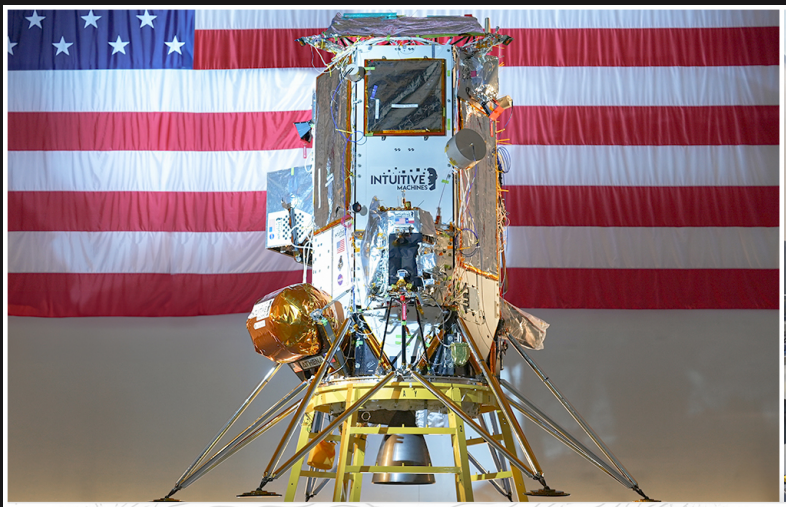
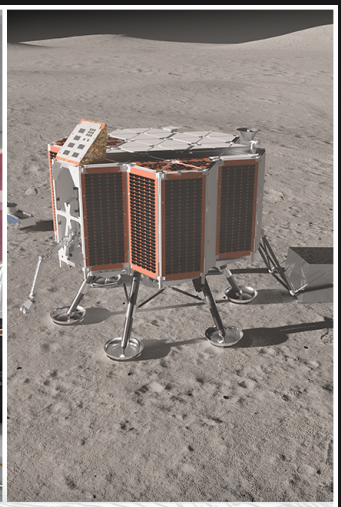
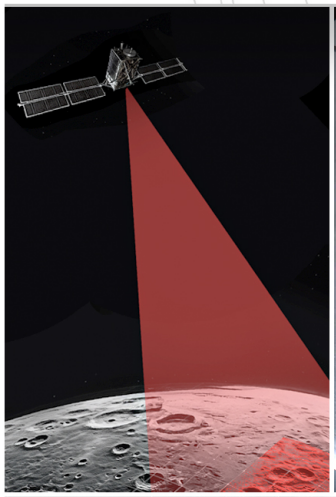




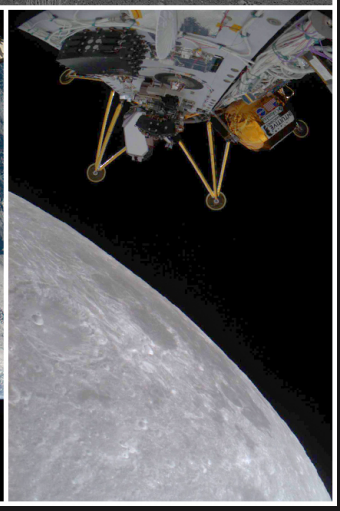
INTUITIVE MACHINES

# 2024 ANNUAL REPORT









Photos are depicted from left to right from top: IM-2 Nova-C Lander, Micro-Nova hopper, Depiction of our proposed Nova-D Cargo Lander, Depiction of one of our proposed future satellites for our NSNS contract, IM-2 descent on March 6, 2025, LTV prototype testing in Arizona, Depiction of a ground station (not owned by IM), Photo taken by IM-2 during separation, Photo taken by IM-2 during transit around the moon.

# Leadership Team

## Board of Directors

*(as of April 22, 2025)*

**Dr. Kamal Ghaffarian**
Chairman of the Board and co-founder

**Stephen Altemus**
Chief Executive Officer and President

**Michael Blitzer**
CEO of Inflection Point
Chair of the Compensation Committee
Audit Committee Member
Nominating and Corporate Governance Committee Member

**William J. Liquori**
Lieutenant General (Retired)
Chair of the Conflicts Committee
Audit Committee Member
Conflicts Committee Member
Nominating and Corporate Governance Committee Member

**Robert L. Masson**
CFO Noble Supply and Logistics, LLC (Retired)
Chair of the Audit Committee
Compensation Committee Member
Conflicts Committee Member

**Nicole Seligman**
President of Sony Entertainment, Inc (Retired)
Chair of the Nominating and Corporate Governance Committee
Conflicts Committee Member

## Leadership

*(as of April 22, 2025)*

**Stephen Altemus**
Chief Executive Officer and President

**Dr. Timothy Crain**
Senior Vice President and Chief Growth Officer

**Peter McGrath**
Senior Vice President and Chief Financial Officer

**Anna Jones**
General Counsel and Corporate Secretary

**Trent Martin**
Senior Vice President of Space Systems

**James Frelk**
Senior Vice President of Data Services

**Thomas Niemeyer**
Vice President of Federal Services

**Jade Marcantel**
Chief Human Capital Officer

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

# FORM 10-K

**(Mark One)**

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

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

**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 |

Securities registered pursuant to Section 12(g) of the Act: None

Indicate by check mark if the registrant is a well-known seasoned issuer, as defined in Rule 405 of the Securities Act.

