well as the possible need to expand or improve Edge Autonomy's financial reporting systems and controls; (27) the possibility that the closing conditions under the Merger Agreement necessary to consummate the merger between Redwire and Edge Autonomy will not be satisfied; (28) the effect of any announcement or pendency of the proposed business combination on Redwire's or Edge Autonomy's business relationships, operating results and business generally; (29) risks that the proposed business combination disrupts current plans and operations of Redwire or Edge Autonomy; (30) the ability of Redwire or the combined company to raise financing in connection with the proposed business combination or to finance its operations in the future; (31) the impact of any increase in the combined company's indebtedness incurred to fund working capital or other corporate needs, including the repayment of Edge Autonomy's outstanding indebtedness and transaction expenses incurred to acquire Edge Autonomy, as well as debt covenants that may limit the combined company's activities, flexibility or ability to take advantage of business opportunities, and the effect of debt service on the availability of cash to fund investment in the business; (32) the ability to implement business plans, forecasts and other expectations after the completion of the proposed transaction, and identify and realize additional opportunities; (33) costs related to the transaction; (34) the significant portion of Edge Autonomy's revenues which result from sales to customers in Ukraine, which sales have been declining and may continue to decline in the event that the war and hostilities in Ukraine end, decline or change; and (35) 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 Redwire. The forward-looking statements contained in this communication 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 communication are made as of the date of this communication, and Redwire 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 communication are cautioned not to place undue reliance on forward-looking statements.

**SIGNATURES**

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

Dated: April 3, 2025

**Redwire Corporation**

By: /s/ Jonathan Baliff

Name: Jonathan Baliff

Title: Chief Financial Officer and Director

CONSENT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

We hereby consent to the incorporation by reference in the Registration Statements on Form S-3 (Nos. 333-274375, 333-264442, 333-265643 and 333-259755) and on Form S-8 (No. 333-260661) of Redwire Corporation of our report dated April 2, 2025 relating to the financial statements of Edge Autonomy Intermediate Holdings, LLC, which appears in this Current Report on Form 8-K.

/s/ PricewaterhouseCoopers LLP

Los Angeles, California  
April 3, 2025

**Edge Autonomy Intermediate  
Holdings, LLC and Subsidiaries**  
Consolidated Financial Statements  
December 31, 2024 and 2023 and for the  
Years Ended December 31, 2024, 2023 and 2022

## Edge Autonomy Intermediate Holdings, LLC and Subsidiaries

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## **Report of Independent Auditors**

To the Management and Board of Directors of Edge Autonomy Intermediate Holdings, LLC

### ***Opinion***

We have audited the accompanying consolidated financial statements of Edge Autonomy Intermediate Holdings, LLC and its subsidiaries (the “Company”), which comprise the consolidated balance sheets as of December 31, 2024 and 2023, and the related consolidated statements of comprehensive income (loss), of members’ equity and of cash flows for the years ended December 31, 2024, 2023 and 2022, including the related notes (collectively referred to as the “consolidated financial statements”).

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the financial position of the Company as of December 31, 2024 and 2023, and the results of its operations and its cash flows for the years ended December 31, 2024, 2023 and 2022 in accordance with accounting principles generally accepted in the United States of America.

### ***Basis for Opinion***

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (US GAAS). Our responsibilities under those standards are further described in the Auditors’ Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are required to be independent of the Company and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

### ***Responsibilities of Management for the Consolidated Financial Statements***

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Company’s ability to continue as a going concern for one year after the date the consolidated financial statements are available to be issued.



### ***Auditors' Responsibilities for the Audit of the Consolidated Financial Statements***

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with US GAAS will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the consolidated financial statements.

In performing an audit in accordance with US GAAS, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the consolidated financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the consolidated financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Company's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

*PricewaterhouseCoopers LLP*

April 2, 2025

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**Edge Autonomy Intermediate Holdings, LLC and Subsidiaries**  
**Consolidated Balance Sheets**  
**December 31, 2024 and 2023**

	2024	2023
<b>Assets</b>		
Current assets		
Cash	\$ 50,410,848	\$ 58,426,639
Restricted cash	5,529,866	-
Accounts receivable, net of allowance for credit losses of \$33,000 and \$32,000, respectively	13,237,725	12,678,982
Inventories	35,725,707	38,276,084
Prepaid expenses and other current assets	5,395,630	5,387,709
Total current assets	<u>110,299,776</u>	<u>114,769,414</u>
Property and equipment, net	17,552,409	10,089,840
Operating lease right-of-use assets	9,593,919	4,927,838
Deferred tax asset	9,065,856	3,725,336
Customer relationships, net	18,627,518	20,637,867
Technology, net	9,613,979	11,651,047
Other intangible assets, net	1,218,873	1,335,467
Goodwill	32,087,993	32,892,655
Other noncurrent assets	660,100	186,792
Total assets	<u>\$ 208,720,423</u>	<u>\$ 200,216,256</u>
<b>Liabilities and Members' Equity</b>		
Current liabilities		
Accounts payable	\$ 3,971,918	\$ 6,492,031
Accrued expenses	10,823,451	10,449,945
Deferred revenue	34,267,158	50,789,069
Short-term operating lease liabilities	1,142,963	2,032,440
Other current liabilities	2,420,111	4,096,984
Total current liabilities	<u>52,625,601</u>	<u>73,860,469</u>
Long-term debt, net	69,062,748	65,463,793
Long-term operating lease liabilities	8,824,680	3,168,279
Other noncurrent liabilities	1,049,195	1,368,226
Total liabilities	<u>131,562,224</u>	<u>143,860,767</u>
Members' equity		
Units, no par; 100 units authorized, issued and outstanding as of December 31, 2024 and 2023; respectively	53,416,146	43,711,146
Retained earnings	30,955,462	15,182,315
Accumulated other comprehensive loss	(7,213,409)	(2,537,972)
Members' equity	<u>77,158,199</u>	<u>56,355,489</u>
Total liabilities and members' equity	<u>\$ 208,720,423</u>	<u>\$ 200,216,256</u>

The accompanying notes are an integral part of these consolidated financial statements.

**Edge Autonomy Intermediate Holdings, LLC and Subsidiaries**  
**Consolidated Statements of Comprehensive Income (Loss)**  
**Years Ended December 31, 2024, 2023 and 2022**

	2024	2023	2022
Revenue	\$ 194,983,227	\$ 151,645,425	\$ 49,186,486
Cost of sales	<u>100,113,077</u>	<u>84,131,257</u>	<u>23,714,707</u>
Gross profit	94,870,150	67,514,168	25,471,779
Operating expenses			
Selling, general and administrative expenses	47,550,034	31,244,621	17,453,669
Research and development expenses	14,952,495	6,699,212	3,669,484
Transaction expenses	<u>3,132,171</u>	<u>82,810</u>	<u>1,994,131</u>
Income from operations	29,235,450	29,487,525	2,354,495
Other expenses			
Interest expense, net	6,295,699	6,087,930	2,743,266
Other expense, net	2,577,004	1,518,830	317,606
Gain on contingent consideration	<u>-</u>	<u>-</u>	<u>2,900,000</u>
Income before income taxes	20,362,747	21,880,765	2,193,623
Provision for income taxes	<u>4,589,600</u>	<u>109,346</u>	<u>207,699</u>
Net income	15,773,147	21,771,419	1,985,924
Other comprehensive income			
Net foreign currency translation adjustment	<u>(4,675,437)</u>	<u>1,771,606</u>	<u>(2,007,519)</u>
Comprehensive income (loss)	<u>\$ 11,097,710</u>	<u>\$ 23,543,025</u>	<u>\$ (21,595)</u>

The accompanying notes are an integral part of these consolidated financial statements.

**Edge Autonomy Intermediate Holdings, LLC and Subsidiaries**  
**Consolidated Statements of Members' Equity**  
**Years Ended December 31, 2024, 2023 and 2022**

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	Units		Retained Earnings (Accumulated Deficit)	Accumulated Other Comprehensive Loss	Total Members' Equity
	Units	Amount			
<b>Balances at December 31, 2021</b>	100	\$ 38,798,793	\$ (8,575,028)	\$ (2,302,059)	\$ 27,921,706
Net income	-	-	1,985,924	-	1,985,924
Capital contribution	-	1,912,353	-	-	1,912,353
Rollover equity	-	3,000,000	-	-	3,000,000
Foreign currency translation	-	-	-	(2,007,519)	(2,007,519)
<b>Balances at December 31, 2022</b>	100	43,711,146	(6,589,104)	(4,309,578)	32,812,464
Net income	-	-	21,771,419	-	21,771,419
Foreign currency translation	-	-	-	1,771,606	1,771,606
<b>Balances at December 31, 2023</b>	100	43,711,146	15,182,315	(2,537,972)	56,355,489
Net income	-	-	15,773,147	-	15,773,147
Share-based compensation	-	9,705,000	-	-	9,705,000
Foreign currency translation	-	-	-	(4,675,437)	(4,675,437)
<b>Balances at December 31, 2024</b>	100	\$ 53,416,146	\$ 30,955,462	\$ (7,213,409)	\$ 77,158,199

The accompanying notes are an integral part of these consolidated financial statements.



**Edge Autonomy Intermediate Holdings, LLC and Subsidiaries**  
**Consolidated Statements of Cash Flows**  
**Years Ended December 31, 2024, 2023 and 2022**

	2024	2023	2022
<b>Cash flows from operating activities</b>			
Net income	\$ 15,773,147	\$ 21,771,419	\$ 1,985,924
Adjustments to reconcile net income to net cash provided by operating activities			
Depreciation and amortization	6,118,971	5,275,328	4,359,132
Share-based compensation expense	9,705,000	-	-
Amortization of deferred financing costs	472,383	320,359	-
Inventory write-off	-	5,781,243	-
Loss on disposal of property and equipment	210,718	707,453	-
Gain on contingent consideration	-	-	(2,900,000)
Change in operating lease right-of-use assets	2,826,246	1,785,795	1,413,320
Deferred taxes	(5,340,520)	(1,755,792)	45,739
Paid-in-kind interest	2,806,572	3,268,428	-
Inventory obsolescence	940,431	(167,476)	333,605
Changes in operating assets and liabilities			
Accounts receivable	(558,743)	(10,683,789)	493,631
Inventories	1,609,946	(18,000,391)	(13,736,459)
Prepaid expenses and other current assets	(7,921)	(3,665,742)	(695,114)
Operating lease liabilities	(2,490,410)	(1,823,369)	(1,102,866)
Accounts payable	(2,520,113)	3,148,357	1,103,109
Accrued expenses and other current liabilities	(1,303,367)	7,627,955	4,568,054
Other noncurrent liabilities	(59,805)	(24,725)	(4,407)
Deferred revenue	(16,521,911)	24,149,663	21,175,452
Other assets, net	16,855	279,975	(360,122)
Net cash provided by operating activities	<u>11,677,479</u>	<u>37,994,691</u>	<u>16,678,998</u>
<b>Cash flows from investing activities</b>			
Purchases of property and equipment	(11,129,458)	(6,016,696)	(3,346,966)
Business acquisitions, net of cash received	-	-	(12,971,441)
Net cash used in investing activities	<u>(11,129,458)</u>	<u>(6,016,696)</u>	<u>(16,318,407)</u>
<b>Cash flows from financing activities</b>			
Proceeds from Goldman Note	-	-	17,000,000
Proceeds from term loans	30,000,000	22,500,000	-
Proceeds from sale of common units	-	-	1,445,000
Parent contribution	-	-	467,353
Repayment of Goldman Note	(28,730,000)	(20,703,672)	-
Payment for deferred financing costs	(950,000)	(2,171,322)	-
(Payment for) proceeds from equipment financing	(278,895)	845,952	487,520
Net cash provided by financing activities	<u>41,105</u>	<u>470,958</u>	<u>19,399,873</u>
Effect of exchange rate changes on cash and restricted cash	(3,075,051)	(168,818)	(399,726)
Net (decrease) increase in cash and restricted cash	<u>(2,485,925)</u>	<u>32,280,135</u>	<u>19,360,738</u>
<b>Cash and restricted cash</b>			
Beginning of year	58,426,639	26,146,504	6,785,766
End of year	<u>\$ 55,940,714</u>	<u>\$ 58,426,639</u>	<u>\$ 26,146,504</u>
<b>Supplemental disclosure of cash flow information</b>			
Cash paid during the year for interest	\$ 3,619,506	\$ 2,287,861	\$ 2,453,746
Cash paid for income taxes	9,253,430	26,559	161,959

Restricted cash	5,529,866	-	-
Noncash financing and investing activities			
Fair value of rollover units	-	-	3,000,000

The accompanying notes are an integral part of these consolidated financial statements.

