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

FORM 10-Q

(Mark One)

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

For the quarterly period ended September 30, 2025

OR

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

For the transition period from ______ to ______

Commission file number 001-40823

INTUITIVE MACHINES, INC.

(Exact name of registrant as specified in its charter)

Delaware	**36-5056189**
(State or other jurisdiction of incorporation or organization)	(I.R.S. Employer Identification No.)
13467 Columbia Shuttle Street	
Houston, Texas	**77059**
(Address of Principal Executive Offices)	(Zip Code)

(281) 520-3703
Registrant's telephone number, including area code

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

Title of each class	Trading Symbol(s)	Name of each exchange on which registered
Class A Common Stock, par value $0.0001 per share	LUNR	The Nasdaq Stock Market LLC

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

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

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

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

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

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

As of November 10, 2025, the Registrant had 119,319,784 shares of Class A common stock, $0.0001 par value, 0 shares of Class B common stock, $0.0001 par value, and 60,899,264 shares of Class C common stock, $0.0001 par value, outstanding.

INTUITIVE MACHINES, INC.

Table of Contents

Each of the terms the "Company," "Intuitive Machines," "IM," "we," "us," or "our" and similar terms used herein refer collectively to Intuitive Machines, Inc. (formerly known as Inflection Point Acquisition Corp or "IPAX") and its consolidated subsidiaries, unless otherwise stated.

CAUTIONARY NOTE REGARDING FORWARD-LOOKING STATEMENTS

This Quarterly Report on Form 10-Q (the "Quarterly Report") contains "forward-looking statements" within the meaning of the Private Securities Litigation Reform Act of 1995, as amended. All statements other than statements of historical facts contained in this Quarterly Report are forward-looking statements. Such statements can be identified by the fact that they do not relate strictly to historical or current facts. When used in this Quarterly Report, words such as "anticipate," "believe," "continue," "could," "estimate," "expect," "intend," "may," "might," "plan," "possible," "potential," "predict," "project," "should," "strive," "would," "strategy," "outlook," the negative of these words or other similar expressions may identify forward-looking statements, but the absence of these words does not mean that a statement is not forward-looking. These forward-looking statements include, but are not limited to statements regarding our expectations and plans relating to our missions to the Moon and other projects, including the expected timing thereof and our progress and preparation thereof; our expectations with respect to, among other things, demand for our product portfolio, our submission of bids for contracts; our expectations regarding protests of government contracts awarded to us; our operations, our financial performance and our industry; our business strategy, business plan, and plans to drive long term sustainable shareholder value; and our expectations on revenue and cash generation. These forward-looking statements reflect our predictions, projections or expectations based upon currently available information and data. Our actual results, performance or achievements may differ materially from those expressed or implied by the forward-looking statements, and you are cautioned not to place undue reliance on these forward-looking statements. The following important factors and uncertainties, among others, could cause actual outcomes or results to differ materially from those indicated by the forward-looking statements in this Quarterly Report:

- our reliance upon the efforts of our key personnel and Board of Directors (the "Board") to be successful;
- our limited operating history;
- our failure to manage our growth effectively and failure to win new contracts;
- our customer concentration;
- competition from existing or new companies;
- unsatisfactory safety performance of our spaceflight systems or security incidents at our facilities;
- failure of the market for commercial spaceflight to achieve the growth potential we expect;
- any delayed launches, launch failures, failure of landers to conduct all mission milestones, failure of our satellites to reach their planned orbital locations, failure of lunar landers to reach their planned locations, significant increases in the costs related to the launches of satellites and lunar landers, and insufficient capacity available from satellite developers and launch service providers;
- our reliance on a single launch service provider;
- risks associated with commercial spaceflight, including any accident on launch or during the journey into space;
- risks associated with the handling, production and disposition of potentially explosive and ignitable energetic materials and other dangerous chemicals in our operations;
- our reliance on a limited number of suppliers for certain materials and supplied components;
- failure of our products to operate in the expected manner or defects in our sub-systems;
- counterparty risks on customer contracts and failure of our prime contractors to maintain their relationships with their counterparties and fulfill their contractual obligations;
- failure to successfully defend protest from other bidders for government contracts;
- failure to comply with various laws and regulations relating to various aspects of our business, uncertainty in the regulatory environment and any changes in the funding levels of various governmental entities with which we do business;
- our failure to protect the confidentiality of our trade secrets and unpatented know how;

- our failure to comply with the terms of third-party open source software our systems utilize;
- our ability to maintain an effective system of internal control over financial reporting, and to address and remediate any material weaknesses in our internal control over financial reporting;
- the U.S. government's budget deficit and the national debt, as well as any inability of the U.S. government to complete its budget process for any government fiscal year that may result in government shutdowns or extended continuing resolution and our dependence on U.S. government contracts and the available funding or changing funding priorities by the U.S. government;
- as part of growing our business, we have made and may continue to make acquisitions. Any acquisitions, partnerships or joint ventures into which we enter could disrupt our operations and have a material adverse effect on our business, financial condition and results of operations;
- our failure to comply with U.S. export and import control laws and regulations and U.S. economic sanctions and trade control laws and regulations;
- uncertain macro-economic and political conditions and elevated inflation and interest rates;
- our history of losses and failure to achieve profitability in the future or failure of our business to generate sufficient funds to continue operations;
- the cost and potential outcomes of pending and any future litigation;
- our public securities' potential liquidity and trading;
- the sufficiency and anticipated use of our existing capital resources to fund our future operating expenses and capital expenditure requirements and needs for additional financing in light of our recent acquisitions; and
- other factors detailed under the section titled Part I, Item 1A. "Risk Factors" of our Annual Report on Form 10-K for the fiscal year ended December 31, 2024 (the "2024 Annual Report on Form 10-K"), the section titled Part I, Item 2, Management's Discussion and Analysis of Financial Condition and Results of Operations in this Quarterly Report and in our subsequent filings with the U.S. Securities and Exchange Commission (the "SEC").

These forward-looking statements are based on information available as of the date of this Quarterly Report and current expectations, forecasts, and assumptions, and involve a number of judgments, risks, and uncertainties. Accordingly, forward-looking statements should not be relied upon as representing our views as of any subsequent date, and we do not undertake any obligation to update forward-looking statements to reflect events or circumstances after the date they were made, whether as a result of new information, future events, or otherwise, except as may be required under applicable securities laws. We intend the forward-looking statements contained in this Quarterly Report to be covered by the safe harbor provisions for forward-looking statements contained in Section 27A of the Securities Act of 1933, as amended (the "Securities Act"), and Section 21E of the Securities Exchange Act of 1934, as amended, the ("Exchange Act").

As a result of a number of known and unknown risks and uncertainties, our actual results or performance may be materially different from those expressed or implied by these forward-looking statements. You should not place undue reliance on these forward-looking statements.

Available Information

Our website address is www.intuitivemachines.com. The contents of, or information accessible through, our website are not incorporated by reference herein and are not part of this quarterly report. We make our filings with the SEC, including our Annual Report on Form 10-K, Quarterly Reports on Form 10-Q, Current Reports on Form 8-K and all amendments to those reports, as well as beneficial ownership filings available free of charge on our website under the "Investors" section as soon as reasonably practical after we file such reports with, or furnish such reports to, the SEC.

We may use our website as a distribution channel of material information about us. Financial and other important information regarding the Company is routinely posted on and accessible through the Investors section of our website at www.intuitivemachines.com.

Part I – Financial Information

Item 1. Financial Statements

INTUITIVE MACHINES, INC.
Condensed Consolidated Balance Sheets
(in thousands, except share data and par value)
(Unaudited)

	September 30, 2025	December 31, 2024
ASSETS		
Current assets		
Cash and cash equivalents	$ 621,975	$ 207,607
Restricted cash	2,042	2,042
Trade accounts receivable	23,326	44,759
Contract assets	10,175	34,592
Prepaid and other current assets	8,466	4,161
Total current assets	665,984	293,161
Property and equipment, net	49,470	23,364
Operating lease right-of-use assets	36,741	38,765
Finance lease right-of-use assets	102	114
Other assets	1,233	—
Total assets	$ 753,530	$ 355,404
LIABILITIES, MEZZANINE EQUITY AND SHAREHOLDERS' DEFICIT		
Current liabilities		
Accounts payable and accrued expenses	$ 15,719	$ 17,350
Accounts payable - affiliated companies	2,226	2,750
Contract liabilities, current	66,158	65,184
Operating lease liabilities, current	6,252	2,021
Finance lease liabilities, current	42	37
Other current liabilities	15,624	11,489
Total current liabilities	106,021	98,831
Long-term debt	334,827	—
Contract liabilities, non-current	1,636	14,334
Operating lease liabilities, non-current	30,081	35,259
Finance lease liabilities, non-current	38	63
Earn-out liabilities	—	134,156
Warrant liabilities	36,859	68,778
Other long-term liabilities	239	62
Total liabilities	509,701	351,483
Commitments and contingencies (Note 13)		
MEZZANINE EQUITY		
Series A preferred stock subject to possible redemption, $0.0001 par value, 25,000,000 shares authorized, 5,000 and 5,000 shares issued and outstanding	6,451	5,990
Redeemable noncontrolling interests	640,660	1,005,965
SHAREHOLDERS' DEFICIT		
Class A common stock, $0.0001 par value, 500,000,000 shares authorized, 120,074,013 and 101,859,000 shares issued, and 117,882,933 and 100,609,000 outstanding	12	10
Class B common stock, $0.0001 par value, 100,000,000 shares authorized, 0 shares issued and outstanding	—	—
Class C common stock, $0.0001 par value, 100,000,000 shares authorized, 60,899,264 and 55,394,533 shares issued and outstanding	6	6
Treasury stock, at cost, 2,191,080 shares, at cost	(33,525)	(12,825)
Paid-in capital	—	—
Accumulated deficit	(370,667)	(996,453)
Total shareholders' deficit attributable to the Company	(404,174)	(1,009,262)
Noncontrolling interests	892	1,228
Total shareholders' deficit	(403,282)	(1,008,034)
Total liabilities, mezzanine equity and shareholders' deficit	$ 753,530	$ 355,404

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

INTUITIVE MACHINES, INC.
Condensed Consolidated Statements of Operations
(in thousands, except share and per share amounts)
(Unaudited)

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2025	2024	2025	2024
Revenues:				
Service revenue	$ 50,987	$ 58,478	$ 163,824	$ 173,338
Grant revenue	1,450	—	1,450	—
Total revenues	52,437	58,478	165,274	173,338
Operating expenses:				
Cost of revenue (excluding depreciation)	41,033	45,873	146,005	144,141
Cost of revenue (excluding depreciation) - affiliated companies	5,736	8,484	18,767	27,107
Depreciation	815	482	2,190	1,319
Impairment of property and equipment (see Note 4)	—	5,044	—	5,044
General and administrative expense (excluding depreciation)	20,272	12,319	52,448	39,726
Total operating expenses	67,856	72,202	219,410	217,337
Operating loss	(15,419)	(13,724)	(54,136)	(43,999)
Other income (expense), net:				
Interest income	4,833	44	9,752	118
Interest expense	(1,344)	(13)	(1,442)	(87)
Change in fair value of earn-out liabilities	—	(33,328)	(33,369)	(33,816)
Change in fair value of warrant liabilities	1,950	(33,686)	31,919	(36,641)
Loss on issuance of securities	—	—	—	(68,080)
Other income, net	25	346	90	768
Total other income (expense), net	5,464	(66,637)	6,950	(137,738)
Loss before income taxes	(9,955)	(80,361)	(47,186)	(181,737)
Income tax expense	(5)	(50)	(5)	(50)
Net loss	(9,960)	(80,411)	(47,191)	(181,787)
Net loss attributable to redeemable noncontrolling interest	(3,445)	(25,679)	(4,944)	(50,001)
Net income attributable to noncontrolling interest	327	668	1,172	2,429
Net loss attributable to the Company	(6,842)	(55,400)	(43,419)	(134,215)
Less: Preferred dividends	(158)	(143)	(456)	(751)
Net loss attributable to Class A common shareholders	$ (7,000)	$ (55,543)	$ (43,875)	$ (134,966)
Net loss per share				
Net loss per share of Class A common stock - basic and diluted	$ (0.06)	$ (0.83)	$ (0.38)	$ (2.55)
Weighted-average common shares outstanding				
Weighted average shares outstanding - basic and diluted	117,815,856	67,072,014	114,150,168	52,971,882

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

INTUITIVE MACHINES, INC.
Condensed Consolidated Statements of Mezzanine Equity
(In thousands except per share data)
(Unaudited)

Three Months Ended September 30, 2025

	Series A Preferred Stock		Redeemable Noncontrolling Interest
	Shares	Amount	
Balance, June 30, 2025	5,000	$ 6,291	$ 663,725
Cumulative preferred dividends	—	158	—
Accretion of preferred stock discount	—	2	—
Subsequent remeasurement of redeemable noncontrolling interests	—	—	(19,620)
Net loss attributable to redeemable noncontrolling interests	—	—	(3,445)
Balance, September 30, 2025	5,000	$ 6,451	$ 640,660

Nine Months Ended September 30, 2025

	Series A Preferred Stock		Redeemable Noncontrolling Interest
	Shares	Amount	
Balance, December 31, 2024	5,000	$ 5,990	$ 1,005,965
Cumulative preferred dividends	—	456	—
Accretion of preferred stock discount	—	5	—
Subsequent remeasurement of redeemable noncontrolling interests	—	—	(360,361)
Net loss attributable to redeemable noncontrolling interests	—	—	(4,944)
Balance, September 30, 2025	5,000	$ 6,451	$ 640,660

Three Months Ended September 30, 2024

	Series A Preferred Stock		Redeemable Noncontrolling Interests
	Shares	Amount	
Balance, June 30, 2024	5,000	$ 5,698	$ 218,160
Cumulative preferred dividends	—	143	—
Accretion of preferred stock discount	—	2	—
Subsequent remeasurement of redeemable noncontrolling interests	—	—	292,492
Net loss attributable to redeemable noncontrolling interests	—	—	(25,679)
Balance, September 30, 2024	5,000	$ 5,843	$ 484,973

Nine Months Ended September 30, 2024

	Series A Preferred Stock		Redeemable Noncontrolling Interest
	Shares	Amount	
Balance, December 31, 2023	26,000	28,201	181,662
Conversion of Series A preferred stock (Note 7)	(21,000)	(23,120)	—
Cumulative preferred dividends	—	751	—
Accretion of preferred stock discount	—	11	—
Subsequent remeasurement of redeemable noncontrolling interests	—	—	353,312
Net loss attributable to redeemable noncontrolling interests	—	—	(50,001)
Balance, September 30, 2024	5,000	$ 5,843	$ 484,973

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

INTUITIVE MACHINES, INC.
Condensed Consolidated Statements of Shareholders' Deficit
(In thousands except per share data)
(Unaudited)

Three Months Ended September 30, 2025

	Common Stock Class A		Common Stock Class C							
	Shares	**Amount**	**Shares**	**Amount**	**Treasury Stock**	**Paid-in Capital**	**Accumulated Deficit**	**Shareholders' Deficit attributable to the Company**	**NCI**	**Total Shareholders' Deficit**
Balance, June 30, 2025	119,849,589	$ 12	61,060,280	$ 6	$ (33,525)	$ —	$ (347,689)	$ (381,196)	$ 2,073	$ (379,123)
Share-based compensation expense	—	—	—	—	—	1,416	—	1,416	—	1,416
Cumulative preferred dividends	—	—	—	—	—	(158)	—	(158)	—	(158)
Accretion of preferred stock discount	—	—	—	—	—	(2)	—	(2)	—	(2)
Capped call transactions (Note 5)	—	—	—	—	—	(36,777)	—	(36,777)	—	(36,777)
Class A common stock issued for stock options exercised	41,458	—	—	—	—	(179)	—	(179)	—	(179)
Class A common stock issued for vested RSUs	21,950	—	—	—	—	(38)	—	(38)	—	(38)
Class A common stock issued for Class C shares canceled	161,016	—	(161,016)	—	—	—	—	—	—	—
Distribution to noncontrolling interests	—	—	—	—	—	(18)	—	(18)	(1,508)	(1,526)
Subsequent remeasurement of redeemable noncontrolling interests	—	—	—	—	—	35,756	(16,136)	19,620	—	19,620
Net income attributable to noncontrolling interest	—	—	—	—	—	—	—	—	327	327
Net loss attributable to the Company	—	—	—	—	—	—	(6,842)	(6,842)	—	(6,842)
Balance, September 30, 2025	**120,074,013**	**$ 12**	**60,899,264**	**$ 6**	**$ (33,525)**	**$ —**	**$ (370,667)**	**$ (404,174)**	**$ 892**	**$ (403,282)**

Nine Months Ended September 30, 2025

	Common Stock Class A		Common Stock Class C							
	Shares	**Amount**	**Shares**	**Amount**	**Treasury Stock**	**Paid-in Capital**	**Accumulated Deficit**	**Shareholders' Deficit attributable to the Company**	**NCI**	**Total Shareholders' Deficit**
Balance, December 31, 2024	101,859,000	$ 10	55,394,533	$ 6	$ (12,825)	$ —	$ (996,453)	$ (1,009,262)	$ 1,228	$ (1,008,034)
Share-based compensation expense	—	—	—	—	—	6,780	—	6,780	—	6,780
Cumulative preferred dividends	—	—	—	—	—	(456)	—	(456)	—	(456)
Accretion of preferred stock discount	—	—	—	—	—	(5)	—	(5)	—	(5)
Capped call transactions (Note 5)	—	—	—	—	—	(36,777)	—	(36,777)	—	(36,777)
Class A common stock issued for warrants exercised, net of redemption cost (Note 8)	15,358,229	2	—	—	—	176,552	—	176,554	—	176,554
Repurchase of Class A common stock (Note 7)	—	—	—	—	(20,700)	—	—	(20,700)	—	(20,700)
Class A common stock issued for stock options exercised	102,920	—	—	—	—	(521)	—	(521)	—	(521)
Class A common stock issued for vested RSUs and PSUs	758,595	—	—	—	—	(4,236)	—	(4,236)	—	(4,236)
Class A common stock issued for Class C shares canceled	1,995,269	—	(1,995,269)	—	—	—	—	—	—	—
Distribution to noncontrolling interests	—	—	—	—	—	(18)	—	(18)	(1,508)	(1,526)
Issuance of Class C common stock related to earn-out awards (Note 2)	—	—	7,500,000	—	—	167,525	—	167,525	—	167,525
Subsequent remeasurement of redeemable noncontrolling interests	—	—	—	—	—	(308,844)	669,205	360,361	—	360,361
Net income attributable to noncontrolling interest	—	—	—	—	—	—	—	—	1,172	1,172
Net loss attributable to the Company	—	—	—	—	—	—	(43,419)	(43,419)	—	(43,419)
Balance, September 30, 2025	**120,074,013**	**$ 12**	**60,899,264**	**$ 6**	**$ (33,525)**	**$ —**	**$ (370,667)**	**$ (404,174)**	**$ 892**	**$ (403,282)**

Three Months Ended September 30, 2024

	Common Stock Class A		Common Stock Class C							
	Shares	Amount	Shares	Amount	Treasury Stock	Paid-in Capital	Accumulated Deficit	Shareholders' Deficit attributable to the Company	NCI	Total Shareholders' Deficit
Balance, June 30, 2024	62,469,364	$ 6	66,109,012	$ 7	$ (12,825)	$ —	$ (217,057)	(229,869)	788	$ (229,081)
Share-based compensation expense	—	—	—	—	—	1,285	—	1,285	—	1,285
Cumulative preferred dividends	—	—	—	—	—	(143)	—	(143)	—	(143)
Accretion of preferred stock discount	—	—	—	—	—	(2)	—	(2)	—	(2)
Class A common stock issued for stock options exercised	57,449	—	—	—	—	(132)	—	(132)	—	(132)
Class A common stock issued for vested RSUs and PSUs	21,940	—	—	—	—	(35)	—	(35)	—	(35)
Class A common stock issued for Class C shares canceled	5,863,874	1	(5,863,874)	(1)	—	—	—	—	—	—
Distribution to noncontrolling interests	—	—	—	—	—	—	—	—	—	—
Issuance of Class A Common Stock related to the ATM Program (Note 7)	12,939,029	1	—	—	—	80,451	—	80,452	—	80,452
Tax receivable agreement - obligation to partners	—	—	—	—	—	(473)	—	(473)	—	(473)
Subsequent remeasurement of redeemable noncontrolling interests	—	—	—	—	—	(80,951)	(211,541)	(292,492)	—	(292,492)
Net income attributable to noncontrolling interest	—	—	—	—	—	—	—	—	668	668
Net income attributable to the Company	—	—	—	—	—	—	(55,400)	(55,400)	—	(55,400)
Balance, September 30, 2024	**81,351,656**	**$ 8**	**60,245,138**	**$ 6**	**$ (12,825)**	**$ —**	**$ (483,998)**	**$ (496,809)**	**$ 1,456**	**$ (495,353)**

Nine Months Ended September 30, 2024

	Common Stock Class A		Common Stock Class C							
	Shares	Amount	Shares	Amount	Treasury Stock	Paid-in Capital	Accumulated Deficit	Shareholders' Deficit attributable to the Company	NCI	Total Shareholders' Deficit
Balance, December 31, 2023	22,279,876	$ 2	70,909,012	$ 7	$ (12,825)	$ —	$ (248,619)	$ (261,435)	$ —	$ (261,435)
Share-based compensation expense	—	—	—	—	—	7,180	—	7,180	—	7,180
Cumulative preferred dividends	—	—	—	—	—	(751)	—	(751)	—	(751)
Accretion of preferred stock discount	—	—	—	—	—	(11)	—	(11)	—	(11)
Conversion of Series A preferred stock (Note 7)	7,738,743	1				23,119		23,120		23,120
Class A common stock issued for warrants exercised	19,123,633	2	—	—	—	127,579	—	127,581	—	127,581
Class A common stock issued related to loan conversion (Notes 5 and 7)	3,487,278	—	—	—	—	—	—	—	—	—
Class A common stock issued for stock options exercised	227,820	—	—	—	—	163	—	163	—	163
Class A common stock issued for vested RSUs and PSUs	1,308,820	—	—	—	—	(2,153)	—	(2,153)	—	(2,153)
Class A common stock issued for Class C shares canceled	10,663,874	1	(10,663,874)	(1)	—	—	—	—	—	—
Distribution to noncontrolling interests	—	—	—	—	—	—	—	—	(973)	(973)
Issuance of Class A Common Stock related to the ATM Program (Note 7)	16,521,612	2	—	—	—	97,495	—	97,497	—	97,497
Tax receivable agreement - obligation to partners	—	—	—	—	—	(473)	—	(473)	—	(473)
Subsequent remeasurement of redeemable noncontrolling interests	—	—	—	—	—	(252,148)	(101,164)	(353,312)	—	(353,312)
Net income attributable to noncontrolling interest	—	—	—	—	—	—	—	—	2,429	2,429
Net loss attributable to the Company	—	—	—	—	—	—	(134,215)	(134,215)	—	(134,215)
Balance, September 30, 2024	**81,351,656**	**$ 8**	**60,245,138**	**$ 6**	**$ (12,825)**	**$ —**	**$ (483,998)**	**$ (496,809)**	**$ 1,456**	**$ (495,353)**