Yes ☐ No ☒

Indicate by check mark if the registrant is not required to file reports pursuant to Section 13 or Section 15(d) of the Act.

Yes ☐ No ☒

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 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 has filed a report on and attestation to its management's assessment of the effectiveness of its internal control over financial reporting under Section 404(b) of the Sarbanes-Oxley Act (15 U.S.C. 7262(b)) by the registered public accounting firm that prepared or issued its audit report. ☐

If securities are registered pursuant to Section 12(b) of the Act, indicate by check mark whether the financial statements of the registrant included in the filing reflect the correction of an error to previously issued financial statements. ☒

Indicate by check mark whether any of those error corrections are restatements that required a recovery analysis of incentive-based compensation received by any of the registrant's executive officers during the relevant recovery period pursuant to §240.10D-1(b). ☐

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

The aggregate market value of voting stock held by non-affiliates of the registrant on June 30, 2024, based on the closing price of $3.30 for shares of the registrant's Class A Common Stock as reported by the Nasdaq Stock Market, was approximately $190.3 million.

As of March 18, 2025, the Registrant had 115,725,043 shares of Class A common stock, $0.0001 par value, 0 shares of Class B common stock, $0.0001 par value, and 62,594,533 shares of Class C common stock, $0.0001 par value, outstanding.

**DOCUMENTS INCORPORATED BY REFERENCE**

Portions of the registrant's definitive proxy statement for use in connection with its 2025 Annual Meeting of Stockholders, which is to be filed no later than 120 days after December 31, 2024, are incorporated by reference into Part III of this Annual Report on Form 10-K.

**INTUITIVE MACHINES, INC.**

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*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 Annual Report on Form 10-K (the "Annual 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 Annual 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 Annual 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 Annual 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 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, and our dependence on U.S. government contracts and the available funding by the U.S. government;
- 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 rising inflation;
- 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; and
- and other factors detailed under the section titled "Summary Risk Factors" and Part I, Item 1A. "Risk Factors" in this Annual Report.

These forward-looking statements are based on information available as of the date of this Annual 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 Annual 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.

## SUMMARY RISK FACTORS

Our business is subject to numerous risks and uncertainties, including those highlighted in the section entitled "Risk Factors" immediately following this Annual Report, that represent challenges that we face in connection with the successful implementation of our strategy and the growth of our business. In particular, the following considerations, among others, may offset our competitive strengths or have a negative effect on our business strategy, which could cause a decline in the price of shares of our Class A Common Stock and result in a loss of all or a portion of your investment:

- Our ability to be successful depends upon the efforts of our Board and our key personnel and the loss of such persons could negatively impact the operations and profitability of our business.
- Our limited operating history makes it difficult to evaluate our future prospects and the risks and challenges we may encounter.
- If we fail to manage our growth effectively, we may be unable to execute our business plan and our business, results of operations, and financial condition could be harmed.
- Customer concentration creates risks for our business.
- Competition from existing or new companies could cause us to experience downward pressure on prices, fewer customer work orders, reduced margins, the inability to take advantage of new business opportunities, and the loss of market share.
- Unsatisfactory safety performance of our spaceflight systems or security incidents at our facilities could have a material adverse effect on our business, results of operations, and financial condition.
- The market for commercial spaceflight is still emerging and may not achieve the growth potential we expect or may grow more slowly than expected.
- We may experience delayed launches, launch failures, failure of lunar landers to reach their planned locations, failure of landers to conduct all mission milestones, significant increases in the costs related to launches of lunar landers, and insufficient capacity available from lunar lander launch providers. Any such issue could result in the loss of our lunar landers or cause significant delays in their deployment, which could harm our business, results of operations and financial condition.
- We may experience delayed satellite launches, failure of our satellites to reach their planned orbital locations, significant increases in production costs of our satellites. Any such issue could harm our business, results of operations, and financial condition.
- We have a history of net operating losses and may not achieve profitability in the future. We may need additional capital to fund our operations. If we fail to obtain additional capital, we may be unable to sustain operations.
- We rely on a limited number of suppliers for certain materials and supplied components. We may not be able to obtain sufficient materials or supplied components to meet our manufacturing and operating needs, or obtain such materials on favorable terms.
- Our revenue, results of operations and reputation may be negatively impacted if our products contain defects or fail to operate in the expected manner.
- Rising inflation and costs may materially impact our business, results of operations, and financial condition.
- We are dependent on technology and automated systems to operate our business.
- We may use artificial intelligence ("AI") in our business or systems, and challenges with properly managing its use could result in competitive and reputational harm and negatively impact the operations and profitability of our business.
- If our prime contractors fail to maintain their relationships with their counterparties and fulfill their contractual obligations, our performance as a subcontractor and our ability to obtain future business could be materially and adversely impacted and our actual results could differ materially and adversely from those anticipated.