# Edge Autonomy Intermediate Holdings, LLC and Subsidiaries

## Notes to Consolidated Financial Statements

December 31, 2024 and 2023 and for the Years Ended December 31, 2024, 2023 and 2022

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### 1. Organization and Nature of Operation

Edge Autonomy Intermediate Holdings, LLC and its subsidiaries (the "Company"), is a Delaware limited liability company that conducts business primarily in the aerospace and defense industry. The Company designs and manufactures highly engineered autonomous and un-crewed systems and related technologies for use in various military, civil, and academic applications. The Company's principal place of business and headquarters is in San Luis Obispo, CA. The Company leverages its engineering expertise to develop innovative solutions spanning flight control, advanced sensors, and ground support systems, among other areas, supporting a diverse customer base that includes US government agencies, allied foreign governments, and commercial organizations.

### 2. Basis of Presentation and Summary of Significant Accounting Policies

#### Basis of Presentation

The accompanying consolidated financial statements are prepared in accordance with United States Generally Accepted Accounting Principles ("U.S. GAAP").

The accompanying consolidated financial statements of Edge Autonomy Intermediate Holdings, LLC, include the accounts of its wholly-owned subsidiaries Edge Autonomy Intermediate II Holdings, LLC, Edge Autonomy Holdings, LLC, Edge Autonomy Operations, LLC, Edge Autonomy, LLC, Edge Autonomy SLO, LLC, Edge Autonomy Bend, LLC, Edge Autonomy Riga, SIA, Edge Autonomy Energy Systems, LLC, and Edge Autonomy Huntsville, LLC. The operating results of these wholly-owned subsidiaries are included in the consolidated financial statements from the effective date of their acquisition or formation if not acquired in a business acquisition, and all intercompany balances and transactions have been eliminated in the Company's consolidated financial statements.

#### Use of Estimates

The preparation of the consolidated financial statements in conformity with US GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities as of the date of the financial statements and the reported amounts of revenues and expenses during the reporting periods. Management evaluates its estimates and assumptions on an ongoing basis using historical experience and other factors that management believes to be reasonable under the circumstances, including the current economic environment. Management adjusts such estimates and assumptions when facts and circumstances dictate. Actual results may differ from those estimates. Accounting policies subject to estimates include but are not limited to, valuation of assets acquired and liabilities assumed in business combinations, incremental borrowing rates, the valuation of goodwill and intangible assets, variable consideration, estimates-at-completion and income taxes.

#### Concentration of Credit Risk

The Company does not believe it has significant exposure to credit risk, as the majority of accounts receivable are due from US and foreign government entities or their prime contractors. As a result, the allowance for credit losses was not material as of December 31, 2024, and 2023.

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The following customers made up 10% or more of revenues during each of the following periods:

	2024	2023	2022
<b>Revenue</b>			
Customer A**	37 %	-	-
Customer B	19 %	16 %	38 %
Customer D**	-	15 %	-
Customer G**	-	22 %	-

\*\* While revenue may have been generated during each of the periods presented, amounts are only disclosed for the periods in which revenues represented 10% or more of total revenue.

The following customers made up 10% or more of accounts receivable, net during each of the following periods:

	2024	2023
<b>Accounts receivable, net</b>		
Customer A	32 %	25 %
Customer C*	45 %	-
Customer D*	-	16 %
Customer E*	-	22 %

\* While accounts receivable, net may have been outstanding for each of the periods presented, amounts are only disclosed for the periods in which accounts receivable represented 10% or more of the total outstanding balance.

The following customers made up 10% or more of accounts payable during each of the following periods:

	2024	2023
<b>Accounts payable</b>		
Vendor A*	-	16 %
Vendor B	12 %	11 %
Vendor C*	12 %	-
Vendor D*	10 %	-

\* While accounts payable may have been outstanding for each of the periods presented, amounts are only disclosed for the periods in which accounts payable represented 10% or more of the total outstanding balance.



## Edge Autonomy Intermediate Holdings, LLC and Subsidiaries

### Notes to Consolidated Financial Statements

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#### Cash

The Company maintains cash in accounts with several high-credit quality financial institutions, including some outside the United States (US). At times, these balances may exceed the Federal Deposit Insurance Corporation's (FDIC) federally insured limits. Similarly, the cash held outside the US may exceed the amount covered by insurance for those specific accounts. As of December 31, 2024, and 2023, cash on deposit with financial institutions in the US was \$28,736,915 and \$15,446,398, respectively, while cash on deposit with financial institutions outside the US was \$21,673,933 and \$42,980,241, respectively. The Company has not experienced losses in these accounts and does not believe it is exposed to significant risk of loss.

#### Restricted Cash

The Company classifies cash accounts that are not available for general use as restricted cash which is held at the Edge Autonomy Riga, SIA subsidiary in Riga, Latvia. Pursuant to contracts held with the Lithuania Ministry of Defense, effective in 2024, the Company maintains an escrow account for performance and advance payment guarantees which is legally restricted for withdrawal and usage. Amounts held in escrow may be subject to final price adjustments upon delivery and acceptance of the related performance obligations by the agency and are expected to be released from restriction in 2025.

The following table provides a reconciliation of cash and restricted cash reported on the consolidated balance sheets to the consolidated statements of cash flows for the following periods:

	<u>December 31,</u>	
	<u>2024</u>	<u>2023</u>
Cash	\$ 50,410,848	\$ 58,426,639
Restricted cash	<u>5,529,866</u>	<u>-</u>
Total cash and restricted cash	<u>\$ 55,940,714</u>	<u>\$ 58,426,639</u>

#### Accounts Receivable, Net

The Company extends credit to customers in the normal course of business. Accounts receivable are recorded at invoiced amounts less an allowance for credit losses, which reflects the Company's estimate of expected credit losses over the contractual life of the receivable in accordance with Accounting Standards Codification (ASC) 326, *Financial Instruments – Credit Losses*.

Management evaluates the ability to collect accounts receivable based on a combination of factors. In establishing the required allowance, management considers historical losses adjusted to take into account current market conditions, the counterparties' financial condition, the amount of receivables in dispute, and the current receivables aging and payment patterns. Past-due balances are reviewed individually for collectability. Account balances are charged off against the allowance after all means of collection have been exhausted and the potential for recovery is considered remote.

The Company's accounts receivable primarily consist of balances due from US government agencies, allied foreign governments, and large government contracting companies. Receivables typically have payment terms ranging from 30 to 60 days from the invoice date.

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Accounts receivables are recorded for amounts to which the Company is entitled and has invoiced to the customer. As of December 31, 2024, and 2023, the Company had no significant unbilled receivables. Substantially, all accounts receivable as of December 31, 2024, are expected to be collected in 2025.

**Inventories**

Inventories primarily consist of finished goods, work-in-progress, raw materials, and packaging materials, which are stated at a lower of cost or net realizable value. The cost of inventories is calculated using the weighted average or specific identification method which approximates actual cost.

The Company's policy for the valuation of inventory, including the determination of obsolete or excess inventory, requires performing a detailed assessment of inventory at each balance sheet date, which includes a review of, among other factors, an estimate of future demand for products within specific time horizons, valuation of existing inventory, as well as product lifecycle and product development plans. Inventory reserves are also provided to cover risks arising from slow-moving items. The Company writes down inventory for estimated obsolescence or unmarketable inventory equal to the difference between the cost of inventory and the estimated net realizable value based on assumptions about future demand and market conditions which is recognized within cost of sales. As of December 31, 2024, and 2023, the reserve was approximately \$1,106,560 and \$166,129, respectively.

**Property and Equipment, Net**

Property and equipment are stated at acquisition cost, less accumulated depreciation or accumulated amortization or at fair market value as of the date of a business combination. Maintenance and repairs are charged to expense as incurred while the cost of additions and betterments that increase the useful lives of assets are capitalized. Depreciation on property and equipment and amortization on leasehold improvements is calculated on a straight-line basis over the estimated useful lives of the related assets as follows:

Machinery and equipment	3-7 years
Computer equipment and purchased software	2-5 years
Furniture and fixtures	3-7 years
Other fixed assets	2-5 years
Leasehold improvements	Lesser of useful life or lease term

The Company records depreciation on property and equipment within cost of sales or selling, general and administrative expenses in the consolidated statements of comprehensive income (loss) based on the asset's function. The Company reviews the carrying values of its long-lived assets for impairment when events or changes in circumstances indicate the carrying amount of the assets (or asset group) may not be recoverable. Impairment is measured by comparing the carrying value of the long-lived assets to the estimated undiscounted future cash flows expected to result from use of the assets and their ultimate disposition. In circumstances where impairment is determined to exist, the Company will write down the asset to the fair value based on the present value of estimated expected future cash flows. The Company determined that no impairment of

long-lived assets existed for any of the years presented.



## Edge Autonomy Intermediate Holdings, LLC and Subsidiaries

### Notes to Consolidated Financial Statements

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#### Intangible Assets, Net

Intangible assets were acquired from the Company's business combinations and are recorded at fair value as of the date of acquisition. The definite-lived intangible assets subject to amortization are amortized using the straight-line method over the estimated useful lives of the assets, which are as follows:

Intangible Asset	Useful Life (Years)
Customer relationships	15-20
Technology	7-20
Patents	3-5
Trademark	1

The Company reviews intangible assets for impairment when events or circumstances indicate that the carrying value of the asset may not be recoverable. If the estimated undiscounted future cash flows related to the asset or asset group are less than the carrying value, the Company recognizes a loss equal to the difference between the carrying value and the estimated fair value within the consolidated statements of comprehensive income (loss). No indicators of impairment were noted during any of the years presented.

#### Goodwill

Goodwill represents the excess of the purchase price over the fair value of the identifiable net assets acquired. Goodwill is reviewed for impairment at least annually on December 31st or when events or circumstances change in a manner that indicates goodwill might be impaired. An entity is permitted to first assess qualitative factors to determine whether a quantitative impairment test is necessary. Further testing is only required if the entity determines, based on the qualitative assessment, that it is more-likely-than-not that the fair value is less than its carrying amount. If the Company determines that the fair value of its reporting unit is less than the carrying value, a goodwill impairment loss is recognized in the amount equal to the excess of the reporting unit's carrying value over its fair value, up to the amount of goodwill allocated to the reporting unit. The Company estimates the fair value of goodwill for its reporting units using a discounted cash flow model as well as a market approach. The Company has four reporting units which are also operating segments. No indicators of impairment were noted during any of the years presented.

#### Leases

The Company leases office space, warehousing space, vehicles and manufacturing space under agreements that are classified as operating leases. The Company determined if a contract contains a lease at inception of the arrangement based on if there is a right to obtain substantially all of the economic benefits from the use of an identified asset and whether there is a right to direct the use of an identified asset in exchange for consideration, which relates to an asset which the Company does not own. Operating lease right-of-use assets represent the right to use an underlying asset for the lease term and operating lease liabilities represent the obligation to make lease payments arising from the lease. Operating lease liabilities are recognized at the present value of the future lease payments at the lease commencement date. Lease payments may be fixed or variable; however, only fixed payments or in-substance fixed payments are included in the lease liability calculation.

## **Edge Autonomy Intermediate Holdings, LLC and Subsidiaries**

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Some of the Company's real estate lease agreements contain incentives for tenant improvements or rent holidays or rent escalation clauses. For tenant improvement incentives, if the incentive is determined to be a leasehold improvement owned by the lessee, the Company generally records incentive as a reduction to fixed lease payments thereby reducing rent expense. For rent holidays and rent escalation clauses during the lease term, the Company records rental expense on a straight-line basis over the term of the lease. For these lease incentives, the Company uses the date of initial possession as the commencement date, which is generally when the Company is given the right of access to the space and begins to make improvements in preparation for intended use.

The Company has elected the accounting policy to include both lease and nonlease components into a single component and account for it as a lease. The Company has also elected the short-term lease recognition exemption for all leases with a lease term of 12 months or less at the time of commencement.