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

INTUITIVE MACHINES, INC.
Condensed Consolidated Statements of Cash Flows
(In thousands)
(Unaudited)

	Nine Months Ended September 30,	
	2025	**2024**
Cash flows from operating activities:		
Net loss	$ (47,191)	$ (181,787)
Adjustments to reconcile net loss to net cash used in operating activities:		
Depreciation	2,190	1,319
Bad debt expense	135	440
Impairment of property and equipment (see Note 4)	—	5,044
Amortization of debt discount and issuance costs	243	—
Share-based compensation expense	6,780	7,180
Change in fair value of earn-out liabilities	33,369	33,816
Change in fair value of warrant liabilities	(31,919)	36,641
Loss on issuance of securities	—	68,080
Other	177	108
Changes in operating assets and liabilities:		
Trade accounts receivable, net	21,299	(34,871)
Accounts receivable - affiliated companies	(46)	—
Contract assets	24,417	(15,083)
Prepaid expenses	(5,493)	(55)
Other assets, net	2,037	852
Accounts payable and accrued expenses	(3,940)	2,194
Accounts payable – affiliated companies	(524)	238
Contract liabilities – current and long-term	(11,724)	14,314
Other liabilities	3,167	5,948
Net cash used in operating activities	(7,023)	(55,622)
Cash flows from investing activities:		
Purchase of property and equipment	(25,987)	(5,185)
Net cash used in investing activities	(25,987)	(5,185)
Cash flows from financing activities:		
Proceeds from issuance of convertible notes, net of discount	335,513	—
Proceeds from borrowings	—	10,000
Purchase of capped call transactions	(36,777)	—
Warrants exercised	176,620	51,360
Redemption of warrants	(66)	—
Payment of debt issuance costs	(929)	—
Transaction costs	—	(437)
Repurchase of Class A Common Stock	(20,700)	—
Repayment of loans	—	(18,000)
Proceeds from issuance of securities	—	107,935
Payment of withholding taxes from share-based awards	(4,757)	(2,291)
Stock option exercises	—	300
Distributions to noncontrolling interests	(1,526)	(973)
Net cash provided by financing activities	447,378	147,894
Net increase in cash, cash equivalents and restricted cash	414,368	87,087
Cash, cash equivalents and restricted cash at beginning of the period	209,649	4,560
Cash, cash equivalents and restricted cash at end of the period	624,017	91,647
Less: restricted cash	2,042	2,042
Cash and cash equivalents at end of the period	$ 621,975	$ 89,605
Supplemental disclosure of cash flow information		
Cash paid for interest	$ —	$ 408
Cash paid for taxes	$ 5	$ 277
Accrued capital expenditures	$ 2,309	$ —
Noncash operating activities:		
Right-of-use assets obtained in exchange for new operating liabilities	$ 6,607	$ 4,264
Right-of-use assets reduced due to lease modifications	$ (7,103)	$ —
Noncash financing activities:		
Issuance of Class C Common Stock related to earn-out awards (Note 2)	$ 167,525	$ —
Conversion of Series A preferred stock (Note 7)	$ —	$ 23,120
Preferred dividends	$ (456)	$ (751)

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

INTUITIVE MACHINES, INC.
NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

NOTE 1 - BUSINESS DESCRIPTION

Intuitive Machines, Inc. (formerly known as Inflection Point Acquisition Corp. or “IPAX”), collectively with its subsidiaries (the “Company,” “IM,” “Intuitive Machines,” “we,” “us” or “our”) is a space technology, infrastructure, and services company founded in 2013 and headquartered in Houston, Texas, that is contributing to the establishment of cislunar infrastructure and helping to develop cislunar and deep space commerce. Cislunar encompasses objects in orbit in the Earth-Moon system and on the Lunar surface, while deep space exploration is space beyond the Moon, including Mars. We believe we have a leading position in the development of technology platforms operating in three core pillars — delivery services, data transmission services, and infrastructure as a service. We are focused on establishing the lunar infrastructure associated with each of the three pillars, which provides the basis for commerce to inform and sustain human presence off Earth. Our vision is that our infrastructure services enable our customers to focus on their unique contributions to create a thriving, diverse cislunar economy and expand the commercial space exploration marketplace to the Lunar surface and beyond.

Intuitive Machines, Inc. was a blank check company originally incorporated on January 27, 2021 as a Cayman Islands exempted company for the purpose of effecting a merger, share exchange, asset acquisition, share purchase, reorganization or similar business combination with one or more businesses. On September 24, 2021, IPAX consummated an initial public offering, after which its securities began trading on the Nasdaq Stock Market LLC (the “Nasdaq”).

IPAX Business Combination

On September 16, 2022, IPAX entered into a certain Business Combination Agreement (the “Business Combination Agreement”) by and between IPAX and Intuitive Machines, LLC, a Delaware limited liability company (formerly, a Texas limited liability company). On February 10, 2023, IPAX filed a notice of deregistration with the Cayman Islands Registrar of Companies, together with the necessary accompanying documents, and filed a certificate of incorporation and certificate of corporate domestication with the Secretary of State of the State of Delaware, pursuant to which IPAX was domesticated and continues as a Delaware corporation, changing its name to “Intuitive Machines, Inc.”

On February 13, 2023 (the “Closing Date”), Intuitive Machines, Inc. and Intuitive Machines, LLC consummated the previously announced business combination (the “Business Combination”) and related transactions (the “Transactions”) contemplated by the Business Combination Agreement. As a result of the Transactions, all of the issued and outstanding common units of Intuitive Machines, LLC were converted into common stock of Intuitive Machines, Inc. using an exchange ratio of 0.5562 shares of Intuitive Machines, Inc. common stock per each unit of Intuitive Machines, LLC Common Unit. In addition, Intuitive Machines, LLC’s share-based compensation plan and related share-based compensation awards were exchanged or converted, as applicable, into common stock of Intuitive Machines, Inc.

In connection with the Transactions, the Company was reorganized into an umbrella partnership C corporation (or “Up-C”) structure, in which substantially all of the assets and business of the Company are held by Intuitive Machines, LLC and continue to operate through Intuitive Machines, LLC and its subsidiaries. Intuitive Machines, Inc. is a holding company whose only material asset is its equity ownership interests of Intuitive Machines, LLC. While Intuitive Machines, LLC became a subsidiary of Intuitive Machines, Inc. and Intuitive Machines, Inc. was appointed as its managing member, Intuitive Machines, LLC was deemed to be the acquirer in the Business Combination for accounting purposes. Accordingly, the Business Combination was accounted for as a reverse recapitalization, in which case the condensed consolidated financial statements of the Company represent a continuation of Intuitive Machines, LLC and the issuance of common stock in exchange for the net assets of Intuitive Machines, Inc. was recorded at historical cost with no recognition of goodwill or other intangible assets. Operations prior to the Business Combination are those of Intuitive Machines, LLC. In addition, the number of shares subject to, and the exercise price of, the Company’s outstanding options were adjusted to reflect the Business Combination. The treatment of the Business Combination as a reverse recapitalization was based upon the pre-merger members of Intuitive Machines, LLC holding the majority of the voting interests of Intuitive Machines, Inc., Intuitive Machines, LLC’s existing management team serving as the initial management team of Intuitive Machines, Inc., Intuitive Machines, LLC’s appointment of the majority of the initial board of directors of Intuitive Machines, Inc., and the significance of Intuitive Machines, LLC’s operations prior to the Business Combination which represent the entirety of Company’s operations.

Beginning on February 14, 2023, the Company’s Class A common stock par value 0.0001 per share (the “Class A Common Stock”) and warrants to purchase the Class A Common Stock at an exercise price of $11.50 per share (the “Warrants” as further defined in Note 9) began trading on Nasdaq under the symbols “LUNR” and “LUNRW,” respectively. On February 4, 2025, the Company announced the redemption of all of its outstanding publicly issued

Warrants. In connection with the redemption, the unexercised Warrants ceased trading on the Nasdaq and were delisted, with the suspension of trading effective before the market opened on March 6, 2025. Refer to Note 9 - Warrants for more information on the redemption.

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Presentation and Principles of Consolidation

The Company's unaudited condensed consolidated financial statements and related notes have been prepared in accordance with United States generally accepted accounting principles ("U.S. GAAP") for interim reporting and pursuant to the rules and regulations of the SEC. Certain information and footnote disclosures normally included in annual financial statements prepared in accordance with U.S. GAAP have been condensed or omitted pursuant to such rules and regulations relating to interim financial statements. Our condensed consolidated financial statements include the accounts of Intuitive Machines, Space Network Solutions, LLC ("SNS" or "Space Network Solutions") a majority-owned subsidiary, and IX, LLC, a variable interest entity ("VIE") for which we are the primary beneficiary. All intercompany balances and transactions have been eliminated in consolidation.

The accompanying unaudited condensed consolidated financial statements should be read in conjunction with the Company's audited consolidated financial statements as of and for the years ended December 31, 2024 and 2023 contained in our Annual Report on Form 10-K, filed with the SEC on March 25, 2025. Operating results for the three and nine months ended September 30, 2025 are not necessarily indicative of the results that may be expected for the year ending December 31, 2025. Management's opinion is that all adjustments for a fair statement of the results for the interim periods have been made, and all adjustments are of a normal recurring nature or a description of the nature and amount of any adjustments other than normal recurring adjustments have been appropriately disclosed.

Reclassifications

Certain prior period amounts have been reclassified to conform to current period presentation. These reclassifications did not result in any changes to previously reported net income. The Company reclassed a certain amount to a separate line item in the condensed consolidated statement of operations.

Emerging Growth Company

The Company is an "emerging growth company" ("EGC"), as defined in Section 2(a) of the Securities Act of 1933, as modified by the Jumpstart Our Business Startups Act of 2012 (the "JOBS Act"). Section 102(b)(1) of the JOBS Act exempts EGCs from being required to comply with new or revised financial accounting standards until private companies (that is, those that have not had a Securities Act registration statement declared effective or do not have a class of securities registered under the Exchange Act) are required to comply with the new or revised financial accounting standards. The JOBS Act provides that a company can elect to opt out of the extended transition period and comply with the requirements that apply to non-emerging growth companies but any such election to opt out is irrevocable. The Company did not opt out of such extended transition period which means that when a standard is issued or revised and it has different application dates for public or private companies, the Company, as an EGC, can adopt the new or revised standard at the time private companies adopt the new or revised standard. As of June 30, 2025, our aggregate worldwide market value of common equity held by non-affiliates exceeded $700 million. As we meet all other applicable criteria in the Securities Exchange Act of 1934, as amended, we will lose EGC status and become a large accelerated filer as of December 31, 2025.

Use of Estimates

The preparation of our condensed consolidated financial statements in conformity with U.S. GAAP requires us to make estimates and assumptions that affect the amounts reported in the condensed consolidated financial statements and the accompanying notes. Due to the inherent uncertainty involved in making estimates, actual results could differ from those estimates.

The Company bases its estimates and assumptions on historical experience, other factors, including the current economic environment, and various other judgments that it believes to be reasonable under the circumstances. The Company adjusts such estimates and assumptions when facts and circumstances dictate. Changes in those estimates resulting from continuing changes in the economic environment will be reflected in the financial statements in future reporting periods.

Segment Reporting

Operating segments are identified as components of an enterprise about which separate discrete financial information is available for evaluation by the chief operating decision-maker (“CODM”) in making decisions regarding resource allocation and assessing performance. All of the Company’s assets are maintained in the United States. The Company has determined that it operates in one operating segment and one reportable segment, as the CODM reviews financial information presented on a consolidated basis for purposes of making operating decisions, allocating resources and evaluating financial performance. See Note 16 - Segment Information for additional disclosures on segment reporting.

Concentration of Credit Risks

Financial instruments that potentially subject the Company to concentrations of credit risk consist principally of cash and cash equivalents and accounts receivable. By their nature, all such financial instruments involve risks, including the credit risk of nonperformance by counterparties.

The majority of the Company’s cash and cash equivalents are held at major financial institutions. Certain account balances exceed the Federal Deposit Insurance Corporation insurance limits of $250,000 per account. The Company generally does not require collateral to support the obligations of the counterparties and cash levels held at banks are more than federally insured limits. The Company limits its exposure to credit loss by maintaining its cash and cash equivalents with highly rated financial institutions. The Company has not experienced material losses on its deposits of cash and cash equivalents.

The Company monitors the creditworthiness of its customers to whom it grants credit terms in the normal course of its business. The Company evaluates the collectability of its accounts receivable based on known collection risks and historical experience. In circumstances where the Company is aware of a specific customer’s inability to meet its financial obligations to the Company (e.g., bankruptcy filings, substantial downgrading of credit ratings), the Company records a specific allowance for expected credit losses against amounts to reduce the net recognized receivable to the amount it reasonably believes will be collected and revenue recognition is deferred until the amount is collected and the contract is completed. For all other customers, the Company records allowances for credit losses based on the specific analysis of the customer’s ability to pay on an as needed basis.

Major customers are defined as those individually comprising more than 10% of the Company’s total revenue. There was one major customer that accounted for 72% and 78% , respectively, of the Company’s total revenue for the three and nine months ended September 30, 2025, and accounted for 90% and 91%, respectively, of the Company’s total revenue for the three and nine months ended September 30, 2024. There were three major customers that accounted for 35%, 14%, and 13% of the accounts receivable balance as of September 30, 2025 and there was one major customer that accounted for 90% of the accounts receivable balance as of December 31, 2024.

Major suppliers are defined as those individually comprising more than 10% of the annual goods or services purchased. There was one major supplier that accounted for 28% and 11% the goods and services purchased during the three and nine months ended September 30, 2025, respectively. There was one major supplier that accounted for 14% of the goods and services purchased for the nine months ended September 30, 2024, and no major supplier during the three months ended September 30, 2024. As of September 30, 2025, there was no major supplier, and there was one major supplier as of December 31, 2024 that accounted for 14% of the accounts payable balance.

Government Grants

From time to time, the Company may be awarded government grants. U.S. GAAP does not have specific accounting standards covering government grants to business entities. The Company applies International Accounting Standards 20 (“IAS 20”), *Accounting for Government Grants and Disclosure of Government Assistance*, by analogy when accounting for government grants. Under IAS 20, government grants or awards are initially recognized when there is reasonable assurance the conditions of the grant or award will be met and the grant or award will be received. After initial recognition, government grants or awards are recognized as income under revenue within the statement of operations on a systematic basis in a manner consistent with the manner in which the Company recognizes the underlying costs included in the cost of revenue within the statement of operations for which the grant or award is intended to compensate. A grant receivable is recognized for expenses incurred but for which grant funding has not yet been received. The Company follows ASC 832, *Disclosures by Business Entities about Government Assistance*, with respect to the disclosures of governmental grants or awards. See Note 3 - Revenue for further discussion on government grants.

Long-Lived Assets

Long-lived assets consist of property and equipment, net, and are reviewed for impairment whenever events or changes in circumstances indicate the carrying value of the long-lived asset may not be recoverable. Recoverability is measured by comparing the carrying value of a long-lived asset to the future undiscounted cash flows that the long-lived asset is expected to generate from use and eventual disposition. An impairment loss will be recognized if the carrying amount of a long-lived asset is not recoverable and exceeds its fair value. For the three and nine months ended September 30, 2024, we recorded impairment charges of approximately $5.0 million within our condensed consolidated statements of operations associated with construction in progress of certain assets under development by a third party subcontractor that were not in compliance according to the specifications under contract. No impairment charges were recorded for the three and nine months ended September 30, 2025. See Note 4 for further discussion of our impairment loss on property and equipment.

Earn-Out Liabilities

Unvested earn out units of Intuitive Machines, LLC ("Earn Out Units") are classified as liability transactions at initial issuance which were offset against paid-in capital as of the closing of the Business Combination. At each period end, the Earn Out Units are remeasured to their fair value with the changes during that period recognized in other income (expense) on the consolidated statement of operations. Upon issuance and release of the shares after each Triggering Event is met, the related Earn Out Units will be remeasured to fair value at that time with the changes recognized in other income (expense), and such Earn Out Units will be reclassed to shareholders' equity (deficit) on the consolidated balance sheet. As of the Closing Date, the Earn Out Units had a fair value of $99.7 million. As a result of the OMES III Contract award by the National Aeronautics and Space Administration ("NASA") in May 2023, Triggering Event I under the earn out agreement vested resulting in the issuance of 2,500,000 shares of Intuitive Machines Class C common stock, par value $0.0001 per share (the "Class C Common Stock") with a fair value of approximately $19.4 million to the applicable Intuitive Machines, LLC Members resulting in a reduction to earn-out liabilities and an increase to shareholders' deficit. In February 2025, the Triggering Events II-A and III were met, resulting in the issuance of 5,000,000 and 2,500,000, respectively, shares of Class C Common Stock with an aggregate fair value of approximately $167.5 million, resulting in a reduction to earn-out liabilities and an increase to shareholders' deficit. See Note 11 - Fair Value Measurements for additional information related to the changes in fair value and conversions to equity of the earn-out liabilities. As of September 30, 2025, all of the Earn Out Units have vested and the earn-out liabilities no longer exist.

Liquidity and Capital Resources

The unaudited condensed consolidated financial statements as of September 30, 2025 and for the three and nine months ended September 30, 2025 and 2024, and related notes were prepared on the basis of a going concern, which contemplates that the Company will be able to realize assets and discharge liabilities in the normal course of business.

As of September 30, 2025, the Company had cash and cash equivalents of $622.0 million and working capital of $560.0 million. The Company invests excess cash in highly liquid, low risk interest-bearing overnight sweep and demand deposit accounts with major financial institutions. The Company has historically funded its operations through internally generated cash on hand, proceeds from sales of its capital stock, proceeds from warrant exercises, and proceeds from the issuance of bank debt.

On August 18, 2025, the Company issued $345.0 million aggregate principal amount of 2.500% convertible senior notes due 2030 (the "Convertible Notes"). The Convertible Notes are general, unsecured obligations of the Company and bear interest at a fixed rate of 2.500% per year, payable semiannually in arrears on April 1 and October 1 of each year, beginning on April 1, 2026. The Convertible Notes will mature on October 1, 2030, unless earlier converted, redeemed, or repurchased. The net proceeds of the Convertible Notes were $334.6 million after deducting the initial purchasers' discount and commissions and the offering expenses payable by the Company and we used approximately $36.8 million of the net proceeds to pay the cost of the capped call transactions (as further defined in Note 6 - Debt). For further information on the Convertible Notes refer to Note 6 - Debt.

On March 4, 2025, we entered into a loan and security agreement with Stifel Bank which provides for a secured revolving credit facility in an aggregate principal amount of up to $40.0 million. As of September 30, 2025, the revolving credit facility remains unborrowed. See Note 6 - Debt for additional information on this loan and security agreement.

On November 3, 2025, the Company entered into a definitive agreement to acquire 100% of the issued and outstanding membership interests of Lanteris Space Holdings LLC, formerly Maxar Space Systems, a spacecraft manufacturer, from Advent International LLC. The aggregate consideration for the acquisition is $800 million, consisting of $450 million in cash and $350 million in the Company's Class A Common Stock, subject to adjustments. The transaction is expected to close in the first quarter of 2026, subject to customary regulatory approvals and closing conditions. See Note 17 - Subsequent Events for additional information on this acquisition.

Management believes that the cash and cash equivalents as of September 30, 2025 and the liquidity provided under the Convertible Notes and the Stifel revolving credit facility, will be sufficient to fund the short-term liquidity needs and the execution of the business plan through at least the twelve-month period from the date the financial statements are issued.

Recent Accounting Pronouncements

In December 2023, the FASB issued ASU No. 2023-09, Income Taxes (Topic 740): Improvements to Income Tax Disclosures, which focuses on the rate reconciliation and income taxes paid. ASU No. 2023-09 requires a public business entity to disclose, on an annual basis, a tabular rate reconciliation using both percentages and currency amounts, broken out into specified categories with certain reconciling items further broken out by nature and jurisdiction to the extent those items exceed a specified threshold. In addition, all entities are required to disclose income taxes paid, net of refunds received disaggregated by federal, state/local, and foreign and by jurisdiction if the amount is at least 5% of total income tax payments, net of refunds received. For public business entities, the new standard is effective for annual periods beginning after December 15, 2024, with early adoption permitted. An entity may apply the amendments in this ASU prospectively by providing the revised disclosures for the period ending December 31, 2025, and continue to provide the pre-ASU disclosures for the prior periods or may apply the amendments retrospectively by providing the revised disclosures for all period presented. This ASU requires additional disclosures and, accordingly, the Company does not expect the adoption of ASU 2023-09 to have a material effect on its consolidated financial statements and related disclosures.

In November 2024, the FASB issued ASU 2024-03, Income Statement - Reporting Comprehensive Income - Expense Disaggregation Disclosures (Subtopic 220-40): Disaggregation of Income Statement Expenses, which is intended to improve the disclosures of expenses by providing more detailed information about the types of expenses in commonly presented expense captions. The standard is effective for annual reporting periods beginning after December 15, 2026, and interim reporting periods beginning after December 15, 2027. Early adoption is permitted. The standard can be applied either prospectively or retrospectively. The Company is currently evaluating the impact of the standard on the presentation of its consolidated financial statements and related disclosures.

In November 2024, the FASB issued ASU 2024-04, Debt - Debt with Conversion and Other Options (Subtopic 470-20): Induced Conversions of Convertible Debt Instruments, which clarifies the requirements for determining whether to account for certain early settlements of convertible debt instruments as induced conversions or extinguishments. The standard is effective for fiscal years beginning after December 15, 2025, and interim reporting periods within those fiscal years. Early adoption is permitted. The standard can be applied either prospectively or retrospectively. The Company is currently evaluating the impact of the standard on the presentation of its consolidated financial statements.

In September 2025, FASB issued ASU 2025-06, Intangibles - Goodwill and Other - Internal-Use Software (Subtopic 350-40): Targeted Improvements to the Accounting for Internal-Use Software. ASU 2025-06 modernizes the accounting for internal-use software costs by eliminating the prescriptive and sequential development stage model and introducing a principles-based framework requiring companies to capitalize internal-use software costs when management commits to funding the software project and it is probable the project will be completed. The amendment is effective for annual reporting periods beginning after December 15, 2027, and interim reporting periods within those annual reporting periods. Early adoption is permitted. The Company is currently evaluating the potential impacts of adopting this ASU on its consolidated financial statements.