- Global pandemics, epidemics, outbreaks of infectious diseases or public health crises have disrupted our business and could have a material adverse effect on our business, results of operations, and financial condition.

- We are subject to counterparty risk on contracts with our customers. If a counterparty to one of our contracts were to default or otherwise fail to perform or be delayed in its performance on any of its contractual obligations to us, such default, failure to perform or delay could have a material adverse effect on our business, results of operation, and financial condition.

- If we are unable to protect the confidentiality of our trade secrets and know-how, our business and competitive position may be harmed.

- Our business with various governmental entities is subject to the policies, priorities, regulations, mandates and funding levels of such governmental entities and may be negatively or positively impacted by any change thereto.

- We are subject to stringent U.S. export and import control laws and regulations and U.S. economic sanctions and trade control laws and regulations.

- Our systems utilize third-party open source software, and any failure to comply with the terms of one or more of these open source software licenses could adversely affect our business, subject us to litigation, or create potential liability.

- As a public reporting company, we are subject to rules and regulations established by the SEC regarding our internal control over financial reporting. Our internal controls may not be determined to be effective, which may adversely affect investor confidence in our company and, as a result, the value of our Class A Common Stock.

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

- Our actual results may differ significantly from our earnings guidance.

- Our operating results may vary significantly from quarter to quarter.

- Our business and operations could be negatively affected if it becomes subject to certain claims, litigation or shareholder activism, which could, among other things, cause us to incur significant expense, negatively impact our reputation, hinder execution of business and growth strategy and impact our stock price.

- Our principal asset is our interest in Intuitive Machines, LLC, and, accordingly, we will depend on distributions from Intuitive Machines, LLC to pay our taxes and expenses, including payments under the Tax Receivable Agreement, and to pay dividends. Intuitive Machines, LLC's ability to make such distributions may be subject to various limitations and restrictions.

# PART I

## Item 1. Business

### Overview

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. We were founded in 2013 as Intuitive Machine, LLC and incorporated in February 2023 following the consummation of the Business Combination (as defined herein Note 1) of Intuitive Machines, Inc. and Intuitive Machines, LLC.

As a space technology, infrastructure, and services company, we are 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 Strategy*. 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 December 31, 2024. 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. See *Our Business Strategy* for a description of our additional lunar missions, lunar relay communications, lunar vicinity navigation, and autonomous surface rover operations.

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 Strategy

We are a leading space technology, infrastructure, and services company committed to fundamentally disrupting lunar access economics. Our innovative approach focuses on three core pillars (as described below) designed to meet the growing demand for lunar services and establish a robust lunar economy.

- ***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.

- ***Data Transmission Services*** offerings include the collection, processing, and interpretation of space-based data, utilizing AI applications, such as, command, control, communications, reconnaissance and prospecting.

- ***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.

We integrate these fundamental pillars to not only enable access to the Moon but also 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. See *Our Services and Solutions* below for a detail discussion of our core pillars.

**Our Customers and Partners**

We are an integral partner to our customers and partners. We execute on our commitments and develop solutions for our customers' toughest challenges.

Our customers include, but are not limited to:

***U.S. Government***

- **NASA.** We are partnered with NASA and service NASA through four missions to date under their CLPS contract program. We work to provide NASA with access to the lunar surface as well as cislunar data for science, technology, and infrastructure. Our IM-1 mission landed 9 degrees from the lunar South pole in March 2024. In March 2025, our IM-2 mission landed at the southernmost location of the moon, 5 degrees from the south pole. 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. We are also one of three prime contractors for NASA developing designs for a Lunar Terrain Vehicle, that includes the Nova-D lander. We were one of two awardees for NASA's Near Space Network Direct-To-Earth data services to the lunar vicinity (1.2) and beyond the lunar vicinity (1.3). We were also the sole awardee for the Near Space Network's data relay services (2.2), which will provide a constellation of satellites around the Moon to provide communications and navigation services.