The Company defines the initial lease term to include renewal options determined to be reasonably certain. If the Company determines the option to extend or terminate is reasonably certain, it is included in determining right-of-use assets and lease liabilities. The Company has no material restrictions or covenants in its lease agreements, sale-leaseback transactions, land easements, or residual value guarantees.

In determining the inputs to the incremental borrowing rate calculation, the Company makes judgments about the value of the leased asset, its credit rating and the lease term including the probability of its exercising options to extend or terminate the underlying lease.

#### **Revenue Recognition**

The Company generates revenues based on written contractual arrangements to manufacture products and perform certain services, including research and development, engineering and technical services, training services, and other services according to the customer specifications. The Company provides services primarily to government agencies, including the US Army, research organizations, and commercial customers, to conduct product development and prototype testing.

Consistent with ASC 606, the Company follows the five-step process to recognize revenue through:

- Identification of a contract with a customer;
- Identification of the performance obligations in the contract;
- Determination of the transaction price;
- Allocation of the transaction price to the performance obligations in the contract; and
- Recognition of revenue when or as the performance obligations are satisfied.



## **Edge Autonomy Intermediate Holdings, LLC and Subsidiaries**

### **Notes to Consolidated Financial Statements**

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#### ***Performance Obligations***

Under GAAP, a performance obligation is a promise in a contract to transfer a distinct service to the customer and is defined as the unit of account. At the inception of each contract with a customer, the Company determines the performance obligations under the contract and the contract's transaction price. Some contracts could have more than one performance obligation. If there are multiple performance obligations bundled in a contract, the transaction price is allocated to each performance obligation based upon the relative standalone selling prices of the promised goods or services.

The Company records revenue at the transaction price which is measured as the amount of consideration the Company anticipates receiving in exchange for selling products or services to customers. Revenue is recognized as the net amount estimated to be received after deducting estimated or known amounts for variable consideration. Variable consideration is estimated using the expected value method based primarily on historical utilization and redemption rates. Estimates are reviewed regularly until product returns are realized and the result of any such adjustments are known.

Contract modifications are routine in the performance of the Company's contracts. In most instances, contract modifications are for additional goods and services that are distinct and, therefore, accounted for as separate contracts.

The Company includes in its computation of remaining performance obligations customer orders for which it has accepted signed sales orders. As of December 31, 2024, the aggregate contract price allocated to remaining performance obligations was \$99,410,527. The Company expects to recognize 100% of its remaining performance obligations as revenue within the next 12 months.

#### ***Product Sales***

For standalone product sales, each product sold to a customer typically represents a distinct performance obligation. The revenues resulting from the sale of aircraft or aircraft parts are recognized at a point in time when control is transferred to the customer, which usually occurs when the products are shipped. The Company's products are neither customized nor designed for a specific customer.

#### ***Service Contracts***

The Company enters into service contracts, which are comprised of a single or multiple performance obligations. Revenues from service contracts are recognized when control of the promised service is transferred to the customers in an amount that reflects the consideration the Company expects to be entitled to in exchange for those services.

The service contracts are typically fixed-price contracts, and revenue is recognized over time using an input method (i.e., costs incurred to date relative to total estimated costs at completion) to measure progress. The Company uses the cost-to-cost measure of progress as it best depicts the transfer of control to the customer, which occurs when the Company incurs costs in performing the service.

Subscription or membership-based services provided to product-buying customers comprise a single performance obligation, including software maintenance, updates, and telematics monitoring services. The subscription or membership-based services are short-term, generally one-year, and are recognized over time on a straight-line basis.

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***Deferred Revenue***

Deferred revenue is an obligation to transfer products and services to a customer for which the Company has already received consideration. Upon receipt of a prepayment from a customer for all or a portion of the transaction price, the Company initially recognizes deferred revenue as a contract liability. The Company had deferred revenue of \$34,267,158 and \$50,789,069 on the consolidated balance sheets as of December 31, 2024, and 2023, respectively. As of December 31, 2024, approximately 80% of deferred revenue related to domestic customers, approximately 16% related to customers in Europe, and the remainder represented other regions. As of December 31, 2023, approximately 63% of deferred revenue related to domestic customers, approximately 36% related to customers in Europe, and the remainder represented other regions.

Revenue recognized in the year ended December 31, 2024, that was included in the deferred revenue balance as of December 31, 2023 was \$47,435,128 while revenue recognized in the year ended December 31, 2023, that was included in the deferred revenue balance as of December 31, 2022 was \$23,046,979.

***Revenue by Category***

The following tables represent a disaggregation of revenue from contracts with customers by business line and by geographic location for the years ended December 31, 2024, 2023, and 2022:

	2024	2023	2022
Business line			
Products	\$ 180,094,551	\$ 148,389,558	\$ 46,768,633
Services	14,888,676	3,255,867	2,417,853
Total	<u>\$ 194,983,227</u>	<u>\$ 151,645,425</u>	<u>\$ 49,186,486</u>
	2024	2023	2022
Geography			
U.S.	\$ 124,894,511	\$ 69,816,836	\$ 30,742,830
Europe	64,237,841	79,758,983	14,662,763
Other	5,850,875	2,069,606	3,780,893
Total	<u>\$ 194,983,227</u>	<u>\$ 151,645,425</u>	<u>\$ 49,186,486</u>

***Cost of Sales***

The Company includes direct labor, direct materials, subcontracts, other direct costs such as freight-in, warranty costs, and manufacturing overhead within the cost of sales. Manufacturing overhead comprises indirect labor, manufacturing plant operating costs, and other costs associated with manufacturing products and performing services for sale. Manufacturing overhead is allocated to the cost of sales and inventory based on the direct labor cost.



## Edge Autonomy Intermediate Holdings, LLC and Subsidiaries

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#### Share-Based Compensation

The Company follows the guidelines of the Financial Accounting Standards Board ("FASB") Accounting Standards Codification Topic 718, *Stock Compensation* ("ASC 718"), for the accounting of share-based compensation. Effective January 2021, Edge Autonomy Ultimate Holdings, LP (the "Parent" or the "Member"), the Parent who owns all of the outstanding Units of the Company, adopted a written compensatory benefit plan (the "Plan") to provide incentives to existing or new employees, officer, managers, directors or other service providers of the Company or its subsidiaries in the form of the Parent's Class B Units (the "Incentive Units"). The value of the Incentive Units is considered a capital contribution from the Parent and is recognized by the Company in the same income statement line item as the cash compensation paid to employees receiving the Incentive Units. For the year ended December 31, 2024, \$9,705,000 of share-based compensation expense was recognized within selling, general and administrative expenses in the consolidated statements of comprehensive income (loss). No expense was recognized for the years ending December 31, 2023 or 2022. Forfeitures are recognized as they occur.

The Plan contains three tranches of Incentive Units, each subject to time, performance, and market based vesting conditions established at the inception of the Plan. Share-based compensation expense for Incentive Units is recognized when the Company concludes it is probable the performance condition will be met. The Incentive Units are intended to qualify and be treated as "profit interests" within the meaning of IRS Revenue Procedures 93-27 and 2001-43.

#### Fair Value of Financial Instruments

Fair value is defined as the exchange price that would be received for an asset or paid to transfer a liability (an exit price) in the principal or most advantageous market for the asset or liability in an orderly transaction between market participants on the measurement date. The hierarchy for this standard requires an entity to maximize the use of observable inputs and minimize the use of unobservable inputs when measuring fair value.

The three levels of the hierarchy are as follows:

- Level 1      Quoted prices in active markets for identical assets or liabilities.
- Level 2      Observable inputs other than quoted prices included in Level 1, such as quoted prices for similar assets or liabilities in active markets or other inputs that are observable or can be corroborated by observable market data.
- Level 3      Unobservable inputs that are supported by little or no market activity and that are significant to the fair value of the assets or liabilities, including certain pricing models, discounted cash flow methodologies and similar techniques that use significant unobservable inputs. A financial instrument's level within the fair value hierarchy is based on the lowest level of input that is significant to the fair value measurement.

A financial instrument's level within the fair value hierarchy is based on the lowest level of input that is significant to the fair value measurement.

The Company's financial instruments primarily include cash and restricted cash, accounts receivable, and accounts payable. The carrying amount of the Company's financial instruments, including cash and restricted cash, accounts receivable, and accounts payable, approximates fair value due to the short-term maturity of the instruments.

## **Edge Autonomy Intermediate Holdings, LLC and Subsidiaries**

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The Company had no financial assets or liabilities that required measurement using this hierarchy except those recorded as a result of business combinations. These assets and liabilities were classified as Level 3 in the fair value hierarchy.

#### **Income Taxes**

The Company and its subsidiaries are organized as Limited Liability Companies (LLCs) but have elected to be taxed as a corporation and a provision for income taxes has been recognized in these consolidated financial statements. Income taxes are accounted for under the asset and liability method. Deferred tax assets and liabilities are recognized for the future tax consequences attributable to differences between the financial statement amounts of existing assets and liabilities and their respective tax bases and operating loss and tax credit carryforwards. Deferred tax assets and liabilities are measured using enacted tax rates expected to apply to taxable income in the years in which these temporary differences are expected to be recovered or settled. The effect on deferred tax assets and liabilities of a change in tax rates is recognized in income in the period that includes the enactment date. The Company recognizes net deferred tax assets and liabilities, by jurisdiction, as noncurrent.

The measurement of a deferred tax asset is reduced, if necessary, by a valuation allowance if it is more-likely-than-not that some portion of the deferred tax asset will not be realized. In evaluating the Company's ability to realize the deferred tax assets, management considered all available positive and negative evidence, including cumulative historic earnings, reversal of temporary differences, projected taxable income and tax planning strategies.

The Company recognizes the financial statement effect of a tax position when it is more likely than not, based on the technical merits, that the position will be sustained upon examination.

The Company periodically reviews assumptions and estimates of the Company's probable tax obligations using informed judgment and historical experience. The Company recognizes interest and penalties related to uncertain tax positions as a component of provision for income taxes on the consolidated statements of comprehensive income (loss).

A current income tax receivable or payable is recognized for the estimated taxes refundable or payable on tax returns for each year presented.

#### **Business Combinations**

The Company includes the results of businesses acquired in a business combination in its consolidated financial statements starting from the date of the acquisition with assets acquired and liabilities assumed being recorded at their estimated fair values on acquisition date. The determination of the fair value requires the use of significant judgment and estimates including the selection of valuation methodologies, estimating future revenue, expenses, cash flows, and discount rates. Any excess after allocating the purchase price to the assets acquired and liabilities assumed is recognized as goodwill. When measurements are incomplete at the end of a reporting period, the Company will report provisional numbers and recognize measurement period adjustments in the reporting period in which the adjustment amount is determined. The measurement period does not exceed one year from acquisition date. Transaction costs are expensed as incurred.



Additionally, for acquired entities with contract assets and contract liabilities, the Company measures those contract assets and liabilities as if they had originated the contract and subsequently followed the guidance in ASC 606, *Revenue from Contracts with Customers*.

## Edge Autonomy Intermediate Holdings, LLC and Subsidiaries

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#### Foreign Currency

The Company's sole foreign subsidiary, Edge Autonomy Riga, SIA, maintains its accounting records in Euro, which is also its functional currency. The Company's reporting and functional currency is US Dollars (USD).

Foreign currency transaction gains and losses arising from fluctuations in currency exchange rates on transactions denominated in currencies other than the functional currency are charged or credited to earnings as incurred. Foreign currency transaction (gains)/losses included in other expenses in the accompanying consolidated statements of comprehensive income (loss) were approximately \$108,835 of income, \$188,046 of loss and \$212,699 of income for the years ending December 31, 2024, 2023 and 2022, respectively.

The financial statements of the foreign subsidiary, Edge Autonomy Riga, SIA, are translated to USD using the period-end exchange rate for assets and liabilities and the average exchange rate of the reporting period for revenues and expenses. Equity accounts are translated at historical rates. Translation adjustments for the foreign subsidiary are recorded as a component of accumulated other comprehensive loss in equity.

#### Recently Issued Accounting Pronouncements

In December 2023, the FASB issued ASU No. 2023-09, *Income Taxes (Topic 740): Improvements to Income Tax Disclosures*, which requires qualitative disclosure about specific categories of reconciling items and individual jurisdictions that result in a significant difference between the statutory tax rate and effective tax rate. The new standard is effective for annual periods beginning after December 15, 2025. The Company is currently evaluating the impact of the adoption of this guidance on its consolidated financial statements.