Other Current Liabilities

As of September 30, 2025 and December 31, 2024, other current liabilities consisted of the following (in thousands):

	September 30, 2025	December 31, 2024
Payroll accruals	12,407	10,274
Income tax payable	43	43
Professional fees accruals	1,979	960
Loan interest payable	1,030	—
Other accrued liabilities	165	212
Other current liabilities	$ 15,624	$ 11,489

NOTE 3 - REVENUE

Disaggregated Revenue

We disaggregate our revenue from contracts with customers by contract type. The following table provides information about disaggregated revenue for the three and nine months ended September 30, 2025 and 2024 (in thousands):

	Three Months Ended September 30,				Nine Months Ended September 30,			
	2025		2024		2025		2024	
Revenue by contract type								
Fixed price	$ 30,275	58 %	$ 23,097	39 %	$ 95,992	58 %	$ 52,759	30 %
Cost reimbursable	19,190	36 %	33,844	58 %	62,877	38 %	115,581	67 %
Time and materials	1,522	3 %	1,537	3 %	4,955	3 %	4,998	3 %
Revenue from contracts with customers	50,987	97 %	58,478	100 %	163,824	99 %	173,338	100 %
Grant revenue	1,450	3 %	—	— %	1,450	1 %	—	— %
Total revenue	$ 52,437	100 %	$ 58,478	100 %	$ 165,274	100 %	$ 173,338	100 %

Contract Assets and Liabilities

Contract assets primarily relate to deferred contract costs for subcontracted launch services, as well as work completed not yet billed for performance obligations that are satisfied over time. Deferred contract costs and unbilled receivables are recorded contract assets on our condensed consolidated balance sheets. Contract assets related to deferred contract costs are amortized straight-line across the life of the long-term service arrangement. Contract assets related to work completed for performance obligations that are satisfied over time are transferred to receivables when the right to consideration becomes unconditional. Contract liabilities relate to billings or consideration received in advance of performance (obligation to transfer goods or services to a customer) under the contract as well as provisions for loss contracts. Contract liabilities are recognized as revenue when the performance obligation has been performed. Current deferred revenue and provisions for loss contracts are recorded in current contract liabilities on our condensed consolidated balance sheets. Long-term deferred revenue and provisions for loss contracts are recorded in long-term contract liabilities on our condensed consolidated balance sheets.

The following table presents contract assets as of September 30, 2025 and December 31, 2024 (in thousands):

	September 30, 2025	December 31, 2024
Contract assets		
Unbilled receivables	$ 7,151	$ 18,113
Deferred contract costs	3,024	16,479
Total	$ 10,175	$ 34,592

Amortization expense associated with deferred contract costs for subcontracted launch services was recorded in cost of revenue and was $7.1 million and $22.7 million for the three and nine months ended September 30, 2025, respectively and $1.5 million and $6.5 million for the three and nine months ended September 30, 2024, respectively. Launch delay fees are recorded directly to the cost of revenue and were none and $2.3 million for the three and nine months ended September 30, 2025, respectively, and $1.0 million and $2.2 million for the three and nine months ended September 30, 2024, respectively.

The following table presents contract liabilities as of September 30, 2025 and December 31, 2024 (in thousands):

	September 30, 2025	December 31, 2024
Contract liabilities – current		
Deferred revenue	$ 56,438	$ 54,803
Contract loss provision	9,165	7,890
Accrued launch costs	555	2,491
Total contract liabilities – current	66,158	65,184
Contract liabilities – long-term		
Deferred revenue	—	14,334
Contract loss provision	1,636	—
Total contract liabilities – long-term	1,636	14,334
Total contract liabilities	$ 67,794	$ 79,518

Revenue recognized from amounts included in contract liabilities at the beginning of the period was $40.9 million and $8.4 million during the nine months ended September 30, 2025 and 2024, respectively.

Loss Contracts

A contract loss occurs when the current estimate of the consideration that we expect to receive is less than the current estimate of total estimating costs to complete the contract. For purposes of determining the existence of or amount of a contract loss, we consider total contract consideration, including any variable consideration constrained for revenue recognition purposes. We may experience favorable or unfavorable changes to contract losses from time to time due to changes in estimated contract costs and modifications that result in changes to contract price. We recorded net losses related to contracts with customers of $1.7 million and $23.9 million for the three and nine months ended September 30, 2025, respectively, and $1.7 million and $22.8 million for the three and nine months ended September 30, 2024, respectively.

The status of these loss contracts was as follows:

- Our IM-1 mission contract for lunar payload services became a loss contract due to estimated contract costs exceeding the estimated amount of consideration that we expected to receive. The contract was successfully completed in February 2024. As a result of a successful mission, previously constrained variable consideration of $12.3 million as of December 31, 2023 was released and approximately $11.6 million was recognized as revenue during the first quarter of 2024. For the nine months ended September 30, 2024 changes in estimated contract costs resulted in an additional of $5.7 million in contract loss.
- Our IM-2 mission contract for lunar payload services, became a loss contract in 2023 due to estimated contract costs exceeding the estimated amount of consideration that we expected to receive. The IM-2 mission associated with this contract was completed in March 2025. For the nine months ended September 30, 2025 and 2024, changes in estimated contract costs resulted in an additional $1.0 million and $7.2 million in contract loss, respectively. During the third quarter of 2025, the IM-2 mission contract was closed-out and we recognized revenue of approximately $5.5 million. As of December 31, 2024, the contract loss provision recorded in contract liabilities, current in our condensed consolidated balance sheets was $0.9 million, and there was no contract loss provision remaining as of September 30, 2025.
- Our IM-3 mission contract for lunar payload services became a loss contract in 2021 due to estimated contract costs exceeding the estimated amount of consideration that we expected to receive. For the nine months ended September 30, 2025 and 2024, changes in estimated contract costs resulted in an additional $19.6 million and $9.9 million in contract loss, respectively. The increase in estimated contract costs was primarily driven by the

alignment of the mission schedule with the completion of an internally-developed satellite to be placed in lunar orbit to meet NSNS contract obligations. The period of performance for this contract currently runs through June 2026. However, these efforts are expected to extend the mission launch window to the second half of 2026. As of September 30, 2025, this contract was approximately 80% complete. As of September 30, 2025 and December 31, 2024, the contract loss provision recorded in contract liabilities, current was $7.9 million and $7.0 million, respectively, and $0.4 million and zero, respectively, in contract liabilities, non-current in our condensed consolidated balance sheets.

- Our IM-4 mission contract for lunar payload services, became a loss contract during the second quarter of 2025 due to estimated contract costs exceeding the estimated amount of consideration that we expect to receive. For the nine months ended September 30, 2025, changes in estimated contract costs resulted in $3.3 million in contract loss. As of September 30, 2025 this contract was approximately 24% complete. The period of performance for this contract currently runs through August 2028. As of September 30, 2025, the contract loss provision recorded in contract liabilities, current was $1.3 million and $1.2 million in contract liabilities, non-current in our condensed consolidated balance sheets.
- The remaining loss contracts are individually and collectively immaterial.

Remaining Performance Obligations

Remaining performance obligations represent the remaining transaction price of firm orders for which work has not been performed and excludes unexercised contract options. As of September 30, 2025, the aggregate amount of the transaction price allocated to remaining fixed price performance obligations was $119.3 million. The Company expects to recognize revenue on approximately 10-15% of the remaining performance obligations over the remaining 3 months in 2025, 55-60% in 2026 and the remaining thereafter. Remaining performance obligations do not include variable consideration that was determined to be constrained as of September 30, 2025 due to the uncertainty of achieving performance milestones or other factors not yet resolved.

For time and materials contracts and cost reimbursable contracts, we have adopted the practical expedient that allows us to recognize revenue based on our right to invoice; therefore, we do not report unfulfilled performance obligations for time and materials and cost reimbursable agreements.

Grant Revenue and Related Matters

In April 2025, the Texas Space Commission ("TSC") selected Intuitive Machines for a grant up to $10.0 million from the Space Exploration and Research Fund. This funding supports the development of an Earth reentry vehicle and orbital fabrication lab designed to enable microgravity biomanufacturing and is intended to serve as a critical risk-reduction platform for the Company's future lunar sample return missions. Under the TSC grant, the Company will apply up to $10.0 million in funds pursuant to budget periods defined in the TSC award through June 30, 2026 as reimbursement for costs incurred in completing the tasks, specified by the Company, to complete the design of the Earth reentry vehicle. The TSC can terminate the TSC award for convenience. Under such a termination, the Company will be permitted to seek reimbursement of valid costs incurred through the date of termination. During the three and nine months ended September 30, 2025, the Company recognized grant revenue of $1.5 million and corresponding expenses included in cost of revenue on the condensed consolidated statement of operations. As of September 30, 2025, the grant receivable was $1.5 million, and is included in trade accounts receivables on the condensed consolidated balance sheet.

NOTE 4 - PROPERTY AND EQUIPMENT, NET

As of September 30, 2025 and December 31, 2024, property and equipment, net consisted of the following (in thousands):

	September 30, 2025	December 31, 2024
Leasehold improvements	$ 240	$ 208
Vehicles and trailers	138	129
Computers and software	6,966	4,146
Furniture and fixtures	1,901	1,913
Machinery and equipment	7,192	4,361
Construction in progress	39,518	17,117
Property and equipment, gross	55,955	27,874
Less: accumulated depreciation and amortization	(6,485)	(4,510)
Property and equipment, net	$ 49,470	$ 23,364

Total depreciation expense related to property and equipment for the three and nine months ended September 30, 2025 was $0.8 million and $2.2 million, respectively, and $0.5 million and $1.3 million, respectively, for the three and nine months ended September 30, 2024.

As of September 30, 2025, construction in progress includes $32.7 million in capitalized costs associated with the fabrication and development of communications satellites and ground network assets, primarily in support of the NSNS contract within our Data Transmission Services business. During the third quarter of 2024, management determined that certain assets under development by a third party subcontractor were not in compliance according to the specifications under contract. Management concluded that carrying cost of these assets was not recoverable and recorded an impairment charge of approximately $5.0 million, including capitalized interest of $0.5 million, in our condensed consolidated statements of operations for the three and nine months ended September 30, 2024.

NOTE 5 - LEASES

The Company leases real estate for administrative office space, research, marketing and light manufacturing operations of the lessee's aerospace related research and development business under operating leases.

The Company has five real estate leases with lease terms ranging from 52 months to 313 months and seven equipment leases (of which six are finance leases) with lease terms ranging from 36 months to 60 months, some of which contain options to extend and some of which contain options to terminate the lease without cause at the option of lessee.

The Company's real estate leasing agreements include terms requiring the Company to reimburse the lessor for its share of real estate taxes, insurance, operating costs and utilities which the Company accounts for as variable lease costs when incurred since the Company has elected to not separate lease and non-lease components, and hence are not included in the measurement of lease liability. There are no restrictions or covenants imposed by any of the leases, and none of the Company's leases contain material residual value guarantees.

Lunar Production and Operations Center Expansion

In July 2025, we executed an amendment to our ground lease agreement to expand our Lunar Production and Operations Center ("LPOC") at the Houston Spaceport at Ellington Airport. The expansion calls for an additional investment of approximately $12.6 million by the Company for the construction of new production and testing facilities, plus support infrastructure, to scale our lunar lander assembly, Earth-reentry systems, Lunar Terrain Vehicle development, and NASA's Near Space Network Services. The amendment expands the total leased project site by an additional tract of approximately 3.0 acres. The amendment extends the lease term from 20 years to 25 years (ending October 2048), with three optional renewal periods of 5 years each, and reduces the right-of-use assets and liabilities by approximately $7.1 million. The Company accounted for this amendment as a lease modification by remeasuring the right-of-use assets and liabilities as of the effective date. Should construction costs exceed the estimated expansion investment, the Company will consider and account for the excess as variable lease payments or, if the excess costs are significant, the Company will remeasure the lease liability and right-of-use asset. Furthermore, the amendment includes lease components that have not yet commenced. The Company expects to recognize additional lease liabilities of approximately $7.9 million as the expansion phases are completed in 2026.

Spaceport Facility Lease Agreement

In July 2025, we executed a sublease for additional office and production space at the Houston Spaceport at Ellington Airport totaling approximately 116,000 square feet. The leased production space includes turn-key production equipment, including test facilities, that allow for an efficient and cost-effective expansion of our manufacturing capabilities. The lease agreement has a remaining term of 7 years. As of September 30, 2025, the Company recorded operating right-of-use assets of $6.5 million and operating lease liabilities of $6.7 million.

The components of total lease expense are as follows (in thousands):

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2025	2024	2025	2024
Operating lease cost	$ 1,232	$ 1,050	$ 3,547	$ 2,982
Finance lease cost	10	9	30	27
Variable lease cost	96	—	264	—
Short-term lease cost	137	21	401	48
Total lease cost	$ 1,475	$ 1,080	$ 4,242	$ 3,057

The components of supplemental cash flow information are as follows (in thousands):

	Nine Months Ended September 30,			
	2025		2024	
	Operating Leases	Finance Leases	Operating Leases	Finance Leases
Cash paid for amounts included in the measurement of lease liabilities:				
Cash flows from operating activities	$ 2,695	$ 6	$ 1,535	$ 27
Cash flows from investing activities	$ —	$ —	$ 2,491	$ 2
Cash flows from financing activities	$ —	$ 32	$ —	$ 26
Right-of-use assets obtained in exchange for new lease liabilities	$ 6,607	$ —	$ 4,264	$ 44
Right-of-use assets reduced due to lease modifications	$ 7,103	$ —	$ —	$ —
Weighted average remaining lease term (months)	215	25	207	31
Weighted average discount rate	11.3 %	8.0 %	6.5 %	7.8 %

The operating and finance lease ROU assets, current operating lease liabilities, current finance lease liabilities, non-current operating lease liabilities, and non-current finance lease liabilities are disclosed in our condensed consolidated balance sheets.

The table below includes the estimated future undiscounted cash flows for operating and finance leases as of September 30, 2025 (in thousands):

	Operating Leases	Finance Leases
Remainder of 2025	$ 646	$ 12
2026	15,327	45
2027	3,659	21
2028	3,834	8
2029	4,340	—
Thereafter	81,297	—
Total undiscounted lease payments	$ 109,103	$ 86
Less: imputed interest	72,770	6
Present value of lease liabilities	$ 36,333	$ 80

NOTE 6 - DEBT

The following table summarizes our outstanding debt (in thousands):

	September 30, 2025	December 31, 2024
Convertible Notes	$ 345,000	$ —
Less: unamortized debt discount	(9,266)	—
Less: unamortized debt issuance costs	(907)	—
Total long-term debt	$ 334,827	$ —

Convertible Notes

On August 18, 2025, the Company issued $345.0 million aggregate principal amount of 2.500% convertible senior notes due 2030. The Convertible Notes are general, unsecured obligations of the Company and bear interest at a fixed rate of 2.500% per year, payable semiannually in arrears on April 1 and October 1 of each year, beginning on April 1, 2026. The Convertible Notes will mature on October 1, 2030, unless earlier converted, redeemed, or repurchased.

The Convertible Notes are convertible at the option of the holders at any time prior to the close of business on the business day immediately preceding July 1, 2030 only under the following conditions: (1) during any calendar quarter commencing after the calendar quarter ending on December 31, 2025 (and only during such calendar quarter), if the last reported sale price of the Company's Class A Common Stock for at least 20 trading days (whether or not consecutive) during a period of 30 consecutive trading days ending on, and including, the last trading day of the immediately preceding calendar quarter is greater than or equal to 130% of the conversion price on each applicable trading day; (2) during the five business day period after any ten consecutive trading day period (the "Measurement Period") in which the trading price per $1,000 principal amount of the Convertible Notes for each trading day of the Measurement Period was less than 98% of the product of the last reported sale price of the Class A Common Stock and the conversion rate on each such trading day; (3) if the Company issues a notice of redemption, at any time prior to the close of business on the scheduled trading day immediately preceding the redemption date; or (4) upon the occurrence of specified corporate events. On or after July 1, 2030 until the close of business on the second scheduled trading day immediately preceding the maturity date, holders may convert all or any portion of their notes at any time, in integral multiples of $1,000 principal amount, at the option of the holder regardless of the foregoing conditions. Upon conversion, the Company may satisfy its conversion obligation by paying or delivering, as the case may be, cash, shares of Class A Common Stock or a combination of cash and shares of Class A Common Stock, at the Company's election.

The Company may not redeem the notes prior to October 6, 2028. The Company may redeem for cash all or any portion of the notes, at the Company's option, on or after October 6, 2028 and prior to the 26th scheduled trading day immediately preceding the maturity date, but only if the "liquidity condition" (as defined below) is satisfied and the last reported sale price of the Class A Common Stock has been at least 130% of the conversion price then in effect for at least 20 trading days (whether or not consecutive) during any 30 consecutive trading day period (including the last trading day of such period) ending on, and including, the trading day immediately preceding the date on which the Company provides notice of redemption, at a redemption price equal to 100% of the principal amount of the notes to be redeemed, plus accrued and unpaid interest to, but excluding, the redemption date. The "liquidity condition" is satisfied if the Company has filed all reports and other materials required to be filed by Section 13 or 15(d) of the Exchange Act, as applicable, during the preceding 12 months, after giving effect to all applicable grace periods thereunder and other than current reports on Form 8-K; or if the Company has elected to settle all conversions by cash settlement. If the Company redeems less than all the outstanding Convertible Notes, at least $75.0 million aggregate principal amount must be outstanding and not subject to redemption as of, and after giving effect to, delivery of the relevant notice of redemption (unless the Company makes an "all notes election" with respect to such partial redemption, in which case such partial redemption limitation shall not apply). No sinking fund is provided for the notes.

The initial conversion rate for the Convertible Notes is 76.2631 shares of Class A Common Stock per $1,000 principal amount of the notes, which represents an initial conversion price of approximately $13.1125 per share of Class A Common Stock. The conversion rate and conversion price are subject to customary adjustments upon the occurrence of certain events. In addition, holders who convert their notes in connection with a make-whole fundamental change or a notice of redemption may be entitled to an increase in the conversion rate. For the potential dilutive impact of the Convertible Notes if-converted, refer to Note 12 - Net Loss per Share.

The Convertible Notes include customary covenants and certain events of default after which the notes may be declared immediately due and payable and set forth certain types of bankruptcy or insolvency events of default involving the Company after which the notes become automatically due and payable. As of September 30, 2025, the Company was in compliance with all debt covenant requirements related to the Convertible Notes.

As of September 30, 2025, the aggregate fair value of the Convertible Notes was $368.0 million based on an observable market quote in an active market (Level 2 inputs). Debt discount and issuance costs are comprised of costs incurred in connection with debt issuance and are presented in the accompanying condensed consolidated balance sheet as a deduction to the carrying amount of the debt and amortized using the effective interest method to interest expense over the term of the debt. The conversion feature was evaluated under ASC 815, "Derivatives and Hedging" and ASC 470-20 "Debt with Conversion and Other Options" and was not separated as a derivative because it met the equity scope exception; therefore, the Convertible Notes are accounted for entirely as a liability. During the three and nine months ended September 30, 2025, the effective interest rate on the Convertible Notes, including the impact of the debt discount and issuance costs, was approximately 3.09% and the Company recognized $1.3 million of interest expense related to the Convertible Notes which included the amortization of the debt discount and issuance costs of $0.2 million.

Capped Calls

On August 18, 2025, in connection with the issuance of the Convertible Notes (as described above), the Company entered into capped call transactions (the "Capped Calls") with certain financial institutions at an aggregate cost of approximately $36.8 million. The Capped Calls cover, subject to anti-dilution adjustments, the number of Class A Common Stock underlying the Convertible Notes. The Capped Calls can be settled in cash or shares at the Company's option and are expected generally to reduce the potential dilution to the Class A Common Stock upon any conversion of the Convertible Notes and/or offset any cash payments the Company is required to make in excess of the principal amount of the Convertible Notes. The Capped Calls have an initial strike price of $13.1125 and an initial cap price of $20.9800 per share, which are subject to certain adjustments under the terms of the Capped Calls. The Capped Calls meet the criteria for equity classification under ASC 815-40 as they are indexed to the Company's own stock and require settlement in shares or cash at the Company's option. The Capped Calls cover approximately 26,310,770 of Class A Common Stock. These instruments are excluded from diluted earnings per share calculations as they are currently anti-dilutive.

Stifel Loan Agreement

On March 4, 2025, we entered into a loan and security agreement (the "Loan Agreement") with Stifel Bank. The Loan Agreement provides for a secured revolving credit facility in an aggregate principal amount of up to $40.0 million (the "Revolving Facility"). The proceeds of the loans (and any letters of credit issued thereunder) may be used for the funding of growth initiatives, including working capital needs and general corporate purposes as the Company continues to focus on minimizing its cost of capital while maximizing available funding alternatives. Amounts outstanding under the Revolving Facility bear interest at a rate per annum equal to the greater of (a) Term SOFR (secured overnight financing rate) plus 2.75% and (b) 6.00% and requires the Company to meet certain financial and other covenants. The Loan Agreement matures on April 30, 2027 (the "Maturity Date"). Subject to certain conditions in the Loan Agreement, amounts borrowed thereunder may be repaid and reborrowed at any time prior to the Maturity Date. As of September 30, 2025, the Company was in compliance with all covenants related to the Loan Agreement. As of September 30, 2025, there was no outstanding debt under the Stifel Loan Agreement.

Live Oak Credit Mobilization Facility

On December 12, 2019, the Company entered into a loan agreement with Live Oak Banking Company (the "Credit Mobilization Facility") which provided a $12.0 million credit mobilization facility that was paid in full as of November 2023. In July 2022, we entered into the Second Amended and Restated Loan Agreement with Live Oak Banking Company which provided an $8.0 million mobilization credit facility with a loan maturity of July 14, 2024. The Credit Mobilization Facility bears interest (payable monthly) at a rate per annum equal to the greater of (a) the prime rate, as published in the Wall Street Journal newspaper, plus 2.0% and (b) 5.0% and requires the Company to meet certain financial and other covenants and are secured by substantially all of the assets of the Company. There was $8.0 million outstanding under the Credit Mobilization Facility as of December 31, 2023. The Company paid $5.0 million during the second quarter of 2024 and paid the remaining $3.0 million in July 2024 and the facility has been terminated.

Bridge Loan

On January 10, 2024, the Company entered into a series of loan documents with Pershing LLC, an affiliate of Bank of New York Mellon, pursuant to which Pershing LLC agreed to an extension of credit in an amount not to exceed $10.0 million to the Company (the "Bridge Loan"). Borrowings under the Bridge Loan bear interest at the target interest rate set by the Federal Open Market Committee ("Fed Funds Rate"), subject to a 5.5% floor, plus a margin. For borrowings, the applicable rate margin is 0.9%. The $10.0 million in borrowings are available for working capital needs and other general corporate purposes were required to be repaid by February 22, 2024.

The Bridge Loan included guarantees (the “Credit Support Guarantees”) by Ghaffarian Enterprises, LLC (an affiliate of Dr. Kamal Ghaffarian) (“Ghaffarian Enterprises” or “Guarantor”) and documentation by which Ghaffarian Enterprises, LLC supported such Credit Support Guarantees with collateral including marketable securities (the “Credit Support”), in each case in favor of the lender for the benefit of the Company. On January 10, 2024, the Company and Ghaffarian Enterprises entered into a credit support fee and subrogation agreement, where the Company agreed to pay a support fee of $148 thousand for the Credit Support.

On January 29, 2024, the Bridge Loan was repaid in full as a result of $10.0 million in contributions from the Guarantor under the Bridge Loan Conversion transaction for which the Company issued to the Guarantor 3,487,278 shares of the Company’s Class A Common Stock and Conversion Warrants described further in Note 9.