- **National Security Space.** We offer our cislunar service capability to customers in the National Security Space ("NSS") sector, as well as in civil and commercial space. Customer needs for transportation, data transmission, and infrastructure services are similar in these sectors and we are actively pursuing opportunities with NSS customers. The Space Forces' requirement to ensure freedom of action in space is driving their initial focus on cislunar Space Domain Awareness sensors and xGEO Position Navigation and Timing solutions as a result of the ongoing efforts by the U.S. and China to return to the lunar surface in a sustainable manner.

- **U.S. Department of Defense.** In 2023, we won our first significant award with the U.S. DoD Air Force Research Laboratory, the $9.5 million JETSON Low Power contract.

- **State Governments.** Many state governments are investing in space economy development, recognizing this as an emerging market with opportunities for growth for their constituents. With facilities in Texas, Arizona, and Maryland, we are actively engaged in partnering with state governments to expand our capabilities for economic growth.

***Commercial***

Our domestic customers for our first 3 missions include customers such as Columbia Sportswear Company, Nokia Corporation, Aegis Aerospace, Inc., and AstroForge.

***International***

Our global customers include national space agencies in Europe and Asia. Our largest international customer awarded us a contract for $16.8 million to provide lunar rover services.

***Our Partners***

Our partnerships are integral to our growth strategy. Under Delivery Services we partner with satellite communication companies, including Goonhilly to support our ground services and lunar missions. For Data Transmission Services we support our LDN network with various partners, including CesiumAstro and CSIRO. In addition, under Infrastructure as a Service, our Moon Reusable Autonomous Crewed Exploration Rover ("RACER") is being developed for the LTV contract through a global partnership team including, AVL, Boeing, Fugro, Michelin, Northrop Grumman, and Roush.

**Our Services and Solutions**

***Delivery Services***

We utilize our proprietary lunar lander vehicles to service CLPS contracts by flying NASA scientific equipment and commercial payloads to the lunar surface and supporting mission operations. With four CLPS contracts awarded to date, we are pioneering lunar access. We are also scaling our lander capabilities to support larger payloads, including heavy cargo-class infrastructure delivery for projects like the Lunar Terrain Vehicle ("LTV"), ensuring a reliable path for sustained human and robotic exploration of the Moon.

We deliver experiments and technology demonstrations for both NASA and commercial customers, including deployment of the PRIME-1 drill to test for water ice and our Hopper, a drone to test the Nokia LTE network in space. During our IM-2 mission, we were able to conduct science with the PRIME-1 drill, and performed testing on the Nokia LTE network in space. Due to IM-2 mission's landing anomalies, some payloads, such as the Micro-Nova Hopper was not deployed. The workhorse of the Nova-C lander is the VR900 liquid oxygen (LOX)/liquid methane ($LCH_4$) engine, which is a fully additively manufactured (3D printed) rocket engine, which we design, manufacture, and test in-house at Intuitive Machines' Lunar Production and Operation Center (LPOC). Building off the solid framework of our Nova-C lander systems and structures, we have designed a scalable production path for the development and construction of additional space vehicles. The Nova-D lander in development, intends to incorporate technologies developed for the Nova-C, and will have multiple variations built to support projected payload capacities of 500-2500 kilograms. The Nova-D has completed System Definition Review (SDR) and Preliminary Technical Reviews (PTRs). Our largest lander, the Nova-M, will use VR3500 engines to carry approximately 5,000-7,500 kilograms of payload to the lunar surface. Nova-M is a future development effort. These options are designed to afford flexibility for our customers as we pioneer a thriving, diverse lunar economy and enable a permanent presence on the Moon. Importantly, they are also all based on the same flight-proven LOX/Methane technology, which is designed and manufactured in-house.

In August 2024, NASA awarded Intuitive Machines a $116.9 million contract to deliver six science and technology payloads, including one European Space Agency-led drill suite to the Moon's South Pole. This award leverages the Company's lunar delivery, data transmission, and autonomous operation capabilities to explore the region targeted for sustained human operations. As part of NASA's CLPS initiative, this marks the Company's fourth contract award, IM-4, to deliver science and technology payloads and return valuable data while autonomously operating on the surface of the Moon.

As of December 31, 2024, the contracted value of our Delivery Services pillar includes $430.2 million of NASA CLPS and Tipping Point contracts, $52.4 million of commercial payloads, and $36.3 million of rideshares contracted on IM-2, IM-3 and IM-4. In addition, as of December 31, 2024, we have $1.6 million in commercial sponsorships and content sales, which provides us with another source of revenue outside of our core operations. Our three NASA lunar missions are contracted to fly on SpaceX's Falcon 9.