### 3. Business Combinations

The Company utilizes the acquisition method of accounting for all transactions and events in which it obtains control over businesses 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. The acquisition was accounted for in accordance with the Financial Accounting Standards Board (the "FASB") guidance Accounting Standards Codification ("ASC") 805, *Business Combinations*, which requires the Company to measure and record all the identifiable assets acquired and liabilities assumed at their fair value on the respective acquisition dates. The valuation of acquired property and equipment was derived using a combination of the market approach and the cost approach. Excess of the purchase price over the fair values of net assets was recognized as goodwill which related to synergies from product development for the Adaptive Energy acquisition. Goodwill consists of the Company's expected future economic benefits from expected future product sales and operational synergies and is tax deductible for the Adaptive Energy acquisition.

#### Adaptive Energy Acquisition

On August 5, 2022, the Company acquired 100% of Adaptive Energy, LLC, (now "Edge Autonomy Energy Systems, LLC,") a US company that offers research, development, and engineering services and manufactures solid oxide fuel cell systems for backup and portable power applications. The acquisition was primarily to support the Company's development of products using the fuel cell systems.

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The total consideration was \$17,291,385, including \$3,000,000 rollover equity from sellers and approximately \$14,291,385 of cash, primarily funded by proceeds from a Goldman Sachs Guaranteed Note.

The following table summarizes the fair values of assets acquired and liabilities assumed as of the acquisition date:

Cash	\$ 1,319,944
Accounts receivable	1,407,690
Inventory	2,452,742
Prepaid expenses	292,500
Property and equipment	458,110
Other assets	330
Goodwill	3,770,600
Customer relationships	4,900,000
Technology	4,000,000
Trademark	100,000
Total identifiable assets acquired	18,701,916
Accounts payable	1,161,163
Accrued expenses	114,040
Customer prepayments	135,328
Total liabilities assumed	1,410,531
Net assets acquired in business combination	\$ 17,291,385

(1) Customer Relationships and Technology have a useful life of 20 years. Trademark has a useful life of 1 year.

**4. Inventories**

Inventories, consist of the following at December 31:

	<b>2024</b>	<b>2023</b>
Raw materials	\$ 25,814,386	\$ 31,824,528
Work in process	9,829,473	5,636,327
Finished goods	1,188,408	981,358
	36,832,267	38,442,213
Less: Reserve for obsolete and excess inventory	(1,106,560)	(166,129)
	\$ 35,725,707	\$ 38,276,084



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**5. Property and Equipment, Net**

Property and equipment, net, consists of the following at December 31:

	<b>2024</b>	<b>2023</b>
Machinery and equipment	\$ 12,994,026	\$ 6,770,560
Leasehold improvements	2,331,289	1,753,301
Other fixed assets	1,386,610	938,977
Computer equipment and purchased software	976,605	677,549
Furniture and fixtures	738,821	631,687
Construction-in-process	4,530,338	1,749,456
	<u>22,957,689</u>	<u>12,521,530</u>
Less: Accumulated depreciation	<u>(5,405,280)</u>	<u>(2,431,690)</u>
Property and equipment, net	<u>\$ 17,552,409</u>	<u>\$ 10,089,840</u>

Depreciation expenses for the years ended December 31, 2024, 2023 and 2022 were \$2,973,590, \$1,782,164, and \$1,122,588, respectively, of which \$1,083,389, \$1,013,942 and \$284,684 were recorded in cost of sales in the accompanying statements of comprehensive income (loss).

**6. Leases**

The Company leases manufacturing facilities, warehouses, office buildings, vehicles, and land. All leases are accounted as operating leases as of December 31, 2024 and 2023.

The following table summarizes the lease right-of-use assets and lease liabilities as of December 31:

	<b>2024</b>	<b>2023</b>
<b>Right-of-use assets</b>		
Operating leases	\$ 9,593,919	\$ 4,927,838
Total right-of-use assets	<u>\$ 9,593,919</u>	<u>\$ 4,927,838</u>
<b>Lease liabilities</b>		
Current operating lease liabilities	\$ 1,142,963	\$ 2,032,440
Long-term operating lease liabilities	8,824,680	3,168,279
Total lease liabilities	<u>\$ 9,967,643</u>	<u>\$ 5,200,719</u>

The following table represents the terms and discount rates:

	<b>2024</b>	<b>2023</b>
Weighted average remaining lease term - operating leases (in years)	6.42	2.59
Weight average discount rate - operating leases	6.85 %	2.47 %

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The following presents the Company's scheduled future minimum lease payments for the years ending after December 31, 2024:

Year ending December 31,	Third Party
2025	\$ 1,359,860
2026	2,364,228
2027	1,300,174
2028	1,210,595
2029	1,036,541
Thereafter	6,452,813
Less: Imputed interest	<u>3,756,568</u>
Lease liability	<u>\$ 9,967,643</u>

For the years ending December 31, 2024, 2023, and 2022, the Company incurred a lease expense of \$2,909,405, \$1,996,082, and \$1,543,632, respectively. Variable and short-term lease expenses were immaterial for all applicable periods. There was no impairment recognized related to ROU assets during the years ending December 31, 2024, 2023, and 2022.

The following table includes supplemental cash flow information related to the leases for the year ended December 31:

	2024	2023	2022
Operating lease right-of-use assets obtained in exchange for operating lease liabilities	\$ 7,260,751	\$ 365,113	\$ 3,861,758

## 7. Commitments and Contingencies

### Litigation

The Company may, from time to time, become involved in legal disputes, litigation, claims, or assessments related to its routine business operations or regulatory oversight. As of December 31, 2024 and 2023, the Company was not party to any legal proceedings or threatened legal proceedings, the adverse outcome of which, individually or in the aggregate, it believes would have a material adverse effect on its business, financial conditions or results of operations.

## 8. Goodwill and Intangible Assets, Net

Goodwill consists of the following at December 31:

	2024	2023
	\$ 21,150,000	\$ 21,150,000

Beginning balance	\$ 34,159,600	\$ 34,159,600
Currency translation adjustment	<u>(2,071,607)</u>	<u>(1,266,945)</u>
Goodwill, net	<u>\$ 32,087,993</u>	<u>\$ 32,892,655</u>

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Amounts related to intangible assets as of December 31, 2024, and 2023 were as follows:

	<b>2024</b>			
	<b>Gross Carrying Amount</b>	<b>Accumulated Amortization</b>	<b>Translation Adjustment</b>	<b>Net Carrying Amount</b>
Amortized intangible assets				
Customer Relationships	\$ 25,581,000	\$ (4,926,123)	\$ (2,027,359)	\$ 18,627,518
Technology	16,603,000	(6,524,198)	(464,823)	9,613,979
Patents	451,218	(285,554)	-	165,664
Total amortized intangible assets, net	<u>42,635,218</u>	<u>(11,735,875)</u>	<u>(2,492,182)</u>	<u>28,407,161</u>
Unamortized trademark	1,232,000	-	(178,791)	1,053,209
Total intangible assets, net	<u>\$ 43,867,218</u>	<u>\$ (11,735,875)</u>	<u>\$ (2,670,973)</u>	<u>\$ 29,460,370</u>
	<b>2023</b>			
	<b>Gross Carrying Amount</b>	<b>Accumulated Amortization</b>	<b>Translation Adjustment</b>	<b>Net Carrying Amount</b>
Amortized intangible assets				
Customer Relationships	\$ 25,581,000	\$ (3,701,656)	\$ (1,241,477)	\$ 20,637,867
Technology	16,603,000	(4,667,453)	(284,500)	11,651,047
Patents	434,281	(221,385)	-	212,896
Total amortized intangible assets, net	<u>42,618,281</u>	<u>(8,590,494)</u>	<u>(1,525,977)</u>	<u>32,501,810</u>
Unamortized trademark	1,232,000	-	(109,429)	1,122,571
Total intangible assets, net	<u>\$ 43,850,281</u>	<u>\$ (8,590,494)</u>	<u>\$ (1,635,406)</u>	<u>\$ 33,624,381</u>

Amortization expenses for intangibles were \$3,145,381, \$3,493,164, and \$3,236,544 for the years ending December 31, 2024, 2023, and 2022, respectively.

Annual amortization expense related to intangible assets for each of the five succeeding fiscal years and thereafter is as follows:

<b>Year ending December 31,</b>	
2025	\$ 3,145,381
2026	3,145,381
2027	3,145,381
2028	2,555,711
2029	1,583,191
Thereafter	14,832,116
	<u>\$ 28,407,161</u>



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**9. Income Taxes**

Income tax expense consists of the following for the years ended December 31:

	2024	2023	2022
Current			
US	\$ 6,316,029	\$ 1,787,105	\$ 111,209
State	1,326,422	68,490	45,309
Foreign	2,287,669	9,544	5,442
Total current tax expense	<u>9,930,120</u>	<u>1,865,139</u>	<u>161,960</u>
Deferred			
US	(3,850,877)	(1,282,060)	318,585
State	(1,489,643)	(473,733)	(272,846)
Foreign	-	-	-
Total deferred tax (benefit)	<u>(5,340,520)</u>	<u>(1,755,793)</u>	<u>45,739</u>
Total income tax expense	<u>\$ 4,589,600</u>	<u>\$ 109,346</u>	<u>\$ 207,699</u>

The following table reconciles income tax expense based on US statutory rates to the Company's income tax benefit for the years ended December 31:

	2024		2023		2022	
	Amount	Rate	Amount	Rate	Amount	Rate
Income tax expense based on						
Tax at statutory rate	\$ 4,276,177	21.0 %	\$ 4,594,961	21.0 %	\$ 460,661	21.0 %
Effect of foreign tax rates	(4,286,469)	(21.1)	(6,457,474)	(29.5)	(766,722)	(35.0)
Disallowed expenses	615,056	3.0	2,100	0.0	2,100	0.1
Foreign income inclusion	3,496,961	17.2	3,128,485	14.3	1,137,872	51.9
Share-based compensation	2,038,050	10.0	-	0.0	-	0.0
Other	(406,607)	(2.0)	9,544	0.0	(406)	(0.0)
State taxes	(450,048)	(2.2)	(419,625)	(1.9)	(237,053)	(10.8)
Tax credits	(693,520)	(3.4)	(748,645)	(3.4)	(388,753)	(17.7)
Income tax expense	<u>\$ 4,589,600</u>	<u>22.5 %</u>	<u>\$ 109,346</u>	<u>0.5 %</u>	<u>\$ 207,699</u>	<u>9.5 %</u>



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The components of deferred income tax assets and liabilities are as follows at December 31:

	<b>2024</b>	<b>2023</b>
<b>Deferred tax assets</b>		
Net operating losses & tax credits	\$ 797,567	\$ 650,545
Intangibles	167,212	11,005
Capitalized R&D expenditures	8,014,900	3,471,904
Transaction costs	813,438	847,935
Accrued expenses	419,379	320,314
Lease liability	2,630,581	1,312,215
Other	389,485	21,386
Total deferred tax assets	<u>13,232,562</u>	<u>6,635,304</u>
<b>Deferred tax liabilities</b>		
Right of use assets	(2,524,338)	(1,241,326)
Fixed assets	(1,642,368)	(1,668,642)
Other	-	-
Total deferred tax liabilities	<u>(4,166,706)</u>	<u>(2,909,968)</u>
Less: Valuation allowance		
Deferred tax asset, net	<u>\$ 9,065,856</u>	<u>\$ 3,725,336</u>

The Company has a foreign subsidiary to conduct or support business outside the United States. The Company has not provided foreign withholding taxes on the undistributed earnings of its foreign subsidiary as of December 31, 2024, 2023, and 2022, because it intends to reinvest such earnings outside of the US permanently.

In assessing the realization of deferred tax assets, management considers whether it is more likely than not that some portion or all of the deferred tax assets will not be realized. The ultimate realization of deferred tax assets depends upon the generation of future taxable income during the periods in which those temporary differences are deductible. In this assessment, management considers the scheduled reversal of deferred tax liabilities, projected taxable income, and tax planning strategies. As of December 31, 2024, 2023, and 2022, the Company has developed a trend of continued profitability and has significant foreign income inclusions, which are projected to show full utilization of the Company's deferred tax assets. The Company recorded no valuation allowance against the deferred tax assets because management believes that it is more likely than not that the attributes will be fully utilized.