NOTE 7 - INCOME TAXES

The Company is a corporation and thus is subject to United States (“U.S.”) federal, state and local income taxes. Intuitive Machines, LLC is a partnership for U.S. federal income tax purposes and therefore does not pay U.S. federal income tax on its taxable income. Instead, the Intuitive Machines, LLC unitholders, including the Company, are liable for U.S. federal income tax on their respective shares of Intuitive Machines, LLC’s taxable income. Intuitive Machines, LLC is liable for income taxes in those states which tax entities classified as partnerships for U.S. federal income tax purposes.

For the three and nine months ended September 30, 2025, we recognized $5 thousand U.S. federal and state expense for income taxes, and our effective combined U.S. federal and state income tax rates were (0.05)% and (0.01)%, respectively. For the three and nine months ended September 30, 2024, we recognized a combined U.S. federal and state expense for income taxes of,$50 thousand, and our effective combined U.S. federal and state income tax rates were (0.06)% and (0.03)%, respectively. For the three and nine months ended September 30, 2025 and 2024, our effective tax rate differed from the statutory rate primarily due to deferred taxes for which no benefit is being recorded and losses attributable to noncontrolling interest unitholders that are taxable on their respective share of taxable income.

In conjunction with the consummation of the Transactions, Intuitive Machines, Inc. entered into a tax receivable agreement (the “TRA”). Pursuant to the TRA, the Company is required to pay the TRA Holders (certain Intuitive Machines, LLC members and related parties to the Company) 85% of the amount of the cash tax savings, if any, in U.S. federal, state, and local taxes that are based on, or measured with respect to, net income or profits, and any interest related thereto that the Company realizes, or is deemed to realize, as a result of certain tax attributes, including:

- existing tax basis in certain assets of Intuitive Machines, LLC and its subsidiaries;
- tax basis adjustments resulting from taxable exchanges of Intuitive Machines, LLC Common Units acquired by the Company;
- certain tax benefits realized by the Company as a result of the Business Combination; and
- tax deductions in respect of portions of certain payments made under the TRA.

All such payments to the TRA Holders are the obligations of the Company, and not that of Intuitive Machines, LLC. As of September 30, 2025, based primarily on historical losses of the Company, management has determined it is more-likely-than-not that the Company will be unable to utilize its deferred tax assets subject to the TRA; therefore, management applies a full valuation allowance to deferred tax asset for a corresponding liability under the TRA related to the tax savings the Company may realize from the utilization of tax deductions related to basis adjustments created by the transactions in the Business Combination Agreement. As of September 30, 2025, management does not expect a TRA liability to be recorded.

On July 4, 2025, President Trump signed into law the One Big Beautiful Bill Act ("OBBBA"). The OBBBA makes permanent key elements of the Tax Cuts and Jobs Act, including 100% bonus depreciation, domestic research cost expensing, and the business interest expense limitation. ASC 740, “Income Taxes”, requires the effects of changes in tax rates and laws on deferred tax balances to be recognized in the period in which the legislation is enacted. We have assessed the impact of the OBBBA and determined that the impact on our condensed consolidated financial statements is not material.

NOTE 8 - MEZZANINE EQUITY AND EQUITY

Capital Stock

The table below reflects share information about the Company’s capital stock as of September 30, 2025.

	Par Value	Authorized	Issued	Treasury Stock	Outstanding
Class A Common Stock	$ 0.0001	500,000,000	120,074,013	(2,191,080)	117,882,933
Class B Common Stock	$ 0.0001	100,000,000	—	—	—
Class C Common Stock	$ 0.0001	100,000,000	60,899,264	—	60,899,264
Series A Preferred Stock	$ 0.0001	25,000,000	5,000	—	5,000
Total shares		725,000,000	180,978,277	(2,191,080)	178,787,197

Share Repurchase

In February 2025, related to the Warrant Redemption (as further discussed in Note 9), Michael Blitzer, a director and warrant holder, agreed to exercise 1,800,000 of the Warrants, and the Company agreed to repurchase 941,080 shares of the Company’s Class A Common Stock for an aggregate purchase price of $20.7 million.

Series A Preferred Stock *(Mezzanine Equity)*

As a result of the Private Placement Transaction on September 5, 2023 (as discussed below) and in accordance with the terms of the Certificate of Designation, the Series A Preferred Stock conversion price was reduced from $12.00 per share to $5.10 per share. Additionally, as a result of the Warrant Exercise Agreement on January 10, 2024 in conjunction with the warrant transactions discussed in Note 9, the Series A Preferred Stock conversion price was further reduced from $5.10 per share to $3.00 per share.

Private Placement Transaction

On September 5, 2023, the Company consummated a securities purchase agreement (the “Purchase Agreement”) with Armistice Capital Master Fund Ltd (the “Purchaser”) pursuant to which the Company agreed to sell securities to the Purchaser in a private placement (the “Private Placement”). The Purchase Agreement provided for the sale and issuance by the Company of (i) an aggregate of 4,705,883 shares of the Company’s Class A Common Stock (the “PIPE Shares”) and (ii) an accompanying (a) warrant to purchase up to 4,705,883 shares of Class A Common Stock (the “Initial Series A Warrant”) at an exercise price of $4.75 per share and (b) warrant to purchase up to 4,705,883 shares of Class A Common Stock (the “Initial Series B Warrant”) at an exercise price of $4.75 per share, for aggregate gross proceeds of $20.0 million, before deducting related transaction costs of $1.4 million. The Initial Series A Warrant and the Initial Series B Warrant are immediately exercisable and will expire on March 5, 2029 and March 5, 2025, respectively. During the first quarter of 2024, the Initial Series A Warrant and the Initial Series B Warrant were fully exercised. Refer to Note 9 - Warrants, for further information on the Initial Series A Warrant and Initial Series B Warrant.

Redeemable Noncontrolling Interests *(Mezzanine Equity)*

As of September 30, 2025, the prior investors of Intuitive Machines, LLC own 34.1% of the outstanding common units of Intuitive Machines, LLC. The prior investors of Intuitive Machines, LLC have the right to exchange their common units in Intuitive Machines, LLC (along with the cancellation of the paired shares of Class B Common Stock or Class C Common Stock in Intuitive Machines, Inc.) for shares of Class A Common Stock on a one-to-one basis or cash proceeds for an equivalent amount. The option to redeem Intuitive Machines, LLC’s common units for cash proceeds must be approved by the Board. The ability to put common units is solely within the control of the holder of the redeemable noncontrolling interests. If the prior investors elect the redemption to be settled in cash, the cash used to settle the redemption must be funded through a private or public offering of Class A Common Stock and subject to the Company’s Board approval.

The financial results of Intuitive Machines, LLC and its subsidiaries are consolidated with Intuitive Machines, Inc. with the redeemable noncontrolling interests' share of our net loss separately allocated.

NOTE 9 - WARRANTS

Public and Private Warrants

In conjunction with the closing of the Business Combination, on February 13, 2023, the Company assumed a total of 23,332,500 warrants to purchase one share of the Company's Class A Common Stock with an exercise price of $11.50 per share, subject to adjustment. Of the warrants, 16,487,500 Public Warrants were originally issued in the IPAX initial public offering (the "IPO") and 6,845,000 private warrants (the "Private Warrants") were originally issued in a private placement in connection with the IPO. The Company evaluated the terms of the warrants and determined they meet the criteria in ASC 815, "Derivatives and Hedging", to be classified in shareholders' equity upon issuance. The warrants became exercisable 30 days after the closing of the Business Combination and will expire five years after the closing of the Business Combination.

The Private Warrants are identical to the Public Warrants except that the Private Warrants may not, subject to certain limited exceptions, be transferred assigned or sold by the holders until 30 days after the closing of the Business Combination. The Public Warrants and Private Warrants (collectively, the "Warrants") do not entitle the holder to any voting rights, dividends or other rights as a shareholder of the Company prior to exercise.

Once the Warrants become exercisable, the Company may redeem the outstanding warrants, in whole or in part, at a price of $0.01 per warrant upon a minimum of 30 days prior written notice of redemption and if, and only if, the closing price of the Company's Class A Common Stock equals or exceeds $18.00 per share (as adjusted for adjustments to the number of shares issuable upon exercise pursuant to any anti-dilution adjustments) for any 20 days within a 30-trading day period ending three business days before the Company sends the notice of redemption to the warrant holders. The number of Class A Common Stock issuable on exercise of each warrant will be increased in proportion to certain increases in outstanding Class A Common Stock including any share capitalization payable, sub-division of shares or other similar events.

On February 4, 2025, the Company announced the redemption of all of its outstanding Warrants to purchase shares of the Company's Class A Common Stock that were issued under the warrant agreement, dated September 21, 2021 (the "Warrant Agreement"), by and between the Company and Continental Stock Transfer & Trust Company, as warrant agent, and that remained unexercised at 5:00 p.m., New York City time, on March 6, 2025 (the "Redemption Date") for the redemption price of $0.01 per Warrant (the "Warrant Redemption"). During the period from January 1, 2025 and the Redemption Date, 15,358,229 of the Warrants were exercised resulting in gross proceeds of $176.6 million. As of the Redemption Date, 6,571,724 Warrants remained unexercised and were redeemed for an aggregate redemption price of $66 thousand. Trading of the Warrants on the Nasdaq was suspended prior to the market open on March 6, 2025, and the Warrants were subsequently delisted.

Preferred Investor Warrants

In conjunction with the issuance of Series A Preferred Stock at closing of the Business Combination, the Company issued 541,667 Preferred Investor Warrants (of which, 104,157 are owned by a related party, Ghaffarian Enterprises, LLC) to purchase one share of the Company's Class A Common Stock with an exercise price of $15.00, subject to adjustment. The Company evaluated the terms of the Preferred Investor Warrants and determined they meet the criteria to be classified in shareholders' equity upon issuance.

The Preferred Investor Warrants were immediately exercisable upon issuance and expire five years from the closing of the Business Combination. The Preferred Investor Warrants include customary cash and cashless exercise provisions and may be exercised on a cashless basis if, at any time after the six month anniversary of the Closing Date, there is not an effective registration statement with respect to the Class A Common Stock. The Preferred Investor Warrants have the same terms and conditions as the Public Warrants. The Preferred Investor Warrants do not entitle the holder to any voting rights, dividends or other rights as a shareholder of the Company prior to exercise.

As result of the Private Placement Transaction on September 5, 2023 discussed in Note 8 and in accordance with the terms of the Certificate of Designation, the Preferred Investor Warrants exercise price was reduced from $15.00 to $11.50 per share and the aggregate number of shares of Class A Common Stock issuable upon exercise of the Preferred Investor Warrants was proportionally increased to 706,522.

As of September 30, 2025, there have been no exercises of the Preferred Investor Warrants.

Warrant Exercise Agreement

On January 10, 2024, the Company entered into a Warrant Exercise Agreement with the Armistice Capital Master Fund Ltd (the "Purchaser") to exercise in full the Initial Series B Warrant to purchase up to an aggregate 4,705,883 shares of Class A Common Stock. In consideration for the immediate and full exercise of the Initial Series B Warrant, the existing investor received (i) a new unregistered Series A Common Stock Purchase Warrant to purchase up to an aggregate of 4,705,883 shares of Class A Common Stock with an exercise price of $2.75 per share and a term of 5.5 years (the "New Series A Warrant") and (ii) a new unregistered Series B Common Stock Purchase Warrant to purchase up to an aggregate of 4,705,883 shares of Class A Common Stock with an exercise price of $2.75 per share and a term of 18 months (the "New Series B Warrant"), collectively, (the "New Warrants"), in a private placement pursuant to Section 4(a)(2) of the Securities Act of 1933. In connection with the Warrant Exercise Agreement, the Company also agreed to reduce the exercise price of the Initial Series B Warrant from $4.75 to $2.50 per share and reduced the exercise price of the Initial Series A Warrant to purchase up to 4,705,883 shares of Class A Common Stock from $4.75 to $2.75 per share.

As a result of the modifications to the 4,705,883 Initial Series A Warrant and the 4,705,883 Initial Series B Warrant, collectively (the "Initial Warrants"), the Company recognized an unfavorable change in fair value of warrant liabilities of $1.2 million in the condensed consolidated statement of operations. Upon the immediate exercise of the 4,705,883 Initial Series B Warrants, the Company issued 4,705,883 shares of Class A Common Stock, received cash proceeds of approximately $11.8 million and recognized a gain on issuance of securities of approximately $1.3 million in the condensed consolidated statements of operations.

The New Series A Warrant and New Series B Warrant were immediately exercisable and have a term of 5.5 years and 18 months, respectively. The Company evaluated the terms of the New Warrants and determined they meet the criteria in ASC 815, "Derivatives and Hedging", to be classified as a derivative liability, initially measured at fair value with changes in fair value recognized in other income (expense) on the condensed consolidated statement of operations. The New Series A Warrant and New Series B Warrant had an initial fair value of $10.8 million and $5.7 million, respectively, which was recorded as a $16.6 million loss on issuance of securities in our condensed consolidated statement of operations.

Subsequently, the Purchaser exercised 4,705,883 Initial Series A Warrants, 4,705,883 New Series A Warrants and 4,705,883 New Series B Warrants during the period from February 9, 2024 to February 23, 2024. As a result, the Company issued 14,117,649 shares of Class A Common Stock and received cash proceeds of approximately $38.8 million, and all of the Initial Warrants and New Warrants have been settled and are no longer outstanding. The Company recorded a loss on issuance of securities of approximately $47.9 million as a result of these warrant exercises.

Conversion Warrants

In connection with the January 2024 Bridge Loan Conversion discussed further in Note 6, the Company agreed to issue to the Guarantor, pursuant to Section 4(a)(2) of the Securities Act of 1933, (i) a new unregistered Series A Common Stock Purchase Warrant to purchase up to an aggregate of 4,150,780 shares of, at the Guarantor's election, Class A Common Stock (at an exercise price per share equal to $2.57 per share), Class C Common Stock (at an exercise price per share equal to $0.0001 per share), or a combination thereof, and a term of 5 years, (the "Conversion Series A Warrant") and (ii) a new unregistered Series B Common Stock Purchase Warrant to purchase up to an aggregate of 4,150,780 shares of, at the guarantor's election, Class A Common Stock (at an exercise price per share equal to $2.57 per share), Class C Common Stock (at an exercise price per share equal to $0.0001 per share), or a combination thereof, and a term of 18 months (the "Conversion Series B Warrant"), collectively (the "Conversion Warrants"). On May 31, 2024, the guarantor assigned the Conversion Warrants to a third party investor in a private transaction. Pursuant to the assignment to a third party investor, the Conversion Warrants are no longer exercisable for Class C Common Stock. All other terms related to the Conversion Warrants remain the same as previously discussed. Pursuant to the guidance under ASC 480 "Distinguishing Liabilities from Equity," the Company determined that the Conversion Warrants should be recorded as liabilities as of the issuance date and March 31, 2024 and subsequently determined that they meet the criteria in ASC 815, "Derivatives and Hedging", to be classified as a derivative liability as of May 31, 2024 and June 30, 2024, initially measured at fair value with changes in fair value recognized in earnings in other income (expense) on the consolidated statement of operations.

The Conversion Series A Warrant and Conversion Series B Warrant had an initial fair value of $10.0 million and $5.5 million, respectively. The gross proceeds of $10.0 million from the Letter Agreement were allocated to the Conversion

Warrants resulting in a loss on the transaction of approximately $5.5 million recognized as loss on issuance of securities in our condensed consolidated statement of operations.

During the period from June 5, 2024 to June 7, 2024, the investor exercised 300,000 Conversion Series B Warrants, resulting in the issuance of an equal number of shares of Class A Common Stock. The Company recorded a gain on issuance of securities of approximately $0.6 million as a result of these warrant exercises. During the period from November 21, 2024 to November 29, 2024, the investor exercised the remaining 3,850,780 Conversion Series B Warrants, resulting in the issuance of an equal number of Class A Common Stock.

During the nine months ended September 30, 2025, the Company recognized a gain of $31.9 million from the change in fair value of the Conversion Series A Warrant liability in our condensed consolidated statement of operations. During the nine months ended September 30, 2024, the Company recognized a loss of $17.8 million and $17.7 million from the change in fair value of the Conversion Series A Warrant liability and Conversion Series B Warrant liability, respectively.

The Company's overall warrant activity for the nine months ended September 30, 2025 was as follows:

	Public and Private Warrants	Preferred Investor Warrants	Conversion Series A Warrants
Balance, December 31, 2024	21,929,953	706,522	4,150,780
Warrant exercises	(15,358,229)	—	—
Warrant redemptions	(6,571,724)	—	—
Balance, March 31, 2025	—	706,522	4,150,780
Warrant exercises	—	—	—
Balance, June 30, 2025	—	706,522	4,150,780
Warrant exercises	—	—	—
Balance, September 30, 2025	—	706,522	4,150,780

NOTE 10 - SHARE-BASED COMPENSATION

2021 Unit Option Plan

On May 25, 2021, the Intuitive Machines, LLC's board of directors adopted, and its members approved the 2021 Unit Option Plan (the "2021 Plan"). The 2021 Plan allowed the Intuitive Machines, LLC to grant incentive unit options ("Incentive Unit Options") to purchase Class B unit interests. Pursuant to the 2021 Plan, up to 6,125,000 shares of Class B units were reserved for issuance, upon exercise of the aforementioned Incentive Unit Options made to employees, directors and consultants.

As a result of the Business Combination discussed in Note 1 and per the terms of the Second Amended and Restated Intuitive Machines, LLC Operating Agreement, the unexpired and unexercised outstanding Incentive Unit Options at the closing of the Business Combination, whether vested or unvested, were proportionately adjusted using a conversion ratio of 0.5562 (rounded down to the nearest whole number of options). The exercise price of each option was adjusted accordingly. Each Incentive Unit Option continues to be subject to the terms and conditions of the 2021 Plan and will be exercisable for Class B common units of Intuitive Machines, LLC (the "Class B Common Units"). When an option is exercised, the participant will receive Class A Common Stock. As a result of the conversions, there was no incremental compensation cost and the terms of the outstanding options, including fair value, vesting conditions and classification, were unchanged.

As of September 30, 2025, Intuitive Machines, LLC was authorized to issue a total of 765,042 Class B Common Units upon exercise of the Incentive Unit Options under the 2021 Plan. The following table provides a summary of the option activity under the 2021 Plan for the nine months ended September 30, 2025:

	Number of Options	Weighted Average Exercise Price	Weighted Average Remaining Contractual Term (Years)	Aggregate Intrinsic Value (000's)
Outstanding as of December 31, 2024	989,423	$ 3.54	6.74	
Granted	—	—		
Exercised	(189,893)	1.80		
Forfeited	(34,488)	1.80		
Balance as of September 30, 2025	765,042	$ 4.04	6.06	$ 4,954,053
Exercisable as of September 30, 2025	574,240	$ 3.59	5.98	$ 3,977,117

Aggregate intrinsic value represents the difference between the exercise price of the options and the market price of our Class A Common Stock.

The following table provides a summary of weighted-average grant-date fair value of unit options under the 2021 Plan:

	Weighted-Average Grant Date Fair Value
Non-vested as of December 31, 2024	$ 2.23
Granted	—
Vested	1.71
Forfeited	0.55
Non-vested as of September 30, 2025	$ 3.17

Share-based compensation expense related to options was $50 thousand and $153 thousand for the three and nine months ended September 30, 2025, respectively, $78 thousand and $298 thousand for the three and nine months ended September 30, 2024, respectively, and was classified in the condensed consolidated statement of operations under general and administrative expense. As of September 30, 2025, the Company had $167 thousand in estimated unrecognized share-based compensation costs related to outstanding unit options that is expected to be recognized over a weighted average period of 1.80 years.

Following the consummation of the Business Combination, no new awards will be granted under the 2021 Plan.

Intuitive Machines, Inc. 2023 Long Term Omnibus Incentive Plan (the "2023 Plan")

The 2023 Plan, which became effective in conjunction with closing of the Business Combination, provides for the award to certain directors, officers, employees, consultants and advisors of the Company of incentive and nonqualified stock options, stock appreciation rights, restricted stock, restricted stock units, other stock-based awards as well as cash-based awards and dividend equivalents, as determined, and subject to the terms and conditions established, by the Company's Compensation Committee. Under the 2023 Plan, a maximum of 12,706,811 shares of Class A Common Stock are authorized to be issued. As of September 30, 2025, the Company has issued restricted stock units ("RSUs") and performance stock units ("PSUs") as outlined in the following disclosures. No other awards have been granted under the 2023 Plan. As of September 30, 2025, approximately (7,645,211 shares were available for future grants under the 2023 Plan.

Restricted Stock Units and Performance Stock Units

Pursuant to the 2023 Plan, the Company grants RSUs with time-based vesting requirements which typically vest over one to four years and PSUs with target performance-based vesting requirements based on continuous service. The fair value of RSUs and PSUs are based on the Company's closing stock price on the date of grant.

The following table provides a summary of the Company's RSU and PSU activity:

	Number of Units(1)	Weighted Average Grant Date Fair Value
Outstanding as of December 31, 2024	3,307,039	$ 4.31
Granted	735,151	16.98
Vested	(1,267,914)	4.56
Forfeited	—	—
Balance as of September 30, 2025	2,774,276	$ 7.55

(1) Includes PSUs of 53,333 granted in October 2024 at the 100% attainment level which are based on two performance goals related to the Company's financial management plan. Each goal has a performance multiplier of 50% and must be attained by September 1, 2025. As of April 2025, the performance goals were attained and all 53,333 PSU grants fully vested.

Share-based compensation expense related to RSUs was $1.4 million and $6.3 million for the three and nine months ended September 30, 2025, respectively, and $1.2 million and $3.7 million for the three and nine months ended September 30, 2024, respectively. Share-based compensation expense related to PSUs was zero and $0.3 million for the three and nine months ended September 30, 2025, respectively, and zero and $3.2 million for the three and nine months ended September 30, 2024, respectively. Share-based compensation expense for RSUs and PSUs are classified in the condensed consolidated statement of operations under general and administrative expense. As of September 30, 2025, the estimated unrecognized share-based compensation costs related to unvested RSUs was $16.9 million that is expected to be recognized over a weighted average period of 2.75 years. As of April 2025, the remaining PSUs were fully vested and hence the Company has no estimated unrecognized share-based compensation costs related to unvested PSUs.

NOTE 11 - FAIR VALUE MEASUREMENTS

The following tables summarize the fair value of assets and liabilities that are recorded in the Company's condensed consolidated balance sheets as of September 30, 2025 and December 31, 2024 at fair value on a recurring basis.

	September 30, 2025				
	Frequency of Measurement	Total	Level 1	Level 2	Level 3
Liabilities					
Warrant liabilities - Conversion Series A	Recurring	36,859	—	—	36,859
Total liabilities measured at fair value		$ 36,859	$ —	$ —	$ 36,859

	December 31, 2024				
	Frequency of Measurement	Total	Level 1	Level 2	Level 3
Liabilities					
Earn-out liabilities	Recurring	$ 134,156	$ —	$ —	$ 134,156
Warrant liabilities - Conversion Series A	Recurring	68,778	—	—	68,778
Total liabilities measured at fair value		$ 202,934	$ —	$ —	$ 202,934

Cash and cash equivalents consist of cash in bank, demand deposit accounts, money market funds and short-term certificates of deposit with original maturities of less than 90 days. Because of the short-term nature of these instruments, the carrying amounts approximate fair value and therefore are considered Level 1 measurements under the fair value hierarchy.