Revenue streams from delivery services are expected to include transportation and delivery of payloads (satellites, scientific instruments, and cargo) to various destinations in space, including rapid in-space mobility solutions enabled by our proprietary engine technology.

***Data Transmission Services***

We believe that our Data Transmission Services offering is made up of a validated and complete lunar communications solution. Our Lunar Data Network ("LDN") consists of our Nova Control Center ("NCC"), our existing global collection of dishes called the Lunar Telemetry, Tracking and Communications Network ("LTN"), and a constellation of Lunar Data Network Satellites to be deployed as part of our NSN 2.2 contract award.

In September 2024, NASA awarded Intuitive Machines the sole NSN contract for communication and navigation services for missions in the near space region, which extends from Earth's surface to beyond the Moon (NSN 2.2). The NSN contract is a firm-fixed-price, multiple award, Indefinite-Delivery/Indefinite-Quantity ("IDIQ") task order contract, with a base period of five years with an additional five-year option, with a maximum potential value of $4.82 billion. The initial NSN contract award includes incrementally funded task orders totaling $150.0 million over the next 3 years. As the sole

awardee of the initial tranche of NSN contracts, we are deploying a constellation of lunar relay satellites to provide continuous cislunar communication and navigation services. This capability supports NASA's Artemis missions while introducing a scalable, pay-by-the-minute data service model, enabling enhanced video, telemetry, and autonomous navigation. Our strategy leverages the additional performance capacity of our lunar landers to deploy satellites at marginal costs, creating a robust and cost-effective lunar communication infrastructure that forms the data backbone of our cislunar operations. We believe providing these lunar data and navigation services to NASA, NSS, and commercial/international customers will be an increasingly important priority.

In December 2024, NASA awarded Intuitive Machines NSN contracts for DTE services for the lunar vicinity (NSN 1.2) and beyond the lunar vicinity (NSN 1.3). These contracts allow use of terrestrial ground stations to support science missions in lunar orbit, on the lunar surface, or beyond the Moon. Our network is secured by layered levels of protection including advanced architecture, enterprise-level endpoint and antivirus protection, and Splunk advanced Security Information & Event Management ("SIEM") control. Our Network Control Center ("NCC") is located at our headquarters in Houston, Texas and was built from the ground up. NCC enables collaboration, innovation and seamless operations, in this 24-hour facility that was designed to provide tracking, telemetry and communications support for cislunar space and the surface of the Moon.

Once established and deployed, the data transmission services are expected to include and support NASA, U.S. national security, international, and commercial data needs. We will collect, transmit, and monetize data buys from data collected in-transit to the moon, in a variety of cislunar orbits, and on the surface of the moon for our future missions.

***Infrastructure as a Service***

Our Infrastructure as a Service pillar delivers essential systems and platforms to enable sustainable lunar exploration and commercial activity. By focusing on mobility, energy, and operational capabilities, we are creating the foundational infrastructure needed to support NASA's Artemis campaign and commercial endeavors on the Moon. Key areas of focus include the LTV, its commercialization potential, and the Fission Surface Power ("FSP") initiative, all designed to build a thriving and sustainable lunar economy.

During 2024, NASA awarded Intuitive Machines $30.8 million for the LTV contract to support the agency's Artemis Campaign as a prime contractor, leading the development of the Moon RACER, within NASA's $4.6 billion LTV Services project. Designed to operate in extreme lunar conditions, including the Moon's South Pole, the LTV features advanced autonomous driving, power management, and communications systems. Engineered with input from Apollo-era astronauts, the Moon RACER combines modern technology with practical design elements like ergonomic controls and dual-side operability to optimize performance for Artemis astronauts. Delivered by our Nova-D cargo-class lunar lander, the LTV enhances crewed and robotic exploration capabilities by enabling the transport of scientific equipment, infrastructure, and lunar resources across vast distances.

Beyond NASA's Artemis program, we are driving the commercialization of the LTV to support diverse lunar infrastructure needs. The LTV is designed to manage a network of modular trailers that can support various applications, such as regolith harvesting, resource mining, biomanufacturing, and power generation. This innovative operational model mirrors Earth's semi-truck and trailer logistics system, providing scalable and flexible mobility solutions on the Moon. Our LTV Commercialization Committee is actively engaging with science and business stakeholders to refine use cases, develop operational requirements, and determine pricing strategies for these services. By offering commercial mobility solutions, we aim to enable lunar businesses to thrive and extend the value of the LTV far beyond Artemis missions.