As of December 31, 2024, 2023 and 2022, the Company has \$747,269, \$600,246 and \$280,719, respectively, of tax-effected state net operating loss carryforwards. The state net operating loss carry forward generated prior to December 31, 2017, will expire between 2032 and 2041. For states that have adopted the new regulations under the Tax Cuts and Jobs Act of 2017, net operating losses generated after December 31, 2017, will carry forward indefinitely.

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The Company files tax returns as prescribed by the tax laws of the jurisdictions in which it operates. In the normal course of business, the Company is subject to examination by federal, state and foreign jurisdictions. As of December 31, 2024, 2023 and 2022 the Company had no unrecognized tax benefits. Tax years 2021 through 2024 for federal tax and 2020 through 2024 for state remain open to statute. Tax years 2021 through 2024 remain open to statute in the foreign jurisdiction.

**10. Share-Based Compensation**

Under the Plan, Incentive Units are divided into three tranches ("Tranche I," "Tranche II," and "Tranche III"): Tranche I, Tranche II, and Tranche III Incentive Units are subject to performance-based, service-based, and market-based conditions.

- The performance condition relates to the sale of the Parent ("Exit Sale") or the occurrence of a Liquidity Event (defined as an Exit Sale, a public offering or the payment of an extraordinary cash dividend) for Tranche I, and an Exit Sale for Tranche II and Tranche III.
- The service condition relates to the five-year required service period of the grantee for Tranche I and continued employment of the grantee through the performance condition achievement date for Tranche II and Tranche III.
- The market-based condition relates to a target internal rate of return, as defined in the Class B Unit Incentive Plan.

The Incentive Units are measured at their grant date fair value. Share-based compensation for awards with performance conditions is based on the probable outcome of the related performance condition. The vesting for each tranche of the Incentive Units is contingent on the sale of the Parent. As such events are not considered probable until they occur and recognition of share-based compensation for the Incentive Units is deferred until the sale of the Parent or a liquidity event occurs. Once the event occurs, unrecognized compensation cost associated with the performance-vesting Incentive Units (based on their grant date fair value) will be recognized based on the portion of the requisite service period that has been rendered.

During the year ended December 31, 2024, the Company's Parent modified the vesting conditions for a former employee. Under the original terms of the grant agreements, Incentive Units are forfeited upon separation. Due to the amended agreement, the Incentive Units held by the former employee are no longer contingent upon service and the performance and market conditions attached to the awards were removed. The amended Incentive Units are considered vested as of the amendment date. The result of the amended agreement is an accounting modification that resulted in 100% of the share-based compensation expense being recognized for the former employee based on the modification date fair value. The incremental compensation cost recognized as a result of the modification was \$9,705,000 during the year ended December 31, 2024.

The remaining awards are not considered probable of vesting and therefore, no compensation expense has been recognized for the years ending December 31, 2024, 2023 and 2022.



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The table below presents the activity of Incentive Units:

	Incentive Units Outstanding	Weighted Average Grant Date Fair Value	Aggregate Intrinsic Value
<b>Nonvested as of December 31, 2022</b>	5,025,000	\$ 0.56	\$ 1,560,000
Granted	2,025,000	4.88	-
Vested	-	-	-
<b>Nonvested as of December 31, 2023</b>	7,050,000	1.80	2,694,000
Granted	1,210,000	5.73	-
Vested	(2,055,000)	3.15	-
<b>Nonvested as of December 31, 2024</b>	<u>6,205,000</u>	<u>\$ 2.12</u>	<u>\$ 36,472,000</u>

The assumptions used in determining the fair value of the Incentive Units are as follows:

	2024	2023	2022
Volatility	50%	50.0%-60.0%	60.0%-70.0%
Risk-free rate	4.85%	4.85%-4.63%	4.63%-2.97%
Expected time to exit (years)	1.50	1.50-2.50	2.50-3.50

The volatility used in the determination of the fair value of the Incentive Units was based on analysis of the historical volatility of guideline public companies and factors specific to the Company.

As of December 31, 2024, there was approximately \$13,173,850 of unrecognized share-based compensation costs related to the Incentive Units.

## 11. Accrued Expenses

Accrued expenses consists of the following at December 31:

	2024	2023
Accrued legal and other professional fees	\$ 2,740,205	\$ 1,442,857
Accrued bonus	2,377,413	2,409,647
Accrued PTO/vacation	1,687,298	1,640,407
Warranty provision	1,593,823	832,397
Accrued interest	904,385	561,818
Riga fire incident accruals	813,437	1,877,886
Payroll related expenses	529,126	1,115,736
Other accrued expenses	177,764	569,197
Total accrued expenses	<u>\$ 10,823,451</u>	<u>\$ 10,449,945</u>

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**12. Revolving Line of Credit and Long-Term Debt**

The Company's long-term debt consists of the following at December 31:

	<b>2024</b>	<b>2023</b>
<b>Long-term debt, net</b>		
Goldman Sachs Guaranteed Note	\$ 7,641,328	\$ 33,564,756
Seller Note	11,250,000	11,250,000
Term Note A	17,500,000	11,250,000
Term Note B	17,500,000	11,250,000
Term Note C	17,500,000	-
Total debt	<u>71,391,328</u>	<u>67,314,756</u>
Less: Unamortized deferred financing costs	<u>(2,328,580)</u>	<u>(1,850,963)</u>
Total debt, net of unamortized deferred financing costs	<u>\$ 69,062,748</u>	<u>\$ 65,463,793</u>

**Goldman Sachs Guaranteed Note (Goldman Sachs Note)**

On June 3, 2022, the Company, as a borrower, and AE Industrial Partners, as guarantor, entered into a debt agreement with Goldman Sachs to refinance a \$34,000,000 guaranteed term loan from Silicon Valley Bank. No gain or loss was recognized on extinguishment of the Silicon Valley Bank debt. In connection with the Adaptive Energy Acquisition, on August 5, 2022, the Company borrowed an additional \$17,000,000 under the Goldman Sachs Note.

Interest on the Goldman Sachs Note is based on the secured overnight financing rate (SOFR) plus a 3.5% base rate. Effective January 1, 2023, the paid-in-kind (PIK) interest method replaced the monthly interest payment requirement and was applied to the principal balance based on SOFR plus the base rate of 3.25%.

During 2023 and 2024, the Company made partial principal payments on the Goldman Sachs Guaranteed Note of \$20,703,672 and \$28,730,000, respectively. These payments were funded through term loans issued under the Capital Southwest Corporation Credit Facility. For further details on these term loans, refer to the Capital Southwest Corporation Credit Facility section. The Credit Agreement requires the Company to repay the aggregate principal amount of the Goldman Sachs Note upon maturity on April 21, 2028.

As of December 31, 2024, and 2023, the outstanding balance of the Goldman Sachs Note was \$7,641,328 and \$33,564,756, respectively, including accrued PIK interest of \$2,806,572 and \$3,268,428.

**Seller Note**

As part of the UAV Factory acquisition on January 27, 2021, a seller note with a principal amount of \$11,250,000 was issued to multiple direct sellers as a component of the total purchase price consideration. The seller note carries an annual interest rate of 5.00%, payable quarterly, and

consideration. The seller note carries an annual interest rate of 5.00%, payable quarterly, and matures on the earlier of January 27, 2026, or the date of sale of the Company. As of December 31, 2024 and 2023, the outstanding balance of the seller note was \$11,250,000.



## Edge Autonomy Intermediate Holdings, LLC and Subsidiaries

### Notes to Consolidated Financial Statements

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#### Capital Southwest Corporation Credit Facility

On April 21, 2023, the Company entered into a debt agreement with Capital Southwest Corporation, which includes term loans A and B, each of \$11,250,000, and access to a revolving line of credit of \$4,000,000. A portion of the proceeds from Term Loans A and B were used to pay down the outstanding balance on the Goldman Sachs Note. Interest on Term Loan A is calculated as the secured overnight financing rate (SOFR) plus a base rate that varies between 6.5% and 7% based on the Company's consolidated senior net leverage ratio. Interest on Term Loan B is calculated as SOFR plus a base rate that varies between 8.5% and 9% based on the Company's consolidated senior net leverage ratio. As of December 31, 2024, and 2023, the interest rate in effect on Term Loans A and B ranged between approximately 12% and 14%. No amount was drawn on the revolving line of credit for any of the years presented.

On October 31, 2024, the Company entered into the first amended credit agreement governing the term loans and revolving credit line to, among other things, (i) increase the borrowing capacity under Term Loan A and B by \$6,250,000 each and (ii) borrow additional \$17,500,000 under Term Loan C (new term loan) and incurred an additional \$950,000 of debt issuance costs. \$28,730,000 of the proceeds from the amended credit facility was used to pay down the Goldman Sachs Note. Interest on Term Loan C is calculated as SOFR plus a base rate varies between 7.5% and 8% based on the Company's consolidated senior net leverage ratio. As of December 31, 2024, the interest rate in effect on Term Loans C is approximately 12%.

The Credit Agreement and the first amendment require the Company to repay the aggregate principal amount of initial term loans A, B, and C upon maturity on April 21, 2028. The Credit Agreement and its first amendment require quarterly interest payments, calculated using the SOFR plus base rate effective as of the payment date. The Company's term debt and revolving line of credit are collateralized by substantially all of the Company's assets and secured by a first-priority security interest in the assets of the Company and its subsidiaries.

Under the credit agreement and the first amendment, the Company is subject to certain restrictive covenants common to such agreements. The Company was in compliance with its covenants for each of the years presented.

The following table presents the maturities of principal payments of the outstanding debt as of December 31, 2024:

	<b>Amount</b>
<b>Year ending December 31,</b>	
2025	\$ -
2026	11,250,000
2027	-
Thereafter	60,141,328
Total principal payments	<u>\$ 71,391,328</u>

Interest expense on debt, including the amortization of debt issuance costs was \$7,237,908, \$6,111,528 and \$2,368,020 for the years ended December 31, 2024, 2023 and 2022, respectively.

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**13. Members' Equity**

The Company's capital consists of 100 Units authorized, issued and outstanding, held by Edge Autonomy Ultimate Holdings, LP.

The Members' interest in the Company, including such Members' interest in profits, losses, and distributions of the Company, and the right to vote on certain matters, are represented by the units of limited liability company interest ("Unit"). All income, gains, losses and deductions of the Company are allocated among the Members.

The Board of Managers will determine the terms and conditions governing the issuance of additional Units, including the number and designation, the preference and any required contributions. Each Manager of the Company shall be entitled to one vote and any decisions require the approval of the majority of the Board of Managers.

**14. Subsequent Events**

In accordance with ASC 855, *Subsequent Events*, management evaluated all subsequent events through April 2, 2025, the date the consolidated financial statements were issued and noted the following:

On January 20, 2025, the Company signed a definitive merger agreement (the "Merger") to be acquired by Redwire Corporation for \$925,000,000 less the amount of indebtedness outstanding immediately prior to closing plus cash on hand less any transaction expenses and subject to customary working capital adjustments. Following the Merger, the Company and its subsidiaries will become wholly-owned subsidiaries of Redwire Corporation. The transaction is subject to customary approvals and closing conditions, including a Redwire Corporation stockholders' vote and regulatory approvals, and is expected to close in the second quarter of 2025.







**REDWIRE CORPORATION**  
**UNAUDITED PRO FORMA CONDENSED COMBINED**  
**FINANCIAL INFORMATION**

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## UNAUDITED PRO FORMA CONDENSED COMBINED FINANCIAL INFORMATION

Capitalized terms used but not defined in this Exhibit 99.2 shall have the meanings ascribed to them in Redwire Corporation's Current Report on Form 8-K (the "Form 8-K") filed with the Securities and Exchange Commission (the "SEC") on April 3, 2025.