The following tables provide roll-forwards of the Company's Level 3 liabilities (in thousands):

	Earn-out liabilities	Warrant liabilities - Conversion Series A	Total Warrant liabilities
Balance, December 31, 2024	$ 134,156	$ 68,778	$ 68,778
Change in fair value	33,369	(31,919)	(31,919)
Converted to equity	(167,525)	—	—
Balance, September 30, 2025	$ —	36,859	36,859

	Earn-out liabilities	Warrant liabilities - Series A	Warrant liabilities - Series B	Total Warrant liabilities
Balance, December 31, 2023	$ 14,032	$ 8,612	$ 2,682	$ 11,294
Additions	—	20,827	11,262	32,089
Change in fair value	33,816	18,800	17,841	36,641
Converted to equity	—	(20,471)	(9,758)	(30,229)
Balance, September 30, 2024	$ 47,848	27,768	22,027	49,795

Earn-out Liabilities

As a result of the Business Combination, certain Intuitive Machines, LLC members received 10,000,000 earn out units of Intuitive Machines, LLC ("Earn Out Units") subject to certain triggering events. Upon the vesting of any Earn Out Units, each of the certain Intuitive Machines, LLC members will be issued (i) by Intuitive Machines, LLC an equal number of Intuitive Machines, LLC Common Units and (ii) by Intuitive Machines, an equal number of shares of Class C Common Stock, in exchange for surrender of the applicable Earn Out Units and the payment to Intuitive Machines, Inc. of a per-share price equal to the par value per share of the Class C Common Stock. Under the earn out agreement, Earn Out Units of 2,500,000 vested during the year ended December 31, 2023, and the remaining 7,500,000 Earn Out Units vested during the nine months ended September 30, 2025.

Warrant Liabilities

Conversion Warrants

The fair value of the Conversion Series A Warrant liabilities as of September 30, 2025 was estimated using a Black-Scholes-Merton model. The significant assumptions utilized in estimating the fair value of the Conversion Series A Warrant liabilities include: (i) a per share price of the Class A Common Stock of $10.52; (ii) a dividend yield of 0.0%; (iii) a risk-free rate of 3.63%; and (iv) expected volatility of 91%.

NOTE 12 - NET LOSS PER SHARE

Basic net income (loss) per share of Class A common stock is computed by dividing net income (loss) attributable to Class A common shareholders for the three and nine months ended September 30, 2025 and 2024 by the weighted-average number of shares of Class A common stock outstanding for the same periods.

Diluted net income (loss) per share of Class A common stock includes additional weighted average common shares that would have been outstanding if potential common shares with a dilutive effect had been issued using the if-converted method for the Series A Preferred Stock and Convertible Notes, and the treasury method for our RSUs, PSUs, options, and warrants. During loss periods, diluted net loss per share for all periods presented is the same as basic net loss per share as the inclusion of the potentially issuable shares would be anti-dilutive. The Capped Call transactions entered into in connection with the Convertible Notes (as discussed in Note 6) are excluded from diluted net income (loss) per share calculations as they are designed to reduce potential dilution and are currently anti-dilutive

The following table presents the computation of the basic and diluted loss per share of Class A Common Stock (in thousands, except share data):

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2025	2024	2025	2024
Numerator				
Net loss	$ (9,960)	$ (80,411)	$ (47,191)	$ (181,787)
Less: Net loss attributable to redeemable noncontrolling interest	(3,445)	(25,679)	(4,944)	(50,001)
Less: Net income attributable to noncontrolling interest	327	668	1,172	2,429
Net loss attributable to the Company	(6,842)	(55,400)	(43,419)	(134,215)
Less: Cumulative preferred dividends	(158)	(143)	(456)	(751)
Net loss attributable to Class A common shareholders	$ (7,000)	$ (55,543)	$ (43,875)	$ (134,966)
Denominator				
Basic and diluted weighted-average shares of Class A common stock outstanding	117,815,856	67,072,014	114,150,168	52,971,882
Net loss per share of Class A common stock - basic and diluted	$ (0.06)	$ (0.83)	$ (0.38)	$ (2.55)

The following table presents potentially dilutive securities, as of the end of the periods, excluded from the computation of diluted net loss per share of Class A Common Stock as their effect would be anti-dilutive, their exercise price was out-of-the-money, or because of unsatisfied contingent issuance conditions.

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2025	2024	2025	2024
RSUs(1)	2,963,588	3,251,206	2,963,588	3,251,206
Options(1)(4)	765,042	1,027,451	765,042	1,027,451
Series A Preferred Stock(2)	2,117,362	1,916,965	2,065,532	1,869,956
Warrants(1)(4)	4,857,302	30,638,374	4,857,302	30,638,374
Earn Out Units(3)	—	7,500,000	—	7,500,000
Convertible Notes(2)	12,297,425	—	4,099,142	—

(1) Represents number of instruments outstanding at the end of the period that were evaluated under the treasury stock method for potentially dilutive effects and were determined to be anti-dilutive. The number of RSUs outstanding at the three and nine months ended September 30, 2025 consists of 2,774,276 unvested RSUs and 189,312 vested RSUs with elected deferrals of the issuance of Class A common stock.

(2) Represents number of instruments outstanding as converted at the end of the period that were evaluated under the if-converted method for potentially dilutive effects and were determined to be anti-dilutive. For the three and nine months ended September 30, 2025, the Convertible Notes (if-converted) included in the table above that were out-of-the-money totaled 12,297,425 and 4,099,142, respectively.

(3) Represents number of Earn Out Units outstanding at the end of the period that were excluded due to unsatisfied contingent issuance conditions.

(4) Options and warrants with exercise prices greater than the average market price of our Class A Common Stock would be excluded from the computation of diluted net income per share because they are out-of-the-money. The out-of-the-money instruments included in the table above were warrants of 706,522 for the three and nine months ended September 30, 2025. For the three and nine months ended September 30, 2024, the out-of-the-money instruments included in the table above were options of 250,308 and warrants of 22,636,814.

NOTE 13 - COMMITMENTS AND CONTINGENCIES

Legal Proceedings

We are subject to legal proceedings, claims and liabilities that arise in the ordinary course of business. We accrue for losses associated with legal claims when such losses are considered probable and the amounts can be reasonably estimated. The Company bases any accrual for losses on a variety of factors, including informal settlement discussions. As of September 30, 2025 and December 31, 2024, the aggregate amount accrued on our condensed consolidated balance sheet is approximately $2.1 million. For matters for which no accrual has currently been made or for potential losses in excess of amounts accrued, the Company currently believes, based on its internal investigations, that any losses that are reasonably possible and estimable will not, in the aggregate, have a material adverse effect on its financial position, results of operations, or cash flows. However, the ultimate outcome of legal proceedings involves judgments, estimates, and inherent uncertainties and cannot be predicted with certainty. Should the ultimate outcome of any legal matter be unfavorable, it could have a material adverse effect on our business, financial condition and results of operations. The Company may also incur substantial legal fees, which are expensed as incurred, in defending against legal claims.

On November 22, 2024, Starlight Strategies IV LLC (“Plaintiff”), an alleged successor in interest to a purported former holder of shares of the Company’s 10% Series A Cumulative Convertible Preferred Stock, par value $0.0001 per share (the “Series A Preferred Stock”) filed a breach of contract action in Delaware Chancery Court. The complaint alleges that the Plaintiff’s predecessor received fewer shares of common stock upon conversion of its shares of Series A Preferred Stock than it was allegedly entitled to receive under the terms of the applicable certificate of designation. The Plaintiff is seeking unspecified contractual damages and equitable relief. The Company has filed its answer to the complaint and asserted counterclaims against the Plaintiff and third-party claims against certain entities affiliated with the Plaintiff. Also, on January 24, 2025, Kingstown 1740 Fund L.P. and Kingstown Capital Partners LLC (together, “Kingstown”) moved to intervene, seeking to file a complaint in intervention against Starlight. The court granted Kingstown leave to intervene. In connection with the intervention, the Company has agreed to pay Kingstown’s legal fees. We believe that we have meritorious defenses and claims against the Plaintiff and its affiliates, and we intend to vigorously defend the litigation.

Purchase Commitments

From time-to-time, we enter into long-term commitments with vendors to purchase launch services and for the development of certain components in conjunction with our obligations under revenue contracts with our customers. Our aggregate purchases under these commitments totaled approximately $20.4 million and $49.4 million for the three and nine months ended September 30, 2025, respectively, and $6.0 million and $29.0 million for the three and nine months ended September 30, 2024, respectively. As of September 30, 2025, we had remaining purchase obligations under non-cancelable commitments with various vendors totaling $93.2 million of which $11.9 million is due during the remaining of 2025, $59.7 million due in 2026, and the remaining $21.6 million due in 2027.

NOTE 14 - RELATED PARTY TRANSACTIONS

Intuitive Machines, IX LLC and Space Network Solutions, LLC have entered into recurring transaction agreements with certain related parties, including sales agreements and loan agreements.

IBX, LLC and PTX, LLC

From time to time, the Company may incur expenses with IBX, LLC and PTX, LLC (“IBX/PTX”) for the provision of management and professional services in the day-to-day operation of our business. These expenses include, among others, fees for the provision of administrative, accounting and legal services. As such, expenses incurred in relation to IBX/PTX are incurred in the normal course of business and amounts are settled under normal business terms. IBX/PTX is an innovation and investment firm committed to advancing the state of humanity and human knowledge. Kamal Ghaffarian, the Chairman of the Board and one of the co-founders of Intuitive Machines, is a co-founder and current member of management of IBX/PTX. The Company incurred no expenses with IBX/PTX for the three and nine months ended September 30, 2025, and incurred expenses of $30 thousand and $54 thousand for the three and nine months ended September 30, 2024, respectively. There was no affiliate accounts payable related to IBX expenses as of September 30, 2025 and December 31, 2024.

KBR, Inc.

KBR, Inc. (“KBR”), a U.S.-based firm operating in the science, technology and engineering industries holds approximately 10% of the equity of Space Network Solutions, LLC (“SNS”), one of our operating subsidiaries. The Company recognized affiliate revenue from KBR related to engineering services of $0.4 million and $0.2 million for the three months ended September 30, 2025 and 2024, respectively, and $1.5 million and $1.5 million for the nine months ended September 30, 2025 and 2024, respectively. As of September 30, 2025 and December 31, 2024, there was $0.3 million and $0.4 million, respectively, of affiliate accounts receivable related to KBR revenue.

In addition, SNS incurred cost of revenue with KBR related to the OMES III contract of $5.3 million and $8.5 million for the three months ended September 30, 2025 and 2024, respectively, and $17.1 million and $27.1 million for the nine months ended September 30, 2025 and 2024, respectively. As of September 30, 2025 and December 31, 2024, there was $2.1 million and $2.5 million, respectively, of affiliate accounts payable related to cost of revenue with KBR. See Note 15 - Variable Interest Entities for more information on the OMES III contract with KBR.

Revenue and expenses related to KBR are incurred in the normal course of business and amounts are settled under normal business terms.

ASES

The Company recognized revenue from ASES related to engineering services of $0.3 million and $0.1 million for the three months ended September 30, 2025 and 2024, respectively, and $0.9 million and $0.5 million for the nine months ended September 30, 2025 and 2024, respectively. There was $0.1 million of affiliate accounts receivable related to ASES revenue as of September 30, 2025 and December 31, 2024. ASES is a joint venture between Aerodyne and KBR. Kamal Ghaffarian, the Chairman of the Board and one of the co-founders of Intuitive Machines, LLC is a current member of management of Aerodyne Industries, LLC.

In addition, SNS incurred cost of revenue with Aerodyne related to the OMES III contract of $0.4 million and $1.6 million for the three and nine months ended September 30, 2025, respectively, and none for the three and nine months ended September 30, 2024. As of September 30, 2025 and December 31, 2024, there was $0.1 million and zero, respectively, of affiliate accounts payable related to cost of revenue with Aerodyne. See Note 15 - Variable Interest Entities for more information on the OMES III contract.

Revenue and expenses related to ASES are incurred in the normal course of business and amounts are settled under normal business terms.

X-energy, LLC

The Company incurred expenses with X-energy, LLC ("X-energy") of zero and $0.1 million for the three months ended September 30, 2025 and 2024, respectively, and $0.5 million and $0.3 million for the nine months ended September 30, 2025 and 2024, respectively. As of September 30, 2025 and December 31, 2024, there was no affiliate accounts payable related to X-energy expenses. Expenses related to X-energy are incurred in the normal course of business and amounts are settled under normal business terms. Kamal Ghaffarian, the Chairman of the Board and one of the co-founders of Intuitive Machines, LLC is the Executive Chairman of X-Energy Reactor Company, LLC, which is the parent company of X-Energy.

Axiom Space, Inc.

The Company recognized revenue from Axiom Space, Inc. ("Axiom") related to space infrastructure development activities of $300 thousand for the three and nine months ended September 30, 2025, and zero and $50 thousand for the three and nine months ended September 30, 2024. As of September 30, 2025, there was affiliate accounts receivable of $300 thousand related to Axiom and none as of December 31, 2024. Kamal Ghaffarian, the Chairman of the Board and one of the co-founders of Intuitive Machines, LLC is a co-founder and Executive Chairman of Axiom. Revenue related to Axiom are incurred in the normal course of business and amounts are settled under normal business terms.

NOTE 15 - VARIABLE INTEREST ENTITIES

The Company determines whether joint ventures in which it has invested meet the criteria of a variable interest entity or "VIE" at the start of each new venture and when a reconsideration event has occurred. A VIE is a legal entity that satisfies any of the following characteristics: (a) the legal entity does not have sufficient equity investment at risk; (b) the equity investors at risk as a group, lack the characteristics of a controlling financial interest; or (c) the legal entity is structured with disproportionate voting rights.

The Company consolidates a VIE if it is determined to be the primary beneficiary of the VIE. The primary beneficiary has both the power to direct the activities of the VIE that most significantly impact the entity's economic performance and the obligation to absorb losses or the right to receive benefits from the VIE that could potentially be significant to the VIE.

Space Network Solutions, LLC

The Company participates in the Space Network Solutions joint venture with KBR, a leading provider of specialized engineering, and professional, scientific and technical services primarily to the U.S. federal government. Under the terms of the Amended Space Network Solutions limited liability company agreement, we hold a 90% interest in the Space Network Solutions and KBR hold a 10% interest. Space Network Solutions is a VIE and Intuitive Machines is the primary beneficiary.

Space Network Solutions was formed to provide cyber security as well as communication & tracking services using its expertise in developing secure ground system architecture for lunar space missions. In the second quarter of 2023, NASA awarded Space Network Solutions a cost-plus-fixed-fee indefinite-delivery, indefinite quantity contract to support work related to the Joint Polar Satellite System, NASA's Exploration and In-space Services. Intuitive Machines and KBR entered into a separate joint venture agreement (the "OMES III JV Agreement") within Space Network Solutions to execute the OMES III contract with a profits interest of 47% for Intuitive Machines and 53% for KBR. We have determined that the OMES III JV Agreement represents a silo within Space Network Solutions and is a standalone VIE. Intuitive Machines is the primary beneficiary of this silo based on the governance structure of the OMES III JV Agreement. As of September 30, 2025, SNS LLC had total assets of $9.4 million and total liabilities of $6.4 million. As of December 31, 2024, SNS LLC had total assets of $12.9 million and total liabilities of $9.2 million.

IX, LLC Joint Venture

The Company participates in the IX, LLC joint venture ("IX LLC JV") with X-energy, a nuclear reactor and fuel design engineering company, developing high-temperature gas cooled nuclear reactors and fuel to power them. We hold a 51% interest in the IX LLC JV and X-energy holds a 49% interest. Kamal Ghaffarian is also the co-founder and current member of management of X-energy. Intuitive Machines and X-energy are common controlled entities. We have determined that IX, LLC JV is a variable interest entity and Intuitive Machines is the primary beneficiary because it is most closely associated with the activities of the joint venture. Therefore, we consolidate this VIE for financial reporting purposes.

The IX LLC JV was formed to pursue nuclear space propulsion and surface power systems in support of future space exploration goals. In the third quarter of 2022, the IX LLC JV received an award from Battelle Energy Alliance to design a fission surface power system that can operate on the surface of the Moon to support sustained lunar presence and exploration of Mars. As of September 30, 2025 and December 31, 2024, the assets and liabilities of IX LLC JV totaled $— million and $0.5 million, respectively, associated with project execution activities subcontracted to the IX LLC JV partners and other third parties.

NOTE 16 - SEGMENT INFORMATION

The Company operates in one operating segment and one reportable segment underpinned by three core pillars (delivery services, data transmission services, and infrastructure as a service) that have similar capabilities, customers, and economic characteristics. The Company's chief operating decision-maker ("CODM") is our chief executive officer. Our CODM reviews and evaluates consolidated Net income (loss), a U.S. GAAP measure, and Adjusted Earnings before Interest, Taxes, Depreciation, and Amortization ("Adjusted EBITDA"), a non-GAAP measure, for purposes of evaluating financial performance, making operating decisions, allocating resources, and planning and forecasting for future periods. Although we utilize a non-GAAP measure of Adjusted EBITDA to evaluate our ability to generate cash and as an alternative measure of profitability, our primary profitability measure is the GAAP measure of Net income (loss).

All of the Company's long-lived assets are maintained in the U.S. We geographically disaggregate our revenues based on the customer's country of domicile. Substantially all of our revenues are derived from customers in the U.S., and our revenues from foreign customers were 10% and 6% of total revenues for the three and nine months ended September 30, 2025, respectively, and were not material for the three and nine months ended September 30, 2024. Refer to Note 2 for information regarding our major customers and Note 3 for further information on revenues.

The following presents the significant financial information with respect to the Company's reportable segment for the three and nine months ended September 30, 2025 and 2024 (in thousands):

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2025	2024	2025	2024
Total revenues	$ 52,437	$ 58,478	$ 165,274	$ 173,338
Less:				
Cost of revenue (excluding depreciation)[1]	46,769	54,357	164,772	171,248
Depreciation	815	482	2,190	1,319
Impairment of property and equipment	—	5,044	—	5,044
General and administrative expense (excluding depreciation):				
Sales and marketing expense[2]	5,156	807	7,960	2,276
Other general and administrative expense[3]	15,116	11,512	44,488	37,450
Total general and administrative expense (excluding depreciation)	20,272	12,319	52,448	39,726
Operating loss	(15,419)	(13,724)	(54,136)	(43,999)
Interest income	4,833	44	9,752	118
Interest expense	(1,344)	(13)	(1,442)	(87)
Change in fair value of earn-out liabilities	—	(33,328)	(33,369)	(33,816)
Change in fair value of warrant liabilities	1,950	(33,686)	31,919	(36,641)
Loss on issuance of securities	—	—	—	(68,080)
Other income, net	25	346	90	768
Income tax expense	(5)	(50)	(5)	(50)
Net loss	$ (9,960)	$ (80,411)	$ (47,191)	$ (181,787)

(1) Cost of revenue consists primarily of direct material and labor costs, launch costs, manufacturing overhead, freight expense, and other personnel-related expenses, which include employee compensation and benefits and stock-based compensation expense.

(2) Sales and marketing expense primarily includes business development and research and development related expenses such as, employee compensation and benefits, subcontract costs, marketing, and materials and supplies costs. Costs incurred for business development were $1.2 million and $0.5 million for the three months ended September 30, 2025 and 2024, respectively, and $2.6 million and $1.4 million for the nine months ended September 30, 2025 and 2024, respectively. Costs incurred for research and development costs were $4.0 million and $0.3 million for the three months ended September 30, 2025 and 2024, respectively, and $5.4 million and $0.9 million for the nine months ended September 30, 2025 and 2024, respectively.

(3) Other general and administrative expense primarily includes all other employee compensation and benefits, stock-based compensation, facilities costs, professional services, software licenses, and other administrative costs.

NOTE 17 - SUBSEQUENT EVENTS

Purchase Agreement - Lanteris Space Holdings LLC

On November 3, 2025, the Company entered into a Membership Interest Purchase Agreement (the “Purchase Agreement”), to acquire Lanteris Space Holdings LLC (“Lanteris”) from Advent International LLC. Formerly Maxar Space Systems, Lanteris is a leading satellite manufacturer and provider for space exploration with a record of delivering mission success across national security, commercial and civil space. Pursuant to the Purchase Agreement, and upon the terms and subject to the conditions therein, the Company will purchase from Advent 100% of the issued and outstanding membership interests of Lanteris. The aggregate consideration for the acquisition is $800 million, consisting of $450 million in cash and $350 million in the Company’s Class A Common Stock, subject to adjustments as set forth in the Purchase Agreement. The transaction is expected to close in the first quarter of 2026, subject to customary regulatory approvals and closing conditions.

Stock Purchase Agreement - KinetX, Inc.

On October 1, 2025, the Company completed the stock purchase agreement to acquire 100% of the issued and outstanding capital stock of KinetX, Inc (“KinetX”). KinetX is a privately-held, Arizona-based aerospace company with more than 30 years of experience delivering flight-proven, deep space navigation, systems engineering, ground software, and constellation mission design to the U.S. government and international customers. The consideration for the acquisition totaled approximately $31.1 million, consisting of the aggregate base consideration of $30.0 million plus $1.1 million for net working capital and other adjustments, and was paid in a combination of $16.1 million cash and 1,434,005 shares of the Company’s Class A Common Stock valued at $15.0 million based on a volume-weighted average price of $10.46. As of the date of this filing, the initial accounting for the acquisition of KinetX is incomplete due to the timing of available information. The Company is gathering the necessary information to provide such disclosures in future filings.

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

You should read the following discussion and analysis of our financial condition and results of operations in conjunction with our condensed consolidated financial statements and related notes thereto included elsewhere in this Quarterly Report, as well as our audited consolidated financial statements as of and for the years ended December 31, 2024 and 2023 which was filed with the Securities and Exchange Commission (the "SEC") on March 25, 2025. Certain of the information contained in this discussion and analysis or set forth elsewhere in this Quarterly Report, includes forward-looking statements that involve risks and uncertainties. As a result of many factors, including those factors set forth in the sections titled "Cautionary Note Regarding Forward-Looking Statements" and Part II. Item 1A. "Risk Factors" included in this Quarterly Report and in the section titled Part I. Item 1A. "Risk Factors" in our 2024 Annual Report on Form 10-K filed with the SEC on March 25, 2025, our actual results could differ materially from the results described in or implied by the forward-looking statements contained in the following discussion and analysis.

Unless otherwise indicated or the context otherwise requires, references in this section to the "Company," "IM," "Intuitive Machines," "we," "us,", or "our" refer to Intuitive Machines, Inc. and its consolidated subsidiaries.