To address the critical need for reliable, continuous power on the Moon, we have collaborated with X-energy through the IX, LLC joint venture (further described in Note 15 - Variable Interest Entities) to develop a FSP system. This IX team was awarded a $5 million Phase 1 contract by NASA and the Department of Energy, and the IM-led team is maturing the design to support NASA's fission reactor future and evolving needs to provide sustainable energy for lunar habitats, research stations, and autonomous operations. Integrated with our landers and lunar infrastructure, the FSP system is pivotal for supporting long-duration missions in harsh lunar environments, including 14-day lunar nights. In August 2024, the IX team was awarded a $2.9 million follow-on contract (Phase 1A) to continue to mature the design and conduct technology demonstrations to validate heat transfer to support energy generation. Leveraging our expertise in spacecraft design and lunar operations, Intuitive Machines is developing a reliable power source that not only supports NASA's Artemis program but also lays the groundwork for future Mars exploration and commercial power needs.

By delivering mobility, power, and operational capabilities as services, Intuitive Machines is enabling a new era of exploration and sustainable economic growth, establishing the Moon as a thriving hub for science, commerce, and human expansion.

***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.

In the $9.5 million JETSON Low Power project, we are helping AFRL develop the architecture and technology for deploying and maintaining a network of navigation beacons in cislunar space that require little-to-no support once delivered to their orbits. This includes a new radioisotope power generator that gives IM invaluable experience with nuclear power systems that can be applied to future lunar surface infrastructure, such as NASA's FSP program.

We have also made significant progress to date in federal services contracts. Our federal service contracts provide us access to one of our key customers, NASA, allows us to develop technologies important for the cislunar economy, and provides a skilled labor force which can support our three core pillars. In 2023, we were awarded as the prime contractor by NASA on the OMES III contract, with a focus on spacecraft mechanisms and robotics. In addition in 2024, we were also selected as an awardee under the One Acquisition Solution for Integrated Services Plus Multi-Agency Contract ("OASIS+").

**Our Competition**

Competition in our addressable market is mainly divided between incumbents, such as Lockheed Martin and Blue Origin who pursue larger, more complex contracts such as crewed lunar missions, and next generation players, including our competitors on the CLPS contract such as Astrobotic and Firefly Aerospace. Competitors for the next phases of LTVS include Lunar Outpost and Astrolab Venturi and our competitors for the NSN contract included Kongsberg Satellite Services ("KSAT"), Swedish Space Corporation ("SSC"), and Telespazio.

**Our Operations**

***Sales:*** Our sales organization operates directly and via our extensive customer and partner network, which spans across North America, Europe, Asia, and Australia. Our partner network consists of our rideshare delivery providers, lunar surface mobility providers, payload providers, communication satellite provider, and ground segment providers.

The main responsibilities for our sales organization include ensuring contract renewals, maintaining relationships and expanding business with existing customers and partners, and acquiring new customers. We have deep expertise in capture efforts with the government customers, and have established processes to succeed with such customers. We leverage extensive existing relationships as well as our partner network and direct sales efforts to continue to win and grow business with commercial customers.

We work closely with our customers and partners to enable their success. Deeper adoption from our customers comes in many forms, including delivery of payloads to lunar orbit and the lunar surface, data and data relay services for users in the lunar vicinity, orbital services, lunar surface infrastructure, and space products and services.

***Research and Development:*** Our research and development ("R&D") team is integrated across our engineering organization to leverage the best engineers within each discipline and prevent stovepipes within our technology, yielding fully integrated systems that reduce time to market. Our R&D scope includes company rollover, acquisition, optimizing capital structure, and general corporate purposes. Our R&D team is also responsible for developing and innovating our proprietary technology platforms.

We continue to invest in R&D, particularly as it relates to "survive the night" and our larger lander design to make our platform more accessible to a wider range of customers, as well as innovating our space technology to capture various types of data efficiently. Current priorities include advancing our pump and tank technologies to gain greater efficiencies and performance.

***Marketing:*** Our marketing team utilizes a multi-channel approach to develop and increase our brand awareness, position and communicate the value of our differentiated offering, and develop engaging outbound demand-generation campaigns.

The team drives our overall market positioning and messaging across our key audiences and vertical markets, as well as provides strategic go-to-market assessments of use cases that emerge from new product capabilities and the market landscape. Our communications team works with targeted industry influencers and media outlets to drive interest through media channels, including blogs, social media, and video. This approach is important for our strategy to capture the entire market opportunity encompassing not only NASA and U.S. DoD, but also commercial aerospace and non-traditional customer segments engaged in partnership and content activity, who value brand activation from these engagements.

**Supply Chain**

Our ability to manufacture and operate our spacecraft is dependent upon sufficient availability of raw materials and supplied components including avionics, flight computers, radios, electrical power systems and fuel tanks.