### Introduction

On January 20, 2025, Redwire Corporation ("Acquirer" or "Redwire") entered into an agreement and plan of merger (the "Merger Agreement") by and among (i) Edge Autonomy Ultimate Holdings, LP, a Delaware limited partnership (f/k/a UAVF Ultimate Holdings, LP) ("Seller"), (ii) Edge Autonomy Intermediate Holdings, LLC, a Delaware limited liability company (f/k/a UAVF Intermediate Holdings, LLC) ("Edge Autonomy"), (iii) Redwire, (iv) Echelon Merger Sub, Inc., a Delaware corporation and a direct wholly-owned subsidiary of Redwire ("Merger Sub"), and (v) Echelon Purchaser, LLC, a Delaware limited liability company and a direct wholly-owned subsidiary of Redwire ("Purchaser", together with Seller, the "Company", Redwire and Merger Sub, the "Parties", and each, a "Party"), as amended on February 3, 2025, pursuant to which Merger Sub will cease to exist and the Company will become a wholly-owned subsidiary of Redwire (the "First Merger"), with Edge Autonomy being the surviving company (the "Initial Surviving Company"). Immediately following the First Merger, the Initial Surviving Company will merge with and into the Purchaser ("Second Merger" together with the First Merger, the "Merger"), whereupon the Initial Surviving Company will cease to exist and Purchaser will continue as a wholly-owned subsidiary of Redwire. Under the terms of the Merger Agreement, Redwire will acquire Edge Autonomy for \$925 million, subject to working capital, cash, and debt adjustments. Shareholders of Edge Autonomy will receive \$150 million in cash and \$775 million in shares of Redwire common stock, based on the volume-weighted average trading price on the New York Stock Exchange for the 30 trading days ending on January 17, 2025 of \$15.07. The estimated equity consideration, considering working capital, cash, and debt adjustments, is approximately 48.4 million shares of Redwire common stock, reflecting a fair value of approximately \$401 million based on Redwire's closing share price of \$8.29 on March 31, 2025. Of the \$150 million cash consideration, it is estimated that \$99 million will be paid directly to Seller and \$51 million will be paid to settle Seller expenses and indebtedness. The cash proceeds are expected to be funded through the issuance of \$225 million of new term debt, approximately \$25 million drawn from a new revolving credit facility, proceeds from the exercise of Redwire's public warrants after December 31, 2024, and existing cash balances.

The unaudited pro forma condensed combined financial information, which is derived from Redwire's historical consolidated financial statements as included in our Annual Report Form 10-K, for the year ended December 31, 2024, filed with the SEC on March 11, 2025, which are incorporated by reference, and Edge Autonomy's historical consolidated financial statements as included within Exhibit 99.1 of this Form 8-K, which is incorporated by reference, has been prepared in accordance with Article 8 and Article 11 of Regulation S-X, and is presented as follows:

- The unaudited pro forma condensed combined balance sheet as of December 31, 2024, was prepared based on (i) the audited consolidated balance sheet of Redwire as of December 31, 2024, and (ii) the audited consolidated balance sheet of Edge Autonomy as of December 31, 2024.
- The unaudited pro forma condensed combined statement of operations and comprehensive income (loss) for the year ended December 31, 2024, was prepared based on (i) the audited consolidated statement of operations and comprehensive income (loss) of Redwire for the year ended December 31, 2024, and (ii) the audited consolidated statement of operations and comprehensive income (loss) of Edge Autonomy for the year ended December 31, 2024.

The historical financial statements of Redwire and Edge Autonomy have been adjusted in the accompanying unaudited pro forma condensed combined financial information to give pro forma effect to events which are necessary to account for the Merger, warrants exercise, new term debt, and revolving credit facility in accordance with accounting principles generally accepted in the United States of America ("U.S. GAAP"). The unaudited pro forma adjustments are based upon available information and certain assumptions that management believes are reasonable under the circumstances.

The Merger will be treated as a business combination in accordance with Accounting Standards Codification ("ASC") Topic 805, Business Combinations ("ASC 805"), with Redwire as the accounting acquirer and Edge Autonomy as the accounting acquiree. Per guidance from ASC 805, the total consideration will be allocated to Edge Autonomy's assets acquired and liabilities assumed based upon their estimated fair values at the Merger date, which is expected to close during the second quarter of 2025. The process of valuing the net assets of Edge Autonomy at the expected acquisition date, as well as evaluating accounting policies for conformity, is preliminary. Any differences between the fair value of the consideration transferred and the fair value of the assets acquired, and liabilities assumed will be recorded as goodwill. Accordingly, the purchase consideration allocation and related adjustments reflected in this unaudited pro forma condensed combined financial information are preliminary and represents the best estimate of fair value, which is subject to revision based on a final determination of fair value at close of the Merger.

As a result of the foregoing, the unaudited pro forma condensed combined financial information is based on the preliminary information available and management's preliminary valuation of the fair value of tangible and intangible assets acquired and

liabilities assumed. Redwire will finalize the accounting for the Merger as soon as practicable within the measurement period in accordance with ASC 805, but in no event later than one (1) year from the closing date of the Merger.

The unaudited pro forma condensed combined financial information and related notes are provided for illustrative purposes only and do not purport to represent what the combined company's actual results of operations or financial position would have been had the Merger been completed on the dates indicated, nor are they necessarily indicative of the combined company's future results of operations or financial position for any future period. The actual financial position and results of operations may differ significantly from the pro forma amounts reflected herein.

The following unaudited pro forma condensed combined financial information gives effect to the Merger, warrants exercise, and debt financing, which includes the following specific adjustments:

- Certain reclassifications to conform Edge Autonomy's historical financial statement presentation to Redwire's presentation;
- Application of the acquisition method of accounting under the provisions of ASC 805 and to reflect estimated consideration of approximately \$551 million;
- Proceeds from the exercise of Redwire's public warrants;
- Proceeds and uses of the debt financing entered into in connection with the Merger; and
- Non-recurring transaction costs in connection with the Merger.

Upon completion of the Merger, Redwire will perform a detailed review of Edge Autonomy's accounting policies. As a result of that review, Redwire may identify differences between the accounting policies of Redwire and Edge Autonomy that, when conformed, could have a material impact on the consolidated financial statements of the combined company. At this time, Redwire is not aware of any significant accounting policy differences. The pro forma financial statements do not reflect any cost or growth synergies that the combined company may achieve as a result of the Merger, or the costs to combine the operations of Redwire and Edge Autonomy, or the costs necessary to achieve these cost or growth synergies.

**REDWIRE CORPORATION**  
**UNAUDITED PRO FORMA CONDENSED COMBINED BALANCE SHEET**  
**As of December 31, 2024**  
*(In thousands of U.S. dollars)*

	Redwire (Historical)	Edge Autonomy (Historical Adjusted) (Note 3)	Debt Financing Adjustments	Notes	Warrants Exercise	Notes	Transaction Accounting Adjustments	Notes	Pro Forma Combined
<b>Assets</b>									
Current assets:									
Cash, cash equivalents and restricted cash	\$ 49,071	\$ 55,941	\$ 242,088	4(A)	\$ 82,862	5(A)	\$ (150,000)	6(A)	\$ 78,576
							(128,173)	6(B)	
							(17,272)	6(C)	
							(55,941)	6(D)	
Contract assets	43,044	—	—		—		—		43,044
Accounts receivable, net	21,905	13,238	—		—		—		35,143
Inventory	2,239	35,726	—		—		—		37,965
Income tax receivable	666	—	—		—		—		666
Prepaid insurance	975	391	—		—		—		1,366
Prepaid expenses and other current assets	8,025	5,005	555	4(A)	—		(668)	6(B)	12,917
<b>Total current assets</b>	<b>125,925</b>	<b>110,301</b>	<b>242,643</b>		<b>82,862</b>		<b>(352,054)</b>		<b>209,677</b>
Property, plant and equipment, net	17,837	17,552	—		—		—		35,389
Right-of-use assets	15,277	9,594	—		—		—		24,871
Intangible assets, net	61,788	29,460	—		—		231,872	6(E)	323,120
Goodwill	71,161	32,088	—		—		551,397	6(A)	393,684
							(231,872)	6(E)	
							(13,122)	6(D)	
							61,191	6(F)	
							(77,159)	6(G)	
Deferred tax asset	72	9,066	—		—		—		9,138
Other non-current assets	557	660	2,225	4(A)	—		(557)	6(B)	2,885
<b>Total assets</b>	<b>\$ 292,617</b>	<b>\$ 208,721</b>	<b>\$ 244,868</b>		<b>\$ 82,862</b>		<b>\$ 169,696</b>		<b>\$ 998,764</b>



**REDWIRE CORPORATION**  
**UNAUDITED PRO FORMA CONDENSED COMBINED BALANCE SHEET**  
As of December 31, 2024  
(In thousands of U.S. dollars)

	Redwire (Historical)	Edge Autonomy (Historical Adjusted) (Note 3)	Debt Financing Adjustments	Notes	Warrants Exercise	Notes	Transaction Accounting Adjustments	Notes	Pro Forma Combined
<b>Liabilities, Convertible Preferred Stock and Equity (Deficit)</b>									
Current liabilities:									
Accounts payable	\$ 32,127	\$ 3,972	\$ —		\$ —		\$ —		\$ 36,099
Short-term debt, including current portion of long-term debt	1,266	—	2,250	4(A)	—		(780)	6(B)	2,736
Short-term operating lease liabilities	4,354	1,143	—		—		—		5,497
Short-term finance lease liabilities	473	—	—		—		—		473
Accrued expenses	24,192	11,741	—		—		(2,074)	6(B)	33,859
Deferred revenue	67,201	34,267	—		—		—		101,468
Other current liabilities	19,730	1,502	—		—		—		21,232
<b>Total current liabilities</b>	<b>149,343</b>	<b>52,625</b>	<b>2,250</b>		<b>—</b>		<b>(2,854)</b>		<b>201,364</b>
Long-term debt, net	124,464	69,063	242,618	4(A)	—		(124,464)	6(B)	242,618
							(69,063)	6(D)	
Long-term operating lease liabilities	13,444	8,825	—		—		—		22,269
Long-term finance lease liabilities	980	—	—		—		—		980
Warrant liabilities	55,285	—	—		—		—		55,285
Deferred tax liabilities	582	—	—		—		61,191	6(F)	61,773
Other non-current liabilities	428	1,049	—		—		—		1,477
<b>Total liabilities</b>	<b>344,526</b>	<b>131,562</b>	<b>244,868</b>		<b>—</b>		<b>(135,190)</b>		<b>585,766</b>
Convertible preferred stock, \$0.0001 par value	136,805	—	—		—		—		136,805
<b>Shareholders' Equity (Deficit)</b>									
Preferred stock, \$0.0001 par value	—	—	—		—		—		—
Common stock, \$0.0001 par value	7	53,416	—		1	5(A)	5	6(A)	13
							(53,416)	6(G)	
Treasury stock	(3,573)	—	—		—		—		(3,573)
Additional paid-in capital	161,619	—	—		82,861	5(A)	401,392	6(A)	645,872
Retained earnings (accumulated deficit)	(348,106)	30,956	—		—		(2,080)	6(B)	(367,458)
							(17,272)	6(C)	
							(30,956)	6(G)	
Accumulated other comprehensive income (loss)	1,339	(7,213)	—		—		7,213	6(G)	1,339
<b>Total equity (deficit)</b>	<b>(188,714)</b>	<b>77,159</b>	<b>—</b>		<b>82,862</b>		<b>304,886</b>		<b>276,193</b>
<b>Total liabilities, convertible preferred stock and equity (deficit)</b>	<b>\$ 292,617</b>	<b>\$ 208,721</b>	<b>\$ 244,868</b>		<b>\$ 82,862</b>		<b>\$ 169,696</b>		<b>\$ 998,764</b>

See accompanying notes to unaudited pro forma condensed combined financial statements.