Overview

We are a space technology, infrastructure, and services company founded in 2013 that is contributing to the establishment of cislunar infrastructure and helping to develop cislunar and deep space commerce. Cislunar encompasses objects in orbit in the Earth-Moon system and on the Lunar surface, while deep space exploration is space beyond the Moon, including Mars. We believe we have a leading position in the development of technology platforms operating in three core pillars —delivery services, data transmission services, and infrastructure as a service — as described below under *Our Business Model*. We are focused on establishing the lunar infrastructure associated with each of the three pillars, which provides the basis for commerce to inform and sustain human presence off Earth. Our vision is that our infrastructure services enable our customers to focus on their unique contributions to create a thriving, diverse cislunar economy and expand the commercial space exploration marketplace to the Lunar surface and beyond.

The United States ("U.S.") government has indicated that returning to the Moon is of strategic importance to the U.S. and we believe it will continue to have bipartisan support as we enter the next generation space race with the People's Republic of China ("China"). We believe that space is the next economic frontier, with the Moon being the next stepping stone, and the increased demand from governments, intelligence agencies, commercial industries, and private individuals has created multiple opportunities for long-term growth. We intend to participate in expanding the cislunar economy through a steady cadence of missions, with the intent of offering reduced cost of access and operations while providing reliable missions on a defined schedule. We are one of a select few companies servicing NASA and a worldwide set of commercial payload customers. We believe we have a strong position, as evidenced by four Commercial Lunar Payload Services ("CLPS") awards to date as of September 30, 2025. On February 22, 2024, our Nova-C lander became the first U.S. vehicle to softly land on the lunar surface since 1972, utilizing our Nova-C Guidance, Navigation and Control ("GN&C") and Propulsion systems, both of which were designed and are produced in-house. Our IM-1 Nova-C lander carried approximately 100 kilograms of science experiment and technology demonstration payloads, including the first CLPS payload, to a landing site closer to the lunar south pole than any previous mission. We operated on the lunar surface beyond the CLPS required mission duration and downloaded over 500 MB of payload customer data on our commercial Lunar Data Network. In March 2025, our IM-2 mission landed at the southernmost location of the Moon, 5 degrees from the south pole. While in transit, our space to ground communications brought down over 8GB of data from space over our network; delivered 3 rideshare customers to trans lunar injection orbit and assisted them with ground tracking and communication; and demonstrated precision autonomous orbit operations circling the Moon for 39 orbits over a 72 hour period. While on the surface, we demonstrated the ability to manage power in thermal conditions on the south pole surface and in a crater. With the challenge of not being able to recharge the IM-2 lander solar panels post landing, the mission was still able to complete several mission and payload milestones, including downloading 500 MB of payload customer data from the lunar surface.

The U.S. Space Force ("Space Force") has recently begun to turn its attention to the cislunar space, as noted in the Mitchell Institute paper "Securing Cislunar Space and the First Island Off the Coast of Earth." As the leading CLPS provider and the first company to have successfully landed and operated on the Moon, we believe we are at the forefront of NASA's push for a sustainable return to the lunar surface, while simultaneously driving critical early conversations with the U.S. Department of Defense ("U.S. DoD") and Space Force to secure the Moon and cislunar space to ensure peaceful and strategic operations in this emerging domain.

Our Business Model

We primarily generate revenue through our contracts with customers of our orbital and lunar access services and by collecting and transmitting cislunar data for science, technology and infrastructure. We are a provider and supplier of space products and services that we believe will enable sustained robotic and human exploration to the Moon, Mars, and beyond.

We employ a "land-and-expand" go-to-market strategy with the goal to deliver increasing value and repetitive revenue with each customer over time by expanding the scope of the services we offer. We work closely with our customers and partners to enable their early success. We expect that deeper adoption of our products and services from our customers will come in many forms, including increased reliance on our technology as a core part of a mission, increased usage of our landers for lunar transportation and exploration, and greater dependence on our advanced software analytics capabilities for satisfying each customers' needs.

We operate under three core pillars which we believe are required to develop cislunar and deep space commerce: delivery services, data transmission services, and infrastructure as a service. Under Accounting Standards Codification ("ASC") 280 "Segment Reporting," we concluded that our core pillars operate as one reportable segment. See our Segment Reporting disclosure under Notes 2 and 16 in our condensed consolidated financial statements for further discussion on our reportable segment. Provided below are summarized descriptions of our three core pillars.

- ***Delivery Services*** provides for the transportation and delivery of payloads, such as, satellites, scientific instruments and cargo to various destinations in space, in addition to rideshare delivery and lunar surface access. In February 2024, our Nova C lander became the first U.S. vehicle to softly land on the lunar surface since 1972. In March 2025, our IM-2 mission landed at the southernmost location of the Moon, 5 degrees from the south pole and conducted a shortened mission.

- ***Data Transmission Services*** offerings include the collection, processing, and interpretation of space-based data, utilizing applications, such as, command, control, communications, reconnaissance and prospecting. In September 2024, NASA awarded Intuitive Machines a NSNS contract for communication and navigation services for missions in the near space region, which extends from Earth's surface to beyond the Moon.

- ***Infrastructure as a Service*** delivers space assets performing tasks and making decisions without human intervention that are designed to perform essential functions, such as, navigation, maintenance, scientific data collection, and system health monitoring. During 2024, NASA awarded Intuitive Machines a LTV contract to support the agency's Artemis Campaign as a prime contractor, leading the development of the Moon RACER.

We integrate these fundamental pillars to not only enable access to the Moon but also to lay the foundation for a thriving cislunar and deep space economy. We believe our delivery, data transmission, and infrastructure capabilities uniquely position us to drive innovation, create long-tail revenue streams, and ultimately support humanity's push to establish profitable industries in space. We expect to achieve leading time to market across these core pillars driven by our short design to manufacture process, enabled through vertical integration and rapid iterative testing. We leverage technologies developed for our three core service pillars to expand into adjacent markets where these capabilities provide a competitive advantage.

Adjacent and Opportunistic Market Opportunities

Due to Intuitive Machines' unique technology platforms and engineering expertise, we are also pursuing and executing on business opportunities outside the three core pillars for customers aligned with our talent and product offerings. This includes work on the JETSON Low Power project for the Air Force Research Laboratory (AFRL), the development of scalable reentry technologies, and federal engineering services contracts at various NASA centers.

New Awards and Recent Developments

Purchase Agreement - Lanteris Space Systems

On November 3, 2025, the Company entered into a Membership Interest Purchase Agreement (the "Purchase Agreement"), to acquire Lanteris Space Holdings LLC ("Lanteris") from Advent International LLC. Formerly Maxar Space Systems, Lanteris is a leading satellite manufacturer and provider for space exploration with a record of delivering mission success across national security, commercial and civil space. Pursuant to the Purchase Agreement, and upon the terms and subject to the conditions therein, the Company will purchase from Advent 100% of the issued and outstanding membership interests of Lanteris. The aggregate consideration for the acquisition is $800 million, consisting of $450 million in cash and $350 million in the Company's Class A Common Stock, subject to adjustments as set forth in the Purchase Agreement. In alignment with the Company's vision, the acquisition of Lanteris positions it as a vertically integrated, next generation space prime that can design, manufacture, deliver, and operate missions from earth orbit to the Moon, Mars, and beyond.

The transaction is expected to close in the first quarter of 2026, subject to customary regulatory approvals and closing conditions.

Stock Purchase Agreement - KinetX, Inc.

On October 1, 2025, the Company completed the stock purchase agreement to acquire 100% of the issued and outstanding capital stock of KinetX, Inc ("KinetX"). KinetX is a privately-held, Arizona-based aerospace company with more than 30 years of experience delivering flight-proven, deep space navigation, systems engineering, ground software, and constellation mission design to the U.S. government and international customers. The consideration for the acquisition totaled approximately $31.1 million, consisting of the aggregate base consideration of $30.0 million plus $1.1 million for net working capital and other adjustments, and was paid in a combination of $16.1 million cash and 1,434,005 shares of the Company's Class A Common Stock valued at $15.0 million based on a volume-weighted average price of $10.46.

The acquisition reinforces the Company's flight dynamics and navigation business line within its Data Transmission Services pillar. The Company plans to pair KinetX software and talent with its lunar-proven flight systems, positioning the Company to lead in emerging opportunities like NASA's Near Space Network Services, the potential for Tracking and Data Relay Satellite System replacement, Mars data relay missions, and commercial operations of legacy Deep Space Network infrastructure.

Orbital Transfer Vehicle

In July 2025, we received a $9.8 million government contract from a National Security customer to advance our Orbital Transfer Vehicle design. This phase two award represents the final engineering milestone prior to manufacturing the vehicle as early as 2026 and expands our in-space mobility solutions beyond lunar surface delivery into the rapidly growing market for in-space logistics.

Tax Legislation

On July 4, 2025, President Trump signed into law the One Big Beautiful Bill Act ("OBBBA"). The OBBBA makes permanent key elements of the Tax Cuts and Jobs Act, including 100% bonus depreciation, domestic research cost expensing, and the business interest expense limitation. ASC 740, "Income Taxes", requires the effects of changes in tax rates and laws on deferred tax balances to be recognized in the period in which the legislation is enacted. We have assessed the impact of the OBBBA and determined that the impact on our condensed consolidated financial statements is not material.

Key Factors Affecting Our Performance

We believe that our future success and financial performance depend on several factors that present significant opportunities for our business, but also pose risks and challenges, including those discussed below and in the sections titled Part I., Item 1A. "Risk Factors" in the 2024 Annual Report on Form 10-K, and Part II., Item 1A. "Risk Factors" of this Quarterly Report on Form 10-Q.

Inflation and Macroeconomic Pressures

The global economy continues to experience volatile disruptions including to the commodity and labor markets. These disruptions have contributed to an inflationary environment which has affected, and may continue to adversely affect, the price and availability of certain products and services necessary for our operations, which in turn, has adversely impacted, and may continue to adversely impact our business, financial condition and results of operations.

We continue to monitor economic conditions and the impact of macroeconomic pressures, including repercussions from elevated interest rates, sustained inflation and recession fears, supply chain disruptions, monetary and fiscal policy measures (including future actions or inactions of the United States government related to the "debt-ceiling" or "Department of Government Efficiency" actions), heightened geopolitical tensions (such as the war in Ukraine and Israel), changes to the U.S. federal budget, current or future government shutdowns, and the political and regulatory environment (including changes as a result of policy shifts implemented by the current administration) on our business, customers, suppliers and other third parties. While rising costs and other inflationary pressures have not had a material impact on our business to date, we are monitoring the situation and assessing its impact on our business, including to our partners and customers.

During 2025, we observed a significant shift in U.S. trade policy, with increased tariffs and the imposition of new tariffs that could impact our supply chain and our business. While some of these wide-reaching tariffs have been paused, these trade policy decisions are outside of our control and may have consequences for our business. Changes in trade policies, such as new tariffs or increases in tariffs, or reactionary measures including retaliatory tariffs or legal challenges, could have an adverse impact on our business. Even though we primarily sell our products and services to U.S. Government customers and our suppliers are primarily domestic, we have some exposure to imported materials and components. Based on current conditions, we do not expect a material impact on our 2025 results. We will continue to monitor the evolving trade landscape and assess potential implications on our supply chain and business.

On September 30, 2025, the continuing resolution allowing U.S. government departments and agencies to operate through the end of the government fiscal year expired and the U.S. government shut down. As a result of the U.S. government shutdown, our business, program performance and results of operations may be impacted by the disruptions to federal government offices, workers, and operations, including risks relating to the funding of certain programs, stop work orders, delay in contract awards, new program starts, payments for work performed, and other actions. We may also experience similar impacts in the event of a series of short-term continuing resolutions rather than full-year fiscal year 2026 appropriations. Generally, the significance of these impacts will primarily be based on the length of the shutdown and timing of passage of a new continuing resolutions or a full budget.

Our ability to expand our product and services offerings

We are in the preliminary stages of developing our full space infrastructure offerings. These services are expected to grant customers access to cislunar space and the lunar surface at lower price points than previous lunar missions. We are also working to provide data transmission services at lunar distance to include far-side connectivity, along with ancillary services that are likely to include orbital servicing, earth reentry, and payload development and manufacture.

Our growth opportunity is dependent on our ability to win lunar missions and expand our portfolio of services. Our ability to sell additional products and services to existing customers is a key part of our success, as follow-on purchases indicate customer satisfaction and decrease the likelihood of competitive substitution. To sell additional products and services to new and existing customers, we will need to continue to invest significant resources in our products and services as well as demonstrate reliability through a successful lunar landing. If we fail to make the right investment decisions, are unable to raise capital, if customers do not adopt our products and services, or if our competitors are able to develop technology or products and services that are superior to ours, our business, prospects, financial condition and operating results could be adversely affected.

We expect to make significant investments in our lunar and data programs in the short term. Although we believe that our financial resources will be sufficient to meet our capital needs in the short term, our timeline and budgeted costs for these offerings are subject to substantial uncertainty, including due to compliance requirements of U.S. federal export control laws and applicable foreign and local regulations, the impact of political and economic conditions, and the need to identify opportunities and negotiate long-term agreements with customers for these services, among other factors. Our business may not generate sufficient funds, and we may otherwise be unable to maintain sufficient cash reserves to pay any additional indebtedness that we may incur.

Our ability to expand spaceflight mission operations

Our success will partially depend on our ability to expand our lunar mission operations and win government contracts in 2025 and beyond. We completed the first mission in February 2024 and completed our second mission in March 2025. We are working to establish a regular cadence of missions. We believe that this will provide our customers with proven and reliable cislunar access, with which to plan their future manifest. With binding agreements for additional launches as of September 30, 2025, we have $235.9 million in backlog, and we are in active discussions with numerous potential customers, including government agencies and private companies, to potentially add to our contracted revenue backlog.

Prior to commencing missions, we must complete internal integration activities as well as launch vehicle integration with our launch provider, SpaceX. Any delays to our targeted mission launch date or in commencing our missions, including due to congestion at the pad launch site or delays in obtaining various approvals or licenses, could adversely impact our results and growth plans. As we improve production efficiency and schedule reliability and begin to launch our satellites for our lunar data network, we expect to improve our market penetration, which we believe will lead to higher revenue from both volume and mission complexity as well as increased operating leverage.

Ability to continue to capitalize on government expenditures and private enterprise investment in the space economy

Our future growth is largely dependent on our ability to continue to capitalize on increased government spending and private investment in the space economy. U.S. federal government expenditures and private enterprise investment have fueled our growth in recent years, and it has resulted in our continued ability to secure increasingly valuable contracts for products and services. An increased focus on U.S. federal government spending could unfavorably impact the space exploration sector in the future. On January 20, 2025, President Donald J. Trump announced an executive order establishing the “Department of Government Efficiency” to maximize government efficiency and productivity. Pressures on and uncertainty surrounding the U.S. federal government’s budget and potential changes in budgetary priorities, could adversely affect the funding for individual programs and delay purchasing decisions by our customers. If our existing programs and project pursuits are not focused on the federal government’s higher priorities, our business, prospects, financial condition and operating results could be adversely affected.

Ability to improve profit margins and scale our business

The growth of our business is dependent on our ability to improve our profit margins over time while successfully scaling our business. We intend to continue investing in initiatives to improve our operating leverage and significantly increase utilization. Our ability to achieve our production-efficiency objectives could be negatively impacted by a variety of factors including, among other things, lower-than-expected facility utilization rates, manufacturing and production cost overruns, increased purchased material costs and unexpected supply-chain quality issues or interruptions. If we are unable to achieve our goals, we may not be able to increase operating margin, which would negatively impact gross margin and profitability.

Our ability to continue to innovate

We design, build, and test our landers, satellites, spacecraft and subsystems in-house and operate at the forefront of composite structures, liquid rocket engines, guidance, navigation and control software, precision landing and hazard avoidance software, and advanced manufacturing techniques. We believe the synergy of these technologies enables greater responsiveness to the commercial and government requirements for lunar exploration. To continue establishing market share and attracting customers, we plan to continue to make substantial investments in research and development for the continued enhancements of our landers, lunar data network, and other space systems. Over time, we expect our research and development expenditures to continue to grow on an absolute basis, but remain consistent or decrease as a percent of our total revenue as we expand our service offerings.

Components of Results of Operations

Service revenue

We perform work under contracts that broadly consist of fixed-price, cost-reimbursable, time-and-materials or a combination of the three. Pricing for all customers is based on specific negotiations with each customer. For a description of our revenue recognition policies, see the section titled “Critical Accounting Policies and Estimates.”

Historically, most of our revenue has been derived from fixed-price, long-term contracts for the delivery of payloads to the lunar surface. In order to satisfy these contracts, we undertake the engineering for the research, design, development, manufacturing, integration and sustainment of advanced technology space systems. The integration of these technologies and systems lead to an organic and integrated capability to provide lunar access on a commercial services basis. Individual contracts are aggregated by mission (e.g., IM-2, IM-3, IM-4) for management purposes. Revenue is measured based on the amount of consideration specified in a contract with the customer.

We recognize revenue when we transfer control of a promised good or service to a customer in an amount that reflects the consideration we expect to be entitled to in exchange for the good or service. Under the overtime revenue recognition model, revenue and gross profit are recognized over the contract period as work is performed based on actual costs incurred and an estimate of costs to complete and resulting total estimated costs at completion.

Revenue from long-term contracts can fluctuate from period to period largely based on the stage of the project and overall mission. These projects will typically have a ramp up period in the beginning stage and wind down as the mission nears launch date. A significant portion of the revenue (approximately 10% of the contract price) contains variable considerations which is constrained to nil for accounting purposes as it is dependent on a successful mission landing. This may cause fluctuations in future revenue, profits and cash flows.

Since late 2023, we have been performing a more significant amount of work on cost-reimbursable contracts such as OMES III. Under cost-reimbursable contracts, the price is generally variable based upon our actual allowable costs incurred for materials, equipment, reimbursable labor hours, overhead and G&A expenses. Profit on cost-reimbursable contracts may be in the form of a fixed fee or a mark-up applied to costs incurred, or a combination of the two. The fee may also be an incentive fee based on performance indicators, milestones or targets and can be based on customer discretion or in the form of an award fee determined based on customer evaluation of the Company's performance against contractual criteria. Cost-reimbursable contracts are generally less risky because the owner/customer retains many of the project risks, however it generally requires us to use our best efforts to accomplish the scope of the work within a specified time and budget.

Cost-reimbursable contracts with the U.S. government are generally subject to the Federal Acquisition Regulation (“FAR”) and are competitively priced based on estimated or actual costs of providing the contractual goods or services. The FAR provides guidance on types of costs that are allowable in establishing prices for goods and services provided to the U.S. government and its agencies. Pricing for non-U.S. government agencies and commercial customers is based on specific negotiations with each customer.

Grant revenue

From time to time, the Company may be awarded government grants. Government grants or awards are initially recognized when there is reasonable assurance the conditions of the grant or award will be met and the grant or award will be received. After initial recognition, government grants or awards are recognized as income under revenue within the statement of operations on a systematic basis in a manner consistent with the manner in which the Company recognizes the underlying costs included in the cost of revenue within the statement of operations for which the grant or award is intended to compensate.

Cost of revenue (excluding depreciation)

Cost of revenue (excluding depreciation) consists primarily of direct material and labor costs, launch costs, manufacturing overhead, other personnel-related expenses, which include salaries, bonuses, benefits and stock-based compensation expense and freight expense. We expect our cost of revenue to increase in absolute dollars in future periods as we sell more products and services. As we grow into our current capacity and execute on cost-optimization initiatives, we expect our cost of revenue as a percentage of revenue to decrease over time.

Depreciation

Depreciation consists of the depreciation of tangible fixed assets for the relevant period based on the straight-line method over the useful life of the assets. Tangible fixed assets include property and equipment.

General and administrative expense (excluding depreciation)

Selling, general and administrative expense (excluding depreciation) consist primarily of personnel-related expenses for our sales, marketing, supply chain, finance, legal, human resources and administrative personnel, as well as the costs of customer service, information technology, professional services, insurance, travel, allocated overhead and other marketing, communications and administrative expenses. We expect to invest in our corporate organization and incur additional expenses associated with transitioning to, and operating as, a public company, including increased legal and accounting costs, investor relations costs, higher insurance premiums and compliance costs. As a result, we expect that selling, general and administrative expenses will increase in absolute dollars in future periods as a percentage of total revenue.

Interest income

Interest income consists of interest income earned on cash and cash equivalent balances held by us in interest-bearing demand deposit accounts, money market funds, and certificates of deposit.

Interest expense

Interest expense is primarily incurred on the Convertible Notes as discussed in Note 6 - Debt, in addition to interest expense on our finance leases.

Change in fair value of earn-out liabilities

Earn Out Units are classified as liabilities transactions at initial issuance which were offset against paid-in capital as of the closing of the Business Combination. At each period end, the Earn Out Units are remeasured to their fair value with the changes during that period recognized in other income (expense) on the condensed consolidated statement of operations. Upon issuance and release of the shares after each Triggering Event is met, the related Earn Out Units will be remeasured to fair value at that time with the changes recognized in other income (expense), and such Earn Out Units will be reclassed to stockholders' equity (deficit) on the consolidated balance sheet. See Note 11 of the condensed consolidated financial statements for additional information on the earn-out liabilities.

Change in fair value of warrant liabilities

In connection with the Private Placement, Warrant Exercise Agreement, and the Bridge Loan Conversion, the Company has issued warrants which are classified as liabilities on our balance sheet. At each period end, the warrants are remeasured to their fair value with the changes during the period recognized in other income (expense) on our condensed consolidated statement of operations. As of September 30, 2025, only the Bridge Loan Conversion warrants remain outstanding. See Notes 9 and 11 of the condensed consolidated financial statements for additional information on the warrant liabilities.

Loss on issuance of securities

In connection with the Private Placement, Warrant Exercise Agreement, and the Bridge Loan Conversion, the Company has discussed in Notes 9 and 11 to the condensed consolidated financial statements, the Company issued warrants and recognized a loss on the issuance as the fair value of the securities exceeded the gross proceeds at the issuance date. The Company evaluated the terms of the warrants and determined they meet the criteria in ASC 815, "Derivatives and Hedging", to be classified as a derivative liability, initially measured at fair value. The subsequent changes in fair value are recognized in earnings in other income (expense) on the condensed consolidated statement of operations.

Other income, net

Other income, net primarily consists of immaterial miscellaneous income sources.

Income tax expense

Intuitive Machines, Inc. is a corporation and thus is subject to United States ("U.S.") federal, state and local income taxes. Intuitive Machines, LLC is a partnership for U.S. federal income tax purposes and therefore does not pay United States federal income tax on its taxable income. Instead, the Intuitive Machines, LLC unitholders, including Intuitive Machines, Inc., are liable for U.S. federal income tax on their respective shares of Intuitive Machines, LLC's taxable income. Intuitive Machines, LLC is liable for income taxes in those states which tax entities classified as partnerships for U.S. federal income tax purposes.

Net loss attributable to redeemable noncontrolling interest

Redeemable noncontrolling interest represents the portion of Intuitive Machines, LLC that the Company controls and consolidates but does not own. The noncontrolling interest was created as a result of the Business Combination and represented the common units issued by Intuitive Machines, LLC to the prior investors. The Company allocates net income or loss attributable to the noncontrolling interest based on the weighted average ownership interest during the period. The net income or loss attributable to noncontrolling interests is reflected in the condensed consolidated statement of operations. As of September 30, 2025, the financial results of Intuitive Machines, LLC were consolidated into Intuitive Machines, Inc. and resulted in the allocation of approximately 34.1% of Intuitive Machines, LLC's net loss to noncontrolling interest.