We obtain raw materials and components from suppliers that we believe to be reputable and reliable. We have established and follow internal quality control processes to source suppliers, considering quality, cost, delivery and lead-time. We instill responsibility for quality at the lead level to ensure our suppliers and internally built hardware meet the required quality standards. While we largely source raw materials and components from multiple sources, in some cases raw materials and components are sourced from a limited number of suppliers. In these situations, as we endeavor to diversify our supply chain, we manage this risk through using material requirements planning, including material forecasting and planning, safety stock, and bulk and advance buying with focused efforts on long-lead items. Also, for a further discussion on our supply chain risks, see Part I, Item 1A Risk Factors of this Annual Report, "*We rely on a limited number of suppliers for certain materials and supplied components. We may not be able to obtain sufficient materials or supplied components to meet our manufacturing and operating needs, or obtain such materials on favorable terms.*"

**Manufacturing, Assembly and Operations**

***Houston, Texas.*** We have a leased integrated manufacturing facility in Houston, TX which includes our corporate headquarters and Lunar Production and Operations Center ("LPOC") at the Houston Spaceport at Ellington Airport. The center was completed in late 2023 and spans across about 12.5 acres of real estate, and has more than 100,000 square feet of office and advanced production space. The LPOC serves as a production and testing facility of lunar lander components and other aerospace related operations. Our LPOC features tiered storage, an advanced loading dock, and a production area with 45-foot ceilings and crane capable of handling all Nova Lunar Lander designs. The manufacturing capability supports R&D, rapid prototyping and flight level hardware in an integrated and disciplined manner applying the correct level of rigor to the appropriate process. We are ISO 9001:2015 and AS9100D certified and adhere to the appropriate quality and process controls on a continuous basis. See "Item 2 Properties" for further discussion of our facilities.

***Glen Burnie, Maryland.*** In 2024, we expanded our Maryland presence and opened our leased 22,000 square foot Maryland facility that focuses on mechanisms and robotics. This facility builds and tests space-flight equipment and hardware. The staff consists primarily of mechanical and aerospace engineers, as well as electromechanical technicians and related engineering support staff.

***Phoenix, Arizona.*** In 2024, in connection with the Lunar Reconnaissance Orbiter Camera ("LROC") and Shadow Cam subcontracts, we opened our leased 16,000 square foot lunar data analytics facility in Phoenix, Arizona where we perform operations for lunar assets and operations, analyze landing site and mobility paths on the Moon.

**Human Capital**

As of December 31, 2024, we had 435 employees throughout our operations. At Intuitive Machines, our human capital management approach starts with a foundation in our core RIDE Values of Respect, Integrity, Dedication and Excellence. We value technical expertise, original thinking, adaptability, and a willingness to collaborate with our excellent team. While our original workforce is rooted in aerospace, we welcome new perspectives and technology expertise as we grow. We extend our corporate culture to create a safe and welcoming environment for all employees to reach their full potential, which improves performance outcomes, increases productivity, and boosts retention, employee morale and fellowship. From our lunar operations & production center in Houston, Texas, to our new mechanisms and robotics facility in Glen Burnie, Maryland, to our newest office for data scientists in Phoenix, Arizona, we're deliberately creating onsite workspaces that are specific to our needs, allow for growth, and foster collaboration and innovation.

**Intellectual Property**

The protection of our technology and intellectual property is an important aspect of our business. We rely upon a combination of trademarks, unpatented trade secrets, unpatented know-how, copyrights, license agreements, confidentiality procedures, contractual commitments and other legal rights to establish and protect our intellectual property. We enter into confidentiality agreements and invention or work product assignment agreements with our employees, suppliers, and consultants to protect, control access to, and clarify ownership of, our proprietary information. We continually review and update our intellectual property portfolio to help ensure that we have adequate protections and rights.

**Government and Environmental Regulations**

***Government Regulations***

Compliance with various governmental regulations has an impact on our business, including our capital expenditures, earnings and competitive position, which can be material. We incur or will incur costs to monitor and take actions to comply with governmental regulations that are or will be applicable to our business, which include, among others, federal securities laws and regulations, applicable stock exchange requirements, export and import control, economic sanctions and trade embargo laws and restrictions and regulations of the U.S. Department of Transportation, Federal Aviation Administration ("FAA"), Federal Communications Commission ("FCC") and other government agencies in the United States.