**UNAUDITED PRO FORMA CONDENSED COMBINED STATEMENT OF OPERATIONS AND COMPREHENSIVE INCOME (LOSS)**

**For the Year Ended December 31, 2024**

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

	<b>Redwire (Historical)</b>	<b>Edge Autonomy (historical Adjusted) (Note 3)</b>	<b>Debt Financing Adjustments</b>	<b>Notes</b>	<b>Transaction Accounting Adjustments</b>	<b>Notes</b>	<b>Pro Forma Combined</b>
Revenues	\$ 304,101	\$ 194,983	\$ —		\$ —		\$ 499,084
Cost of sales	259,646	100,113	—		—		359,759
<b>Gross profit</b>	<b>44,455</b>	<b>94,870</b>	<b>—</b>		<b>—</b>		<b>139,325</b>
Operating expenses:							
Selling, general and administrative expenses	71,398	50,501	—		32,249	7(A)	154,148
Research and development	6,128	14,952	—		—		21,080
Transaction expenses	9,129	3,132	—		17,272	7(B)	29,533
<b>Operating income (loss)</b>	<b>(42,200)</b>	<b>26,285</b>	<b>—</b>		<b>(49,521)</b>		<b>(65,436)</b>
Interest expense, net	13,483	6,296	25,746	4(B)	(19,779)	7(C)	25,746
Other (income) expense, net	60,648	(374)	—		2,080	7(D)	62,354
<b>Income (loss) before income taxes</b>	<b>(116,331)</b>	<b>20,363</b>	<b>(25,746)</b>		<b>(31,822)</b>		<b>(153,536)</b>
Income tax expense (benefit)	(2,020)	4,590	(6,794)	4(C)	(8,075)	7(E)	(12,299)
<b>Net income (loss)</b>	<b>(114,311)</b>	<b>15,773</b>	<b>(18,952)</b>		<b>(23,747)</b>		<b>(141,237)</b>
Net income (loss) attributable to noncontrolling interests	4	—	—		—		4
<b>Net income (loss) attributable to Redwire Corporation</b>	<b>\$ (114,315)</b>	<b>\$ 15,773</b>	<b>\$ (18,952)</b>		<b>\$ (23,747)</b>		<b>\$ (141,241)</b>
Dividends on Convertible Preferred Stock	41,052	—	—		—		41,052
<b>Net income (loss) available to common shareholders</b>	<b>(155,367)</b>	<b>15,773</b>	<b>(18,952)</b>		<b>(23,747)</b>		<b>(182,293)</b>
Foreign currency translation gain (loss), net of tax	(1,407)	(4,675)	—		—		(6,082)
<b>Total comprehensive income (loss)</b>	<b>\$ (115,722)</b>	<b>\$ 11,098</b>	<b>\$ (18,952)</b>		<b>\$ (23,747)</b>		<b>\$ (147,323)</b>
Net income (loss) per share:							
Basic and diluted	\$ (2.35)						\$ (1.50)
Weighted-average shares outstanding:							
Basic and diluted	66,146,155						121,770,950

See accompanying notes to unaudited pro forma condensed combined financial statements.

**NOTES TO UNAUDITED PRO FORMA CONDENSED COMBINED  
FINANCIAL STATEMENTS**

**Note 1 – Basis of Presentation**

The unaudited pro forma condensed combined financial information and related notes are prepared in accordance with Article 8 and Article 11 of Regulation S-X

Both Redwire and Edge Autonomy historical financial statements were prepared in accordance with U.S. GAAP and presented in U.S. dollars.

The unaudited pro forma condensed combined financial information is prepared using the acquisition method of accounting in accordance with ASC 805, with Redwire treated as the accounting acquirer for the Merger. Under ASC 805, assets acquired, and liabilities assumed in a business combination are recognized and measured at their assumed merger closing date fair value, while transaction costs associated with a business combination are expensed as incurred. The excess of merger consideration over the fair value of assets acquired and liabilities assumed, if any, is allocated to goodwill.

The unaudited pro forma condensed combined balance sheet is presented as if the Merger had occurred on December 31, 2024, and the unaudited pro forma condensed combined statement of operations and comprehensive income (loss) for the year ended December 31, 2024 are presented as if the Merger had occurred on January 1, 2024.

The unaudited pro forma condensed combined financial information does not reflect any anticipated synergies or dis-synergies, operating efficiencies or cost savings that may result from the Merger and integration costs that may be incurred. The pro forma adjustments represent Redwire's best estimates and are based upon currently available information and certain assumptions that Redwire believes are reasonable under the circumstances. Redwire is not aware of any material transactions between Redwire and Edge Autonomy during the period presented. Accordingly, adjustments to eliminate transactions between Redwire and Edge Autonomy have not been reflected in the unaudited pro forma condensed combined financial information.

**Note 2 – Significant Accounting Policies**

The accounting policies used in the preparation of the unaudited pro forma condensed combined financial information are those set out in Redwire's audited financial statements as of and for the year ended December 31, 2024. Upon completion of the Merger, management will perform a comprehensive review of Edge Autonomy's accounting policies. Management is currently not aware of any significant accounting policy differences and, therefore, has not made any adjustments to the pro forma condensed combined financial information related to these potential differences other than the adjustments described in Note 3 below. Upon completion of the Merger and management's comprehensive review, management may identify differences in accounting policies between the two entities which, when conformed, could have a material impact on the consolidated financial statements of Redwire following the Merger.

**Note 3 – Reclassification Adjustments**

Certain reclassifications are reflected in the pro forma adjustments to conform Edge Autonomy's financial statement presentation to Redwire's in the unaudited pro forma condensed combined balance sheet and statement of operations and comprehensive income (loss). These reclassifications have no effect on previously reported shareholders' equity or income of Redwire or Edge Autonomy. The pro forma financial information may not reflect all reclassifications necessary to conform Edge Autonomy's presentation to that of Redwire due to limitations on the availability of information as of the date of this Form 8-K. Accounting policy differences and additional reclassification adjustments may be identified as more information becomes available.

The following reclassification adjustments were made to conform Edge Autonomy's financial statement presentation to Redwire's:

**NOTES TO UNAUDITED PRO FORMA CONDENSED COMBINED  
FINANCIAL STATEMENTS**

**UNAUDITED CONDENSED COMBINED BALANCE SHEET**

As of December 31, 2024

(In thousands of U.S. dollars)

Redwire presentation	Edge Autonomy presentation	Edge Autonomy (Historical)	Reclassification Adjustments	Notes	Edge Autonomy Historical Adjusted
<b>Assets</b>	<b>Assets</b>				
Current assets:	Current assets:				
Cash, cash equivalents and restricted cash	Cash	\$ 50,411	\$ 5,530	(A)	\$ 55,941
	Restricted cash	5,530	(5,530)	(A)	—
Accounts receivable, net	Accounts receivable, net of allowance for credit losses	13,238	—		13,238
Inventory	Inventories	35,726	—		35,726
Prepaid insurance		—	391	(B)	391
Prepaid expenses and other current assets	Prepaid expenses and other current assets	5,396	(391)	(B)	5,005
<b>Total current assets</b>	<b>Total current assets</b>	<b>110,301</b>	<b>—</b>		<b>110,301</b>
Property, plant and equipment, net	Property and equipment, net	17,552	—		17,552
Right-of-use assets	Operating lease right-of-use assets	9,594	—		9,594
Intangible assets, net		—	29,460	(C)	29,460
	Customer relationships, net	18,628	(18,628)	(C)	—
	Technology, net	9,614	(9,614)	(C)	—
	Other intangible assets	1,218	(1,218)	(C)	—
Goodwill	Goodwill	32,088	—		32,088
Deferred tax assets	Deferred tax asset	9,066	—		9,066
Other non-current assets	Other non-current assets	660	—		660
<b>Total assets</b>	<b>Total assets</b>	<b>\$ 208,721</b>	<b>\$ —</b>		<b>\$ 208,721</b>
<b>Liabilities, convertible preferred stock and equity (deficit)</b>	<b>Liabilities and Members' Equity</b>				
Current liabilities:	Current liabilities:				
Accounts payable	Accounts payable	\$ 3,972	\$ —		\$ 3,972
Short-term operating lease liabilities	Short-term operating lease liabilities	1,143	—		1,143
Accrued expenses	Accrued expenses	10,823	918	(D)	11,741
Deferred revenue	Deferred revenue	34,267	—		34,267
Other current liabilities	Other current liabilities	2,420	(918)	(D)	1,502
<b>Total current liabilities</b>	<b>Total current liabilities</b>	<b>52,625</b>	<b>—</b>		<b>52,625</b>
Long-term debt, net	Long-term debt, net	69,063	—		69,063
Long-term operating lease liabilities	Long-term operating lease liabilities	8,825	—		8,825
Other non-current liabilities	Other non-current liabilities	1,049	—		1,049
<b>Total liabilities</b>	<b>Total liabilities</b>	<b>131,562</b>	<b>—</b>		<b>131,562</b>
<b>Shareholders' Equity (Deficit)</b>	<b>Members' equity</b>				
Common stock, \$0.0001 par value	Units	53,416	—		53,416
Accumulated deficit	Retained earnings	30,956	—		30,956
Accumulated other comprehensive income (loss)	Accumulated other comprehensive loss	(7,213)	—		(7,213)
<b>Total equity (deficit)</b>	<b>Members' equity</b>	<b>77,159</b>	<b>—</b>		<b>77,159</b>
<b>Total liabilities, convertible preferred stock and equity (deficit)</b>	<b>Total liabilities and members' equity</b>	<b>\$ 208,721</b>	<b>\$ —</b>		<b>\$ 208,721</b>

**NOTES TO UNAUDITED PRO FORMA CONDENSED COMBINED  
FINANCIAL STATEMENTS**

- A. Reclassification of "Restricted cash" as reported by Edge Autonomy to "Cash, cash equivalents and restricted cash" as reported by Redwire.
- B. Reclassification of prepaid insurance from "Prepaid expenses and other current assets" as reported by Edge Autonomy to "Prepaid insurance" as reported by Redwire.
- C. Reclassification of "Customer relationships, net", "Technology, net", and "Other intangible assets" as reported by Edge Autonomy to "Intangible assets, net" as reported by Redwire.
- D. Reclassification of certain payroll related liabilities reported as "Other current liabilities" by Edge Autonomy to "Accrued expenses" as reported by Redwire.

**UNAUDITED CONDENSED COMBINED STATEMENT OF OPERATIONS AND COMPREHENSIVE INCOME (LOSS)**

**For the year ended December 31, 2024**

*(In thousands of U.S. dollars)*

Redwire presentation	Edge Autonomy presentation	Edge Autonomy (Historical)	Reclassification Adjustments	Notes	Edge Autonomy Historical Adjusted
Revenues	Revenue	\$ 194,983	\$ —		\$ 194,983
Cost of sales	Cost of sales	100,113	—		100,113
<b>Gross profit</b>	<b>Gross profit</b>	<b>94,870</b>	<b>—</b>		<b>94,870</b>
Operating expenses:	Operating expenses:				
Selling, general and administrative expenses	Selling, general and administrative expenses	47,550	2,951	(E)	50,501
Research and development	Research and development expenses	14,952	—		14,952
Transaction expenses	Transaction expenses	3,132	—		3,132
<b>Operating income (loss)</b>	<b>Income from operations</b>	<b>29,236</b>	<b>(2,951)</b>		<b>26,285</b>
Interest expense, net	Interest expense, net	6,296	—		6,296
Other (income) expense, net	Other expense, net	2,577	(2,951)	(E)	(374)
<b>Income (loss) before income taxes</b>	<b>Income before income taxes</b>	<b>20,363</b>	<b>—</b>		<b>20,363</b>
Income tax expense (benefit)	Provision for income taxes	4,590	—		4,590
<b>Net income (loss)</b>	<b>Net income</b>	<b>15,773</b>	<b>—</b>		<b>15,773</b>
Foreign currency translation gain (loss), net of tax	Net foreign currency translation adjustment	(4,675)	—		(4,675)
<b>Total comprehensive income (loss)</b>	<b>Comprehensive income</b>	<b>\$ 11,098</b>	<b>\$ —</b>		<b>\$ 11,098</b>

- E. Reclassification of board compensation and management fees paid to AE Industrial Partners presented as "Other (income) expense, net" by Edge Autonomy to "Selling, general and administrative expenses" as reported by Redwire. Upon consummation of the Merger, management fees will no longer be paid to AE Industrial Partners.