Net income attributable to noncontrolling interest

Intuitive Machines and KBR entered into a joint venture agreement (the "OMES III JV Agreement") within Space Network Solutions to execute the OMES III contract with a profits interest of 47% for Intuitive Machines and 53% for KBR, which represents the noncontrolling interest. We have determined that the OMES III JV Agreement represents a silo within Space Network Solutions and is a standalone VIE.

Results of Operations

The following tables set forth our results of operations for the periods presented. The period-period comparison of financial results is not necessarily indicative of future results.

The following table sets forth information regarding our consolidated results of operations for the three months ended September 30, 2025 compared to the three months ended September 30, 2024, and for the nine months ended September 30, 2025 compared to the nine months ended September 30, 2024.

	Three Months Ended September 30,			Nine Months Ended September 30,		
(in thousands)	**2025**	**2024**	**$ Change**	**2025**	**2024**	**$ Change**
Revenues:						
Service revenue	$ 50,987	$ 58,478	$ (7,491)	$ 163,824	$ 173,338	$ (9,514)
Grant revenue	1,450	—	1,450	1,450	—	1,450
Total revenues	52,437	58,478	(6,041)	165,274	173,338	(8,064)
Operating expenses:						
Cost of revenue (excluding depreciation)	41,033	45,873	(4,840)	146,005	144,141	1,864
Cost of revenue (excluding depreciation) - affiliated companies	5,736	8,484	(2,748)	18,767	27,107	(8,340)
Depreciation	815	482	333	2,190	1,319	871
Impairment of property and equipment	—	5,044	(5,044)	—	5,044	(5,044)
General and administrative expense (excluding depreciation)	20,272	12,319	7,953	52,448	39,726	12,722
Total operating expenses	67,856	72,202	(4,346)	219,410	217,337	2,073
Operating loss	(15,419)	(13,724)	(1,695)	(54,136)	(43,999)	(10,137)
Other income (expense), net:						
Interest income	4,833	44	4,789	9,752	118	9,634
Interest expense	(1,344)	(13)	(1,331)	(1,442)	(87)	(1,355)
Change in fair value of earn-out liabilities	—	(33,328)	33,328	(33,369)	(33,816)	447
Change in fair value of warrant liabilities	1,950	(33,686)	35,636	31,919	(36,641)	68,560
Loss on issuance of securities	—	—	—	—	(68,080)	68,080
Other income, net	25	346	(321)	90	768	(678)
Total other income (expense), net	5,464	(66,637)	72,101	6,950	(137,738)	144,688
Loss before income taxes	(9,955)	(80,361)	70,406	(47,186)	(181,737)	134,551
Income tax expense	(5)	(50)	45	(5)	(50)	45
Net loss	(9,960)	(80,411)	70,451	(47,191)	(181,787)	134,596
Net loss attributable to redeemable noncontrolling interest	(3,445)	(25,679)	22,234	(4,944)	(50,001)	45,057
Net income attributable to noncontrolling interest	327	668	(341)	1,172	2,429	(1,257)
Net loss attributable to the Company	(6,842)	(55,400)	48,558	(43,419)	(134,215)	90,796
Less: Preferred dividends	(158)	(143)	(15)	(456)	(751)	295
Net loss attributable to Class A common shareholders	$ (7,000)	$ (55,543)	$ 48,543	$ (43,875)	$ (134,966)	$ 91,091

Revenues

Revenue for the three and nine months ended September 30, 2025 and 2024 was primarily driven by NASA and other commercial payload contracts associated with our lunar payload missions as well as the OMES III contract where we provide engineering services to the Landsat Servicing mission at the Goddard Space Flight Center in Maryland, the NSNS contract for the development of a satellite communications and navigation network, and the LTV contract leading the development of the Moon RACER Lunar Terrain Vehicle.

The following provides a summary of the significant contracts and estimated mission launch dates for each lunar payload mission impacting our results of operations:

- The NASA payload contract for the IM-1 mission was awarded in June 2019 and was completed in February 2024. As a result of the successful landing on the lunar surface, previously constrained revenue of approximately $12.3 million as of December 31, 2023 was released and approximately $11.6 million was recognized as revenue during the first quarter of 2024, bringing the total IM-1 mission contract revenue under NASA and other commercial fixed-priced contracts to $132.4 million. As of March 31 2024, the IM-1 mission and all related contracts have been closed out.

- The initial NASA payload contract for the IM-2 mission was awarded in October 2020 and the mission was completed in March 2025. During the third quarter of 2025, the post-launch services were completed and the previously constrained revenue of $5.7 million was released and recognized as revenue, bringing the total IM-2 mission contract revenue under NASA and other commercial fixed-priced contracts to $131.2 million. As of September 30 2025, the IM-2 mission and all related contracts have been closed out.

- The initial NASA payload contract for the IM-3 mission was awarded in November 2021 with an initial targeted mission launch date no later than June 2024. Total IM-3 mission estimated revenue under fixed-priced contracts is $91.3 million (excluding constrained revenue of $9.7 million) as of September 30, 2025 as compared to $93.0 million as of September 30, 2024. The IM-3 mission timeline currently runs through June 2026; however, as discussed below, we expect to further extend the mission launch window into the second half of 2026.

- The initial NASA payload contract for the IM-4 mission was awarded in August 2024 with an initial targeted mission launch date no later than August 2028, although we expect the mission launch to occur during the second half of 2027. Total IM-4 mission estimated revenue under fixed-priced contracts is $105.2 million (excluding constrained revenue of $11.7 million) as of September 30, 2025.

Comparison of three months ended September 30, 2025 and 2024

Total revenue decreased by $6.0 million, or 10%, for the three months ended September 30, 2025 compared to the same period in 2024, primarily driven by decreases on the OMES III contract of approximately $17.1 million due to NASA's cancellation of the OSAM project task orders and decrease of $9.9 million on LTV contract which was completed during the second quarter of 2025. These decreases were mostly offset by overall increases in revenue from CLPS mission contracts of $13.1 million (as further discussed below) and new projects ramping up in 2025, most notably the NSNS contract with an increase in revenue of $1.8 million and various other engineering services revenue increased by approximately $6.1 million.

For the three months ended September 30, 2025 compared to the same period in 2024, revenue on the IM-2 mission decreased slightly by $0.4 million as the mission was completed in March 2025 and the close-out process was finalized in the third quarter of 2025. Revenue from the IM-3 mission for the three months ended September 30, 2025 compared to the same period in 2024 was relatively flat with a decrease of approximately $0.1 million. The IM-4 mission was awarded in August 2024 and we recognized revenue of $13.7 million during the three months ended September 30, 2025 compared to $0.1 million for the same period in 2024.

Comparison of nine months ended September 30, 2025 and 2024

Total revenue decreased by $8.1 million, or 5%, for the nine months ended September 30, 2025 compared to the same period in 2024, primarily driven by the OMES III contract decrease in revenue of $56.6 million due to NASA's cancellation of the OSAM project task orders. This decrease was partially offset by a net increase in revenue from CLPS mission contracts of $23.3 million (as further discussed below), as well as increases in revenue related to the ramp up of the NSNS contract of $14.3 million, the LTV contract of $0.9 million, and various other engineering services of $10.0 million, The IM-1 mission successfully completed in February 2024 and resulted in the release of approximately $12.3 million of previously constrained revenue during the first quarter of 2024. For the nine months ended September 30, 2025 compared to the same period in 2024, revenue on the IM-2 mission increased by $2.6 million as the mission was completed in March 2025 and the mission close-out process was finalized in the third quarter of 2025. Revenue from the IM-3 mission increased by $5.3 million for the nine months ended September 30, 2025 compared to same period in 2024 as activity increases on the IM-3 mission following the close-out of IM-2. The IM-4 mission which was awarded in August 2024, recognized revenue of $27.7 million during the nine months ended September 30, 2025 compared to nil for the same period in 2024.

Cost of revenue (excluding depreciation)

Comparison of three months ended September 30, 2025 and 2024

Total cost of revenue decreased by $7.6 million, or 14%, for the three months ended September 30, 2025 compared to the same period in 2024, primarily driven by decreases on the OMES III contract of $15.4 million due to NASA's cancellation of the OSAM project task orders and the LTV contract decrease of $8.2 million due to the close-out during the second quarter of 2025, offset by overall cost increases related to the CLPS mission contracts of $7.7 million (as further discussed below), the NSNS contract of $3.8 million, and other engineering services of $4.5 million.

The IM-2 mission cost of revenue decreased by $7.9 million for the three months ended September 30, 2025 compared to the same period in 2024, as the mission was completed in March 2025 and the close-out process was finalized during the third quarter of 2025. IM-3 mission cost of revenue increased to $5.2 million for the three months ended September 30, 2025 compared to $3.8 million for the same period in 2024, as activity picked up on IM-3 following the close-out of IM-2. As of September 30, 2025, the IM-3 contract is in a loss position and the accrued contract loss increased by approximately $1.1 million during the three months ended September 30, 2025. The IM-4 mission which was awarded in August 2024, incurred cost of revenue of $14.2 million during the three months ended September 30, 2025 compared to nil for the same period in 2024. During the second quarter of 2025, IM-4 became a loss contract and the accrued contract loss increased by $0.6 million for the three months ended September 30, 2025.

Comparison of nine months ended September 30, 2025 and 2024

Total cost of revenue decreased by $6.5 million, or 4%, for the nine months ended September 30, 2025 compared to the same period in 2024, primarily driven by the OMES III contract cost decrease of $53.5 million due to NASA's cancellation of the OSAM project offset by overall cost increases related to the mission contracts of $26.1 million (as further discussed below), the NSNS contract of $9.1 million, the LTV contract of $2.8 million, and various other engineering services of $9.0 million,

The IM-1 mission completed in February 2024 and incurred cost of revenue of $4.8 million during the first quarter of 2024. On the IM-2 mission, cost of revenue decreased by approximately $14.2 million for the nine months ended September 30, 2025 compared to the same period in 2024 as the mission was completed in March 2025. IM-3 mission cost of revenue increased by approximately $12.7 million for the nine months ended September 30, 2025 compared to the same period in 2024, as IM-3 mission activity increases following the final close-out of IM-2. As of September 30, 2025, the IM-3 contract is in a loss position and the accrued contract loss increased by approximately $9.7 million for nine months ended September 30, 2025 compared to the same period in 2024, driven by cost adjustments during the second quarter of 2025 related to decisions to align the mission schedule with the completion of an internally-developed satellite to be placed in lunar orbit to meet NSNS contract obligations. The IM-4 mission which was awarded in August 2024, incurred cost of revenue of $32.4 million during the nine months ended September 30, 2025 compared to nil for the same period in 2024. During the second quarter of 2025, IM-4 became a loss contract and has accrued contract losses of approximately $3.3 million for the nine months ended September 30, 2025.

General and administrative expense (excluding depreciation)

General and administrative expense (excluding depreciation) increased by $8.0 million for the three months ended September 30, 2025 compared to the same period in 2024, and $12.7 million for the nine months ended September 30, 2025 compared to the same period in 2024. These increases primarily reflect the Company's investment in its workforce to support our operations and business infrastructure, business development, and information technology to optimize corporate and operational processes and systems, and research and development initiatives to expand our product and service capabilities. These increases are summarized below.

The $8.0 million increase for the three months ended September 30, 2025 compared to the same period in 2024 was primarily driven by research and development of $3.7 million, professional services of $1.8 million driven by legal fees, higher employee compensation and benefits expense of $0.7 million, bids and proposals cost of $0.7 million, and various other administrative costs of $1.1 million.

The $12.7 million increase for the nine months ended September 30, 2025 compared to the same periods in 2024 was driven by research and development of $4.4 million, higher employee compensation and benefits expense of $2.9 million, software licenses of $1.5 million, bids and proposals cost of $1.4 million, professional services of $1.3 million driven by legal fees, and various other administrative costs of $1.2 million.

Other income (expense), net

Total other income (expense), net favorable change of $72.1 million for the three months ended September 30, 2025 compared to the same period in 2024 was primarily driven by the favorable changes in the fair value of warrant liabilities of $35.6 million, earn-out liabilities of $33.3 million (as the remaining Earn Out Units vested in the first quarter of 2025), and $4.8 million increase in interest income earned on cash and cash equivalents balances held by us in highly liquid interest bearing overnight sweep and demand deposit accounts slightly offset by increase in interest expense of $1.3 million mostly related to our Convertible Notes issued in August 2025 and various other unfavorable changes of $0.3 million.

Total other income (expense), net favorable change of $144.7 million for the nine months ended September 30, 2025 compared to the same period in 2024 was primarily due to the non-recurrence of the $68.1 million loss on issuance of securities incurred in 2024, the favorable change in the fair value of warrant liabilities of $68.6 million and the earn-out liabilities of $0.4 million, in addition to a $9.6 million increase in interest income earned on cash and cash equivalents balances held by us in highly liquid interest bearing overnight sweep and demand deposits accounts slightly offset by increase in interest expense of approximately $1.4 million mostly related to our Convertible Notes issued in August 2025 and various other net unfavorable changes of $0.7 million.

Key Business Metrics and Non-GAAP Financial Measures

We monitor the following key business metrics and non-GAAP financial measures that assist us in evaluating our business, measuring our performance, identifying trends and making strategic decisions.

Backlog

We define backlog as our total estimate of the revenue we expect to realize in the future as a result of performing work on awarded contracts, less the amount of revenue we have previously recognized. We monitor our backlog because we believe it is a forward-looking indicator of potential sales which can be helpful to investors in evaluating the performance of our business and identifying trends over time. We generally include total expected revenue in backlog when a contract is awarded by the customer under a legally binding agreement. Our backlog does not include any estimate of future potential orders that might be awarded under government-wide acquisition contracts, agency-specific indefinite delivery/indefinite quantity contracts or other multiple-award contract vehicles, nor does it include option periods that have not been exercised by the customer. Due to government procurement rules, in certain cases revenue included in backlog are subject to budget appropriation or other contract cancellation clauses. Nearly all contracts allow customers to terminate the agreement at any time for convenience. If any of our contracts with firm orders were to be terminated, our backlog would be reduced by the expected value of the unfilled orders of such contracts. Consequently, our backlog may differ from actual revenue recognized in our financial statements.

The following table presents our backlog as of the periods indicated:

(in thousands)	September 30, 2025	December 31, 2024
Backlog	$ 235,870	$ 328,345

Orders comprising backlog as of a given balance sheet date are typically invoiced in subsequent periods. As of September 30, 2025, we expect to recognize approximately 20% of our backlog over the remainder of 2025, approximately 45-50% over the subsequent twelve months of 2026 and the remaining thereafter. Our backlog could experience volatility between periods, including as a result of customer order volumes and the speed of our fulfillment, which in turn may be impacted by the nature of products and services ordered, the amount of inventory on hand to satisfy orders and the necessary development and manufacturing lead time required to satisfy certain orders.

Backlog decreased by $92.5 million as of September 30, 2025 compared to December 31, 2024, primarily due to continued performance on existing contracts of $165.3 million, IM-2 mission close-out adjustments of $8.4 million and adjustments on the IM-3 mission of $1.8 million, partially offset by $83.0 million in new awards primarily associated with the NSNS contract of $18.0 million, TSC grant of $10.0 million, OMES III contract of $16.2 million, and various other contracts.

As of September 30, 2025, our backlog of $235.9 million exceeded our remaining performance obligations of $119.3 million as reported in Note 3 - Revenue to our condensed consolidated financial statements included in this Quarterly Report. The difference of $116.6 million was primarily related to $39.3 million of variable consideration associated with constrained revenue and $77.3 million in backlog related to the funded value of the OMES III contract, the NSNS contract, and various other contracts where revenue is recognized when services are performed and contractually billable and therefore not included in remaining performance obligations.

Non-GAAP Financial Measures

Adjusted EBITDA

Adjusted EBITDA is a key performance measure that our management team uses to assess our operating performance. We calculate Adjusted EBITDA as net income (loss) excluding results from non-operating sources including interest income, interest expense, share based compensation, change in fair value instruments, gain or loss on issuance of securities, other income/expense, depreciation, impairment of property and equipment, and provision for income taxes.

We present Adjusted EBITDA because we believe it is helpful in highlighting trends in our operating results and because it is frequently used by analysts, investors, and other interested parties to evaluate companies in our industry.

Adjusted EBITDA has limitations as an analytical measure, and you should not consider it in isolation or as a substitute for analysis of our results as reported under U.S. GAAP. Some of these limitations are:

- Adjusted EBITDA does not reflect interest income, interest expense or other non-operating gains and losses, which may represent an increase to or reduction in cash available to us;
- Adjusted EBITDA does not consider the impact of share-based compensation expense, which is expected to continue to be part of our compensation strategy;
- Adjusted EBITDA does not consider the impact of change in fair value of earn-out liabilities, change in fair value of warrant liabilities, loss on issuance of securities, or impairment of property and equipment, that we do not consider to be routine in nature for the ongoing financial performance of our business;
- Adjusted EBITDA excludes non-cash charges for depreciation of property and equipment, and although the assets being depreciated may have to be replaced in the future, Adjusted EBITDA does not reflect cash capital expenditure requirements for such replacements or for new capital expenditure requirements; and
- Adjusted EBITDA does not reflect provisions for income taxes, which may represent a reduction in cash available to us.

Other companies, including companies in our industry, may calculate Adjusted EBITDA differently, which reduces its usefulness as a comparative measure. Because of these limitations, you should consider Adjusted EBITDA alongside other financial performance measures, including various cash flow metrics, net income (loss) and our other U.S. GAAP results.

The following table presents a reconciliation of net loss, the most directly comparable financial measure presented in accordance with U.S. GAAP, to Adjusted EBITDA.

(in thousands)	Three Months Ended September 30, 2025	Three Months Ended September 30, 2024	Nine Months Ended September 30, 2025	Nine Months Ended September 30, 2024
Net loss	$ (9,960)	$ (80,411)	$ (47,191)	$ (181,787)
Adjusted to exclude the following:				
Taxes	5	50	5	50
Depreciation	815	482	2,190	1,319
Impairment of property and equipment	—	5,044	—	5,044
Interest income	(4,833)	(44)	(9,752)	(118)
Interest expense	1,344	13	1,442	87
Share-based compensation expense	1,416	1,285	6,780	7,180
Change in fair value of earn-out liabilities	—	33,328	33,369	33,816
Change in fair value of warrant liabilities	(1,950)	33,686	(31,919)	36,641
Loss on issuance of securities	—	—	—	68,080
Other income, net	(25)	(346)	(90)	(768)
Adjusted EBITDA	$ (13,188)	$ (6,913)	$ (45,166)	$ (30,456)

Free Cash Flow

We define free cash flow as net cash (used in) provided by operating activities less purchases of property and equipment. We believe that free cash flow is a meaningful indicator of liquidity that provides information to management and investors about the amount of cash generated from operations that, after purchases of property and equipment, can be used for strategic initiatives, including continuous investment in our business and strengthening our balance sheet.

Free Cash Flow has limitations as a liquidity measure, and you should not consider it in isolation or as a substitute for analysis of our cash flows as reported under U.S. GAAP. Some of these limitations are:

- Free Cash Flow is not a measure calculated in accordance with U.S. GAAP and should not be considered in isolation from, or as a substitute for financial information prepared in accordance with U.S. GAAP.
- Free Cash Flow may not be comparable to similarly titled metrics of other companies due to differences among methods of calculation.
- Free Cash Flow may be affected in the near to medium term by the timing of capital investments, fluctuations in our growth and the effect of such fluctuations on working capital and changes in our cash conversion cycle.

The following table presents a reconciliation of net cash used in operating activities, the most directly comparable financial measure presented in accordance with U.S. GAAP, to free cash flow:

(in thousands)	Nine Months Ended September 30, 2025	Nine Months Ended September 30, 2024
Net cash used in operating activities	$ (7,023)	$ (55,622)
Purchases of property and equipment	(25,987)	(5,185)
Free cash flow	$ (33,010)	$ (60,807)

Liquidity and Capital Resources

Since inception, we have funded our operations through internally generated cash on hand, proceeds from sales of our capital stock, proceeds from warrant exercises, and our proceeds from the issuance of bank debt. We assess our liquidity in terms of our ability to generate adequate amounts of cash to meet current and future needs. Our expected primary uses of cash on a short and long-term basis are for working capital requirements, general corporate purposes, and capital expenditures as well as research and development efforts and potential mergers and acquisitions. Our primary working capital requirements are for project execution activities including purchases of materials, subcontracted services and payroll which fluctuate during the year, driven primarily by the timing and extent of activities required on new and existing projects. Our capital expenditures are primarily related to machinery and equipment, computers and software, and leasehold improvements for general corporate and operational purposes. We expect construction in progress to continue to increase as we develop data relay satellites and ground networks associated with our Data Transmission Services business.

As of September 30, 2025, we had cash and cash equivalents of $622.0 million and working capital of $560.0 million. The Company invests excess cash in highly-liquid, low risk interest-bearing demand deposit accounts, money market funds, and certificates of deposits, all of which are with major financial institutions.

On August 18, 2025, the Company issued $345.0 million aggregate principal amount of 2.500% convertible senior notes due 2030 (the "Convertible Notes"). The Convertible Notes are general, unsecured obligations of the Company and bear interest at a fixed rate of 2.500% per year, payable semiannually in arrears on April 1 and October 1 of each year, beginning on April 1, 2026. The Convertible Notes will mature on October 1, 2030, unless earlier converted, redeemed, or repurchased. The net proceeds of the Convertible Notes were $334.6 million after deducting the initial purchasers' discount and commissions and the offering expenses payable by the Company and we used approximately $36.8 million of the net proceeds to pay the cost of the capped call transactions (as defined in Note 6). For further information on the Convertible Notes, refer to Note 6 - Debt.

On March 4, 2025, we entered into a loan and security agreement with Stifel Bank which provides for a secured revolving credit facility in an aggregate principal amount of up to $40.0 million. As of the date of this filing, the revolving credit facility remains unborrowed. See Note 6 - Debt for additional information on this loan and security agreement.

On November 3, 2025, the Company entered into a definitive agreement to acquire 100% of the issued and outstanding membership interests of Lanteris Space Systems, formerly Maxar Space Systems, a spacecraft manufacturer, from Advent International LLC. The aggregate consideration for the acquisition is $800 million, consisting of $450 million in cash and $350 million in the Company's Class A Common Stock, subject to adjustments. The transaction is expected to close in the first quarter of 2026, subject to customary regulatory approvals and closing conditions. See Note 17 - Subsequent Events for additional information on this acquisition.

Management believes that the cash and cash equivalents as of September 30, 2025 and the liquidity provided under the Convertible Notes and the Stifel revolving credit facility, will be sufficient to fund the short-term liquidity needs and the execution of the business plan through at least the twelve-month period from the date the financial statements are issued.

Cash Flows

The following table summarizes our cash flows for the periods presented:

	Nine Months Ended September 30,	
(in thousands)	**2025**	**2024**
Net cash used in operating activities	$ (7,023)	$ (55,622)
Net cash used in investing activities	$ (25,987)	$ (5,185)
Net cash provided by financing activities	$ 447,378	$ 147,894

Cash Flows for the nine months ended September 30, 2025 and 2024

Operating Activities

During the nine months ended September 30, 2025, our operating activities used $7.0 million of net cash as compared to $55.6 million of net cash used during the nine months ended September 30, 2024. Changes in operating assets and liabilities which consist primarily of working capital balances for our projects may vary and are impacted by the stage of completion and contractual terms of projects. The primary components of our working capital accounts are trade accounts receivable, contract assets, accounts payable, and contract liabilities.

Investing Activities

During the nine months ended September 30, 2025, investing activities used $26.0 million of net cash as compared to $5.2 million of net cash used during the nine months ended September 30, 2024. The $20.8 million increase in investing activities was driven by capital expenditures associated primarily with the fabrication and development of commercial communications satellites and navigation network, and capital expenditures related to our expansion to a new leased facility at Houston Spaceport to support the growth of our operations.

Financing Activities

During the nine months ended September 30, 2025, financing activities provided $447.4 million of net cash as compared to $147.9 million of net cash provided during the nine months ended September 30, 2024.

During 2025, our financing activities primarily included $334.6 million in net proceeds from the issuance Convertible Notes, $176.6 million in proceeds from the exercise of warrants, slightly offset by $36.8 million for the purchase of capped call transactions associated with the issuance of the Convertible Notes, $20.7 million for share repurchase, $4.8 million in net activity related to our share-based awards, and $1.5 million in distributions to noncontrolling interests.

During 2024, our financing activities primarily included $107.5 million in net proceeds from the issuance of securities, $51.4 million in proceeds from the exercise of warrants, $10.0 million in proceeds received in borrowings under the Bridge Loan offset by the repayment of $10.0 million, $8.0 million repayment on a loan under the Credit Mobilization Facility $2.0 million in net activity related to our share-based awards, and $1.0 million in distributions to noncontrolling interests.

Contractual Obligations and Commitments

The following table presents our significant contractual obligations and commitments as of September 30, 2025 (in thousands):

		Payments Due					
	Total	2025	2026	2027	2028	2029	Thereafter
Operating lease obligations[(1)]	$ 109,103	$ 646	$ 15,327	$ 3,659	$ 3,834	$ 4,340	$ 81,297
Finance lease obligations[(1)]	86	12	45	21	8	—	—
Purchase commitments[(2)]	93,203	11,934	59,713	21,556	—	—	—
Total	**$ 202,392**	**$ 12,592**	**$ 75,085**	**$ 25,236**	**$ 3,842**	**$ 4,340**	**$ 81,297**

(1) Represents the undiscounted payments for lease arrangements for certain facilities and equipment with various expiration dates through 2048.

(2) From time-to-time, we enter into long-term commitments with vendors to purchase launch services and for the development of certain components in conjunction with our obligations under revenue contracts with our customers. This represents our significant remaining purchase obligations under non-cancelable commitments.

Lunar Production and Operations Center Expansion

In July 2025, we executed an amendment to our ground lease agreement to expand our Lunar Production and Operations Center (“LPOC”) at the Houston Spaceport at Ellington Airport. The expansion calls for an additional investment of approximately $12.6 million by the Company for the construction of new production and testing facilities, plus support infrastructure, to scale our lunar lander assembly, Earth-reentry systems, Lunar Terrain Vehicle development, and NASA’s Near Space Network Services. The amendment expands the total leased project site by an additional tract of approximately 3.0 acres. The amendment extends the lease term from 20 years to 25 years (ending October 2048), with three optional renewal periods of 5 years each, and reduces the right-of-use assets and liabilities by approximately $7.1 million. The Company accounted for this amendment as a lease modification by remeasuring the right-of-use assets and liabilities as of the effective date. Should construction costs exceed the estimated expansion investment, the Company will consider and account for the excess as variable lease payments or, if the excess costs is significant, the Company will remeasure the lease liability and right-of-use asset. Furthermore, the amendment includes lease components that have not yet commenced. The Company expects to recognize additional lease liabilities of approximately $7.9 million as the expansion phases are completed in 2026.

Spaceport Facility Lease Agreement

Also in July 2025, we executed a sublease for additional office and production space at the Houston Spaceport at Ellington Airport totaling approximately 116,000 square feet. The leased production space includes turn-key production equipment, including test facilities, that allow for an efficient and cost-effective expansion of our manufacturing capabilities. The lease agreement has a remaining term of 7 years. As of September 30, 2025, the Company recorded operating right-of-use assets of $6.5 million and operating lease liabilities of $6.7 million. .

Tax Receivable Agreement

See Note 7 of the condensed consolidated financial statements for information regarding our tax receivable agreement.

Debt

For disclosures regarding the Convertible Notes and Stifel Loan Agreement, refer to Note 6 - Debt of the condensed consolidated financial statements

Off-Balance Sheet Arrangements

We have no off-balance sheet arrangements.

Critical Accounting Policies and Estimates

We believe that the following accounting policies involve a high degree of judgment and complexity. Accordingly, these are the policies we believe are the most critical to aid in fully understanding and evaluating our consolidated financial condition and results of our operations. Significant accounting policies employed by us, including the use of estimates, are presented in Note 2 - Summary of Significant Accounting Policies to our condensed consolidated financial statements included elsewhere in this Quarterly Report and our audited consolidated financial statements as of and for the years ended December 31, 2024 and 2023 contained in our Annual Report on Form 10-K, filed with the SEC on March 25, 2025.

The preparation of our condensed consolidated financial statements and related disclosures requires us to make estimates and judgements that affect the amounts reported in those financial statements and accompanying notes. Although we believe that the estimates we use are reasonable, due to the inherent uncertainty involved in making those estimates, actual results reported in future periods could differ from those estimates.

Revenue Recognition

We recognize revenue in accordance with ASC 606, Revenue from Contracts with Customers. Our revenue is primarily generated from the progress on long-term lunar mission contracts and engineering services for the research, design, development, and manufacturing of advancement technology aerospace system.

Revenue is measured based on the amount of consideration specified in a contract with a customer. Revenue is recognized when and as our performance obligations under the terms of the contract are satisfied which generally occurs with the transfer of services to the customer. For each long-term contract, we determine the transaction price based on the consideration expected to be received. We allocate the transaction price to each distinct performance obligation to deliver a good or service, or a collection of goods and/or services, based on the relative standalone selling prices.

For most of our business, where performance obligations are satisfied due to the continuous transfer of control to the customer, revenue is recognized over time. Where the customer contracts with us to provide a significant service of integrating a complex set of tasks and components into a single project or capability, those contracts are accounted for as single performance obligations. We recognize revenue generally using the cost-to-cost method, based primarily on contract costs incurred to date compared to total estimated contract costs at completion. This method is deemed appropriate in measuring performance towards completion because it directly measures the value of the goods and services transferred to the customer. Billing timetables and payment terms on our contracts vary based on a few factors, including the contract type. Typical payment terms under fixed-price contracts provide that the customer pays either performance-based payment based on the achievement of contract milestones or progress payments based on a percentage of costs we incur.

Due to the nature of the work required to be performed on many of our performance obligations, the estimation of total revenue and cost at completion (the process described below in more detail) is complex and subject to many variables and requires significant judgment. The consideration to which we are entitled on our long-term contracts may include both fixed and variable amounts. Variable amounts can either increase or decrease the transaction price.

We include estimated amounts of variable consideration in the transaction price to the extent it is probable that a significant reversal of cumulative revenue recognized will not occur when the uncertainty associated with the variable consideration is resolved. Our estimates of variable consideration and determination of whether to include estimated amounts in the contract price are based largely on an assessment of our anticipated performance and all information (historical, current and forecasted) that is reasonably available to us. We reassess the amount of variable consideration each accounting period until the uncertainty associated with the variable consideration is resolved. Changes in the assessed amount of variable consideration are accounted for prospectively as a cumulative adjustment to revenue recognized in the current period.

When changes are required for the estimated total revenue on a contract, these changes are recognized on a cumulative catch-up basis in the current period. A significant change in one or more estimates could affect the profitability of one or more of our performance obligations. If estimates of total costs to be incurred exceed estimates of total consideration the Company expects to receive, a provision for the remaining loss on the contract is recorded in the period in which the loss becomes evident.

Emerging Growth Company Status

We are an “emerging growth company” (“EGC”), as defined in Section 2(a) of the Securities Act, as modified by the Jumpstart our Business Startups Act of 2012, (the “JOBS Act”), and may take advantage of certain exemptions from various reporting requirements that are applicable to other public companies that are not emerging growth companies including, but not limited to, not being required to comply with the auditor attestation requirements of Section 404 of the Sarbanes-Oxley Act, reduced disclosure obligations regarding executive compensation in our periodic reports and proxy statements, and exemptions from the requirements of holding a nonbinding advisory vote on executive compensation and shareholder approval of any golden parachute payments not previously approved.

Further, Section 102(b)(1) of the JOBS Act exempts emerging growth companies from being required to comply with new or revised financial accounting standards until private companies (that is, those that have not had a Securities Act registration statement declared effective or do not have a class of securities registered under the Securities Exchange Act of 1934, as amended (the “Exchange Act”)) are required to comply with the new or revised financial accounting standards. The JOBS Act provides that a company can elect to opt out of the extended transition period and comply with the requirements that apply to non-emerging growth companies but any such election to opt out is irrevocable. We have elected not to opt out of such extended transition period which means that when a standard is issued or revised and it has different application dates for public or private companies, we, as an emerging growth company, can adopt the new or revised standard at the time private companies adopt the new or revised standard. This may make comparison of our financial statements with another public company which is either not an emerging growth company or an emerging growth company which has opted out of using the extended transition period difficult or impossible because of the potential differences in accounting standards used.

Loss of EGC and Smaller Reporting Company Status

As of September 30, 2025, we continue to qualify as an “emerging growth company” and a “smaller reporting company” as defined under Rule 12b-2 of the Exchange Act. As such, we are permitted to take advantage of certain reduced disclosure and reporting requirements applicable to such companies in this and future filings. However, we will cease to qualify as an emerging growth company and a smaller reporting company as of December 31, 2025. This change in status is due to our classification as a large accelerated filer, as our public float exceeded $700 million as of June 30, 2025, and we will have been subject to the reporting requirements of Section 13(a) or 15(d) of the Exchange Act for at least 12 calendar months and have filed at least one annual report as of December 31, 2025. Beginning with the fiscal year ended December 31, 2025, we will be subject to increased disclosure and compliance obligations, including the requirement to obtain an auditor attestation of our internal control over financial reporting pursuant to Section 404(b) of the Sarbanes-Oxley Act of 2002. As a result, we will incur additional expenses in connection with compliance with these regulations and our management will need to devote additional time and effort to implement and comply with such requirements.

Item 3. Quantitative and Qualitative Disclosures About Market Risk

We are a smaller reporting company as defined by Rule 12b-2 of the Exchange Act and are not required to provide the information otherwise required under this item.

Item 4. Controls and Procedures

In accordance with Exchange Act Rules 13a-15 and 15d-15, we carried out an evaluation, under the supervision and with the participation of management, including our Chief Executive Officer and Chief Financial Officer, of the effectiveness of our disclosure controls and procedures as of the end of the period covered by this report. Based on that evaluation, our Chief Executive Officer and Chief Financial Officer concluded that our disclosure controls and procedures were effective as of September 30, 2025, to provide reasonable assurance that information required to be disclosed in our reports filed or submitted under the Exchange Act is recorded, processed, summarized and reported within the time periods specified in the SEC rules and forms. Our disclosure controls and procedures include controls and procedures designed to ensure that information required to be disclosed in reports filed or submitted under the Exchange Act is accumulated and communicated to our management, including our Chief Executive Officer and Chief Financial Officer, as appropriate, to allow timely decisions regarding required disclosure. Management recognizes that any controls and procedures, no matter how well designed and operated, can provide only reasonable, not absolute, assurance of achieving their desired control objectives.

There have been no changes in the Company's internal control over financial reporting during the three months ended September 30, 2025 that have materially affected, or that are reasonably likely to materially affect, the Company's internal control over financial reporting.

Part II – Other Information

Item 1. Legal Proceedings

In the ordinary course of business, we are involved in various pending and threatened litigation matters. In the future, we may be subject to additional legal proceedings, the scope and severity of which is unknown and could adversely affect our business. In addition, from time to time, we may receive letters or other forms of communication asserting claims against us. The information required with respect to this item is disclosed under Note 13 - Commitments and Contingencies to our condensed consolidated financial statements in Part I, Item 1 of this Quarterly Report and is incorporated by reference to this Item 1.

Item 1A. Risk Factors

Factors that could cause our actual results to differ materially from those in this report include the risk factors described in our 2024 Annual Report on Form 10-K. As of the date of this Quarterly Report, there have been no material changes to the risk factors disclosed in the 2024 Annual Report on Form 10-K except as disclosed below.

We are subject to risks from the continuation of the ongoing U.S. federal government shutdown.

Our business is exposed to operational and financial disruptions caused by the U.S. federal government shutdown that began on October 1, 2025. The ongoing U.S. federal government shutdown may result in us experiencing delays or decreases in task orders with NASA or other governmental agencies or potentially the suspension of work on contracts in progress or in payment delays related to the funding status of different programs. Given the indefinite nature of the current shutdown and the absence of a clear resolution timeline, we anticipate continued volatility in the federal contracting environment. If the shutdown persists for an extended timeframe, it could materially and adversely affect our results of operations and financial performance.

As part of growing our business, we have made and may continue to make acquisitions. Any acquisitions, partnerships or joint ventures into which we enter could disrupt our operations and have a material adverse effect on our business, financial condition and results of operations.

From time to time, we may evaluate potential strategic acquisitions of businesses, including partnerships or joint ventures with third parties, to add new products and technologies, acquire talent, grow new sales channels or enter into new markets or sales territories. For example, on November 3, 2025, the Company entered into a Membership Interest Purchase Agreement, to acquire Lanteris Space Systems. Pursuant to the Purchase Agreement, and upon the terms and subject to the conditions therein, the Company will purchase from Advent 100% of the issued and outstanding membership interests of Lanteris The aggregate consideration for the acquisition is $800 million, consisting of $450 million in cash and $350 million in the Company's Class A Common Stock, subject to adjustments as set forth in the Purchase Agreement. The transaction is expected to close in the first quarter of 2026, subject to customary regulatory approvals and closing conditions.

We may not be able to continue the operational success of the businesses we acquire or successfully finance or integrate such businesses or the businesses with which we form a partnership or joint venture. Furthermore, the integration of any acquisition may divert management's time and resources from our core business and disrupt our operations or may result in conflicts with our business. Any acquisition, partnership or joint venture may not be successful, may reduce our cash reserves, may negatively affect our earnings and financial performance and, to the extent financed with the proceeds of debt, may increase our indebtedness. Further, depending on market conditions, investor perceptions of the Company and other factors, we might not be able to obtain financing on acceptable terms, or at all, to implement any such transaction. We cannot ensure that any acquisition, partnership or joint venture we make will not have a material adverse effect on our business, financial condition and results of operations.

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

We will no longer qualify as an "emerging growth company" nor a "smaller reporting company" as of December 31, 2025, and, as a result, we will have to comply with increased disclosure and compliance requirements.

We are currently an "emerging growth company" ("EGC") as defined in the Jumpstart Our Business Startups Act and a "smaller reporting company" ("SRC") under the Securities and Exchange Commission ("SEC") rules. However, because (i) the market value of our common stock held by non-affiliates exceeded $700 million as of June 30, 2025, (ii) we have been a public company for more than one year, and (iii) we have filed at least one annual report, we will no longer qualify as an EGC or a SRC as of December 31, 2025 and will be a large accelerated filer beginning January 1, 2026 for future filings.

As a large accelerated filer, we will be subject to certain disclosure and compliance requirements that apply to other public companies but that did not previously apply to us due to our status as an EGC and a SRC. These requirements include, but are not limited to:

- the requirement that our independent registered public accounting firm attest to the effectiveness of our internal control over financial reporting under Section 404(b) of the Sarbanes-Oxley Act of 2002;
- compliance with any requirement that may be adopted by the Public Company Accounting Oversight Board regarding mandatory audit firm rotation or a supplement to the auditor's report providing additional information about the audit and the financial statements;
- the requirement that we provide more detailed disclosures regarding executive compensation; and the requirement that we hold a non-binding advisory vote on executive compensation and obtain stockholder approval of any golden parachute payments not previously approved. We expect that the loss of EGC and SRC status and compliance with the additional requirements of being a large accelerated filer will increase our legal, accounting and financial compliance costs and costs associated with investor relations activities, and cause management and other personnel to divert attention from operational and other business matters to devote substantial time to public company reporting requirements. In addition, if we are not able to comply with changing requirements in a timely manner, the market price of our stock could decline and we could be subject to sanctions or investigations by the stock exchange on which our common stock is listed, the SEC or other regulatory authorities, which would require additional financial and management resources.

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

None.

Item 3. Defaults Upon Senior Securities

None.

Item 4. Mine Safety Disclosures

Not applicable.

Item 5. Other Information

Securities Trading Plans

During the three months ended September 30, 2025, certain of our officers or directors listed below adopted or terminated trading arrangements for the purchase or sale of shares of our Class A Common Stock in amounts and prices determined in accordance with a formula set forth in each such plan:

Name	Title	Date Entered	Date Expires	Shares
Timothy Crain	Chief Growth Officer and Senior Vice President	September 16, 2025	December 18, 2026	the sale of up to 1,000,000 shares and contains pricing conditions that preclude or limit the sale of shares below predetermined minimum pricing

Item 6. Exhibits

The following exhibits are filed as part of this Quarterly Report.

Exhibit Number	Description of Exhibit	Incorporated by Reference		
		Form	Exhibit	Filing Date
2.1	Stock Purchase Agreement, dated August 6, 2025, by and between Intuitive Machines, Inc. and KinetX, Inc.	8-K/A	2.1	August 11, 2025
2.2	Membership Interest Purchase Agreement, dated November 3, 2025, by and among Intuitive Machines, Inc., Intuitive Machines, LLC, Vantor Holdings Inc., Galileo Topco, Inc., and Lanteris Space Holdings LLC	8-K	2.1	November 4, 2025
4.1	Indenture, dated as of August 18, 2025, by and between Intuitive Machines, Inc. and U.S. Bank Trust Company, National Association, as Trustee	8-K	4.1	August 13, 2025
4.2	Form of Global Note, representing Intuitive Machine, Inc.'s 2.500% Convertible Senior Notes due 2030 (included as Exhibit A to the Indenture filed as Exhibit 4.1)	8-K	4.2	August 13, 2025
10.1	Form of Confirmation for Capped Call Transactions	8-K	10.1	August 13, 2025
10.2	Form of Registration Rights Agreement, by and among Intuitive Machines, Inc. and the other parties thereto	8-K	10.1	November 4, 2025
31.1*	Certification of Chief Executive Officer pursuant to Rules 13a-14 and 15d-14 promulgated under the Securities Exchange Act of 1934			
31.2*	Certification of Chief Financial Officer pursuant to Rules 13a-14 and 15d-14 promulgated under the Securities Exchange Act of 1934			
32.1**	Certification of Chief Executive Officer pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002			
32.2**	Certification of Chief Financial Officer pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002			
101.INS*	Inline XBRL Instance Document (the instance document does not appear in the Interactive Data File because its XBRL tags are embedded within the Inline XBRL document).			
101.SCH*	Inline XBRL Taxonomy Extension Schema Document.			
101.CAL*	Inline XBRL Taxonomy Extension Calculation Linkbase Document.			
101.DEF*	Inline XBRL Taxonomy Extension Definition Linkbase Document.			
101.LAB*	Inline XBRL Taxonomy Extension Label Linkbase Document.			
101.PRE*	Inline XBRL Taxonomy Extension Presentation Linkbase Document.			
104*	Cover Page Interactive Data File (formatted as Inline XBRL and contained in Exhibit 101.INS			

* Filed herewith.
** Furnished.

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.

			Intuitive Machines, Inc.
Date:	November 13, 2025	By:	/s/ Peter McGrath
			Peter McGrath
			Chief Financial Officer and Senior Vice President
			(Principal Financial Officer)
Date:	November 13, 2025	By:	/s/ Steven Vontur
			Steven Vontur
			Chief Accounting Officer and Controller
			(Principal Accounting Officer)

Exhibit 31.1

CERTIFICATION
PURSUANT TO RULE 13a-14 AND 15d-14
UNDER THE SECURITIES EXCHANGE ACT OF 1934, AS AMENDED

I, Stephen Altemus, certify that:

1. I have reviewed this Quarterly Report on Form 10-Q for the quarter ended September 30, 2025 of Intuitive Machines, Inc.;

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

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

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

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

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

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

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

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

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

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

Date:	November 13, 2025	By:	/s/ Stephen Altemus
			Stephen Altemus
			Chief Executive Officer
			(Principal Executive Officer)

Exhibit 31.2

CERTIFICATION
PURSUANT TO RULE 13a-14 AND 15d-14
UNDER THE SECURITIES EXCHANGE ACT OF 1934, AS AMENDED

I, Peter McGrath, certify that:

1. I have reviewed this Quarterly Report on Form 10-Q for the quarter ended September 30, 2025 of Intuitive Machines, Inc.;

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

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

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

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

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

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

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

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

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

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

Date:	November 13, 2025	By:	/s/ Peter McGrath
			Peter McGrath
			Chief Financial Officer
			(Principal Financial Officer)

Exhibit 32.1

CERTIFICATION PURSUANT TO
18 U.S.C. SECTION 1350
(SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002)

In connection with the Quarterly Report on Form 10-Q of Intuitive Machines, Inc. (the "Company") for the quarter ended September 30, 2025, as filed with the Securities and Exchange Commission on the date hereof (the "Report"), I, Stephen Altemus, certify, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that, to my knowledge:

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

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

Date:	November 13, 2025	By:	/s/ Stephen Altemus
			Stephen Altemus
			Chief Executive Officer, President and Director
			(Principal Executive Officer)

The foregoing certification is being furnished solely to accompany the Report pursuant to 18 U.S.C. § 1350, and is not being filed for purposes of Section 18 of the Securities Exchange Act of 1934, as amended, and is not to be incorporated by reference into any filing of the Company, whether made before or after the date hereof, regardless of any general incorporation language in such filing.

Exhibit 32.2

CERTIFICATION PURSUANT TO
18 U.S.C. SECTION 1350
(SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002)

In connection with the Quarterly Report on Form 10-Q of Intuitive Machines, Inc. (the “Company”) for the quarter ended September 30, 2025, as filed with the Securities and Exchange Commission on the date hereof (the “Report”), I, Peter McGrath, certify, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that, to my knowledge:

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

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

Date:	November 13, 2025	By:	/s/ Peter McGrath
			Peter McGrath
			Chief Financial Officer and Senior Vice President
			(Principal Financial Officer)

The foregoing certification is being furnished solely to accompany the Report pursuant to 18 U.S.C. § 1350, and is not being filed for purposes of Section 18 of the Securities Exchange Act of 1934, as amended, and is not to be incorporated by reference into any filing of the Company, whether made before or after the date hereof, regardless of any general incorporation language in such filing.