**NOTES TO UNAUDITED PRO FORMA CONDENSED COMBINED  
FINANCIAL STATEMENTS**

**Note 4 – Debt Financing**

- A. Redwire currently plans to issue \$225 million of term debt and secure a \$100 million revolving credit facility. Based on current negotiations with potential lenders, the term debt and revolving credit facility will accrue interest at an annual rates based on Secured Overnight Financing Rate (“SOFR”) plus 5.50%. Principal repayments of the term debt amount to 1% of the face value and will be due annually, with the remaining balance due at maturity in 2031. Principal repayment of the revolving credit facility will be due at maturity in 2030. Proceeds from the term debt and approximately \$25 million drawn from the revolving credit facility will be used to settle Redwire’s existing debt and fund the cash portion of the Merger consideration. The pro forma effects of the debt financing are as follows:

<i>(In thousands of U.S. dollars)</i>	Long-term debt, net	Short-term debt, including current portion of long-term debt	Prepaid expenses and other current assets	Other non-current assets	Cash, cash equivalents and restricted cash
<b>Issuance of new debt:</b>					
Borrowings under the term loan credit agreement	\$ 222,750	\$ 2,250	\$ —	\$ —	\$ 225,000
Debt issuance costs on term loan	(5,132)	—	—	—	(5,132)
Borrowings under the revolving credit facility	25,000	—	—	—	25,000
Debt issuance costs on revolving credit facility	—	—	555	2,225	(2,780)
<b>Pro forma adjustments for new issuance<sup>(1)</sup></b>	<b>\$ 242,618</b>	<b>\$ 2,250</b>	<b>\$ 555</b>	<b>\$ 2,225</b>	<b>\$ 242,088</b>

<sup>(1)</sup> Reflects the anticipated borrowings under the term loan with a total principal amount of \$225.0 million and \$25.0 million drawn from the revolving credit facility to fund the Merger and pay down its existing debt and Edge Autonomy’s existing debt as described in Note 6 and Note 7 below, and total debt issuance costs of \$7.9 million.

- B. Represents an increase to interest expense of \$25.7 million for the year ended December 31, 2024, which includes the following:

<i>(In thousands of U.S. dollars)</i>	Year Ended December 31, 2024
Interest on borrowings under the term loan credit agreement <sup>(1)</sup>	\$ 22,727
Interest on borrowings under the revolving credit facility <sup>(2)</sup>	3,019
<b>Total pro forma interest expense adjustment</b>	<b>\$ 25,746</b>

<sup>(1)</sup> Represents additional interest expense and amortization of debt issuance costs on the \$225 million of borrowings assumed under the term loan based on terms currently proposed by potential lenders. Interest expense is calculated using the effective interest rate method, with the weighted-average interest rate equal to 10.3%.

<sup>(2)</sup> Represents additional interest expense and amortization of debt issuance costs on the \$25.0 million of borrowings assumed under the revolving credit facility. Interest expense is calculated using a rate of 9.9%. Debt issuance costs of \$2.8 million are amortized on a straight-line over the period of 5 years of the revolving credit facility.

A sensitivity analysis on interest expense for the year ended December 31, 2024 has been performed to assess the effect of change of 12.5 basis points in the weighted-average interest rate. The following table shows this effect of change in interest expense for the debt financing:

<i>(In thousands of U.S. dollars)</i>	Year Ended December 31, 2024
Increase of 0.125%	\$ 310
Decrease of 0.125%	\$ (310)

- C. Represents the income tax effect of the debt financing adjustments calculated using an estimated tax rate of 26.39%. The effective tax rate of the combined company could be significantly different than what is presented in the pro forma financial information depending on post-Merger activities and the geographical mix of taxable income.

**NOTES TO UNAUDITED PRO FORMA CONDENSED COMBINED  
FINANCIAL STATEMENTS**

**Note 5 – Warrants Exercise**

- A. Subsequent to December 31, 2024, 7,205,399 of Redwire's public warrants were exercised and converted into 7,205,399 shares of Redwire's common stock at the exercise price of \$11.50 per share for proceeds of \$82.9 million. Proceeds from the exercise of these warrants were factored into management's estimates for debt financing needed to settle the cash consideration for the Merger. As such, an adjustment has been included to give effect to the exercise of the warrants as if they had occurred on December 31, 2024.

**Note 6 – Transaction Accounting Adjustments to the Unaudited Pro Forma Condensed Combined Balance Sheet**

- A. The unaudited pro forma condensed combined financial information reflects the acquisition of Edge Autonomy for an estimated preliminary purchase consideration of \$551 million. The fair value of the purchase consideration expected to be transferred on the closing date includes:
- the estimated fair value of approximately 48.4 million shares of Redwire common stock, with a par value of \$0.0001 per share, to be transferred, calculated by using the price per share of Redwire common stock as of March 31, 2025.
  - the value of the estimated cash consideration; and
  - settlement of Seller's pre-combination debt and transaction expenses.

The calculation of the purchase consideration is as follows:

<i>(In thousands of U.S. dollars, except share price and shares)</i>	<b>Amount</b>
Number of shares to be issued by Redwire	48,419
Share price as of March 31, 2025	\$ 8.29
Estimated equity consideration	\$ 401,397
Cash consideration	99,395
Total estimated purchase price	\$ 500,792
Settlement of Seller's debt	15,450
Settlement of Seller's transaction expenses	35,155
<b>Total estimated consideration transferred</b>	<b>\$ 551,397</b>

The actual value of Redwire common stock to be issued will depend on the per share price of Redwire common stock at the closing date of the Merger and, therefore, the actual purchase consideration will fluctuate with the market price of Redwire common stock until the Merger is completed. The following table shows the effect of changes in Redwire's share price and the resulting impact on the estimated purchase consideration:

<i>(In thousands of U.S. dollars, except share price)</i>	<b>Share Price</b>		<b>Estimated Purchase Consideration</b>	
Increase of 10%	\$	9.12	\$	591,537
Decrease of 10%	\$	7.46	\$	511,257

**Preliminary Purchase Price Allocation**

Under the acquisition method of accounting, Edge Autonomy's identifiable assets acquired and liabilities assumed by Redwire will be recorded at the Merger date fair values. The excess purchase price over the fair value of identifiable assets and liabilities is recorded as goodwill. The pro forma adjustments are preliminary and based on estimates of the fair value and useful lives of the assets acquired and liabilities assumed and are prepared to illustrate the estimated effect of the Merger. The final determination of the purchase price allocation will be completed as soon as practicable within the measurement period in accordance with ASC 805, but in no event later than one year from the Merger, and will be based on the fair values of the assets acquired and liabilities assumed as of the closing date. The final amounts allocated to assets acquired and liabilities assumed could differ significantly from the amounts presented in the unaudited pro forma condensed combined financial information. Accordingly, the pro forma purchase price allocation is subject to further adjustment as additional information becomes available and as additional analyses and final valuations are completed. There can be no assurances that these additional analyses and final valuations will not result in material changes to the estimates of fair value set forth below.

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The following table sets forth a preliminary allocation of the estimated purchase consideration to Edge Autonomy's identifiable tangible and intangible assets expected to be acquired and liabilities expected to be assumed by Redwire, as if the Merger has been completed on December 31, 2024, with the excess recorded as goodwill:

*(In thousands of U.S.  
dollars)*

<b>Assets:</b>	
Accounts receivable, net	\$ 13,238
Inventory	35,726
Prepaid insurance	391
Prepaid expenses and other current assets	5,005
Property, plant and equipment, net	17,552
Right-of-use assets	9,594
Intangible assets, net	261,332
Deferred tax asset	9,066
Other non-current assets	660
<b>Total assets</b>	<b>352,564</b>
<b>Liabilities:</b>	
Accounts payable	3,972
Short-term operating lease liabilities	1,143
Accrued expenses	11,741
Deferred revenue	34,267
Other current liabilities	1,502
Long-term operating lease liabilities	8,825
Deferred tax liability	61,191
Other non-current liabilities	1,049
<b>Total liabilities</b>	<b>123,690</b>
<b>Net assets acquired</b>	<b>228,874</b>
Estimated purchase consideration	551,397
<b>Estimated goodwill</b>	<b>\$ 322,523</b>

- B.** Represents the settlement of outstanding principal balance and accrued interest related to Redwire's debt facilities, which will be refinanced concurrently with the closing of the Merger. The settlement of this debt would result in a loss on extinguishment. An adjustment for the loss on extinguishment has been reflected in Retained earnings (accumulated deficit). The pro forma effects of the settlement of Redwire's debt facilities are as follows:

<i>(In thousands of U.S. dollars)</i>	<b>Long-term debt, net</b>	<b>Short-term debt, including current portion of long-term debt</b>	<b>Accrued expenses</b>	<b>Prepaid expenses and other current assets</b>	<b>Other non-current assets</b>
Adams Street Term Loan	\$ 29,902	\$ 310	\$ —	\$ —	\$ —
Adams Street Delayed Draw Term Loan	14,469	150	—	—	—
Adams Street Incremental Term Loan	30,948	320	—	—	—
Adams Street Revolving Credit Facility	50,000	—	—	—	—
Accrued interest	—	—	2,074	—	—
Unamortized discounts and issuance costs	(855)	—	—	668	557
<b>Pro forma adjustments for settlement of Redwire debt</b>	<b>\$ 124,464</b>	<b>\$ 780</b>	<b>\$ 2,074</b>	<b>\$ 668</b>	<b>\$ 557</b>

- C.** Reflects the adjustment to cash and cash equivalents and Redwire's retained earnings to record the estimated acquisition costs to be incurred by Redwire in connection with the Merger.

- D.** Represents the settlement of Edge Autonomy's outstanding indebtedness.



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- E.** Represents the net adjustment to the estimated fair value of intangible assets acquired in the Merger. Preliminary identifiable intangible assets in the pro forma financial information are provided in the table below. The amortization related to these identifiable intangible assets is calculated on a straight-line basis over the estimated useful life and is reflected as a pro forma adjustment in the unaudited pro forma condensed combined statements of operations and comprehensive income (loss). The identifiable intangible assets and related amortization are preliminary and are based on management's estimates after consideration of similar transactions.

	<b>Estimated Fair Value</b> <i>(In thousands of U.S. dollars)</i>	<b>Estimated Useful Life</b> <i>(in years)</i>
Trade name	\$ 13,067	15
Customer relationships	91,466	6
Technology	156,799	8
Total	261,332	
Eliminate historical Edge Autonomy intangible assets carrying value	29,460	
<b>Pro Forma Adjustment</b>	<b>\$ 231,872</b>	

- F.** Represents the adjustment to the deferred tax asset and the deferred tax liability balances associated with the incremental differences in the book and tax basis created from the preliminary purchase price allocation, primarily resulting from the closing date value of intangible assets. Deferred taxes are established based on a statutory tax rate based on jurisdictions where income is generated. The effective tax rate of Redwire following the Merger could be significantly different (either higher or lower) depending on post-Merger activities, including repatriation decisions, cash needs and the geographical mix of income. This determination is preliminary and subject to change based upon the final determination of the fair value of the identifiable intangible assets and liabilities.

- G.** Represents the elimination of Edge Autonomy's historical equity balances.

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**Note 7 – Transaction Accounting Adjustments to the Unaudited Pro Forma Condensed Combined Statement of Operations and Comprehensive Income (Loss)**

- A. Represents the net adjustment to record amortization expense of \$32 million based on the preliminary fair value of the identified intangible assets and the related assigned estimated useful life for the year ended December 31, 2024.
- B. Represents Redwire's total estimated unrecorded transaction costs of \$17 million that are expected to be incurred. This adjustment excludes \$4 million in transaction costs which are recognized in Redwire's historical financial statements for the year ended December 31, 2024.
- C. Represents the reversal of Redwire's and Edge Autonomy's historical interest expense, including the amortization of debt issuance costs.
- D. Represents the loss on extinguishment of Redwire's debt facilities upon settlement at close of the Merger.
- E. Represents the income tax effect of the transaction accounting adjustments calculated using an estimated tax rate of 26.39%. The effective tax rate of the combined company could be significantly different than what is presented in the pro forma financial information depending on post-Merger activities and the geographical mix of taxable income.

**Note 8 – Net Income (Loss) Per Share**

The following table sets forth the computation of pro forma basic and diluted earnings (loss) per share for the year ended December 31, 2024.

	<b>Year Ended December 31, 2024</b>
<i>(In thousands of U.S. dollars, except share and per share data)</i>	
<b>Numerator:</b>	
Net income (loss) available to common shareholders—basic and diluted	\$ (182,293)
<b>Denominator:</b>	
Weighted average common shares outstanding—basic and diluted	66,146,155
Pro forma adjustment for newly issued shares related to the Merger	48,419,396
Pro forma adjustment for newly issued shares related to the exercised warrants	7,205,399
Pro forma basic weighted average common shares—basic and diluted	121,770,950
<b>Pro forma net income (loss) per common share—basic and diluted</b>	<b>\$ (1.50)</b>