We contract with U.S. government agencies and entities, principally NASA, which requires that we comply with various laws and regulations relating to the formation, administration and performance of contracts. U.S. government contracts are generally subject to the Federal Acquisition Regulation (the "FAR"), which sets forth policies, procedures and requirements for the acquisition of goods and services by the U.S. government, other agency-specific regulations that implement or supplement the FAR and other applicable laws and regulations. These regulations impose a broad range of requirements, many of which are unique to government contracting, including various procurement, import and export, security, contract pricing and cost, contract termination and adjustment and audit requirements. Depending on the contract, these laws and regulations require, among other things:

- certification and disclosure of all cost and pricing data in connection with certain contract negotiations;
- defining allowable and unallowable costs and otherwise govern our right to reimbursement under various cost-type U.S. government contracts;
- compliance with Cost Accounting Standards for U.S. government contracts ("CAS");
- reviews by the Defense Contract Audit Agency ("DCAA"), Defense Contract Management Agency ("DCMA") and other regulatory agencies for compliance with a contractor's business systems;
- restricting the use and dissemination of and require the protection of unclassified contract-related information and information classified for national security purposes and the export of certain products and technical data; and
- prohibiting competing for work if an actual or potential organizational conflict of interest, as defined by these laws and regulations, related to such work exists and/or cannot be appropriately mitigated, neutralized or avoided.

We perform certain contracts under cost-reimbursable contracts with NASA and other U.S. governmental agencies. If the U.S. government concludes costs charged to a contract are not reimbursable under the terms of the contract or applicable procurement regulations, these costs are disallowed or, if already reimbursed, we may be required to refund the reimbursed amounts to the customer. Such conditions may also include interest and other financial penalties. If performance issues arise under any of our government contracts, the customer retains the right to pursue remedies, which could include termination under any affected contract. Generally, our customers have the contractual right to terminate or reduce the amount of work under our contracts at any time.

Further, our business is subject to, and we must comply with, stringent U.S. import and export control laws, including the International Trade in Arms Regulations administered by the U.S. Department of State ("ITAR") and the Export Administration Regulations ("EAR"). See "*Risk Factors - Risks Relating to Our Business and Industry*" for a discussion of material risks to us, including, to the extent material, to our competitive position, relating to governmental regulations, and see "*Management's Discussion and Analysis of Financial Condition and Results of Operation*" together with our consolidated financial statements, including the related notes included therein, for a discussion of material information relevant to an assessment of our financial condition and results of operations, including, to the extent material, the effects that compliance with governmental regulations may have upon our capital expenditures and earnings.

***Environmental Regulations***

We are subject to various federal, state, provincial, local, and international environmental laws and regulations relating to the operation of our business, including those governing pollution, the handling, storage, disposal and transportation of hazardous substances and the cleanup of contamination should it arise. The imposition of more stringent standards or requirements under environmental laws or regulations or a determination that we are responsible for a release of hazardous substances at our sites could result in significant costs, including cleanup costs, fines, sanctions, and third-party claims. In addition, we could be affected by future regulations imposed in response to concerns over climate change, other aspects of the environment or natural resources.

At this time, we do not believe that federal, state, and local laws and regulations relating to the discharge of materials into the environment, or otherwise relating to the protection of the environment, or any existing or pending climate change

legislation, regulation, or international treaties or accords are reasonably likely to have a material effect in the foreseeable future on our business.

**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 a part of this Annual 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 practicable 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.investors.intuitivemachines.com.

## Item 1A. Risk Factors

*You should consider carefully the risks and uncertainties described below, together with all of the other information contained in this Annual Report. If any of the following events occur, our business, financial condition and operating results may be materially adversely affected. In that event, the trading price of our securities could decline, and you could lose all or part of your investment. The risks and uncertainties described below are not the only ones we face. Additional risks and uncertainties that we are unaware of, or that we currently believe are not material, may also become important factors that adversely affect our business or results of operations.*

### Risks Related to Our Business and Industry

***Our ability to be successful depends upon the efforts of our Board and key personnel and the loss of such persons could negatively impact the operations and profitability of our business.***

Our ability to be successful will be dependent upon the efforts of our Board and key personnel. We cannot assure you that our Board and key personnel will be effective or successful or remain with us. In addition to the other challenges they will face, such individuals may be unfamiliar with the requirements of operating a public company, which could cause our management to expend time and resources becoming familiar with such requirements.

These challenges and uncertainties may impair our ability to attract, retain and motivate key personnel. The departure of key employees because of issues related to the uncertainty and difficulty of integration or a desire not to remain with us could have a negative effect on our business, financial condition or results of operations.

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

We have a limited operating history in a rapidly evolving industry that may not develop in a manner favorable to our business. While our business has grown, and much of that growth has occurred in recent periods, the markets for launch services, space systems, spacecraft components and space data applications may not continue to develop in a manner that we expect or that otherwise would be favorable to our business. As a result of our limited operating history and ongoing changes in our new and evolving industry, including evolving demand for our products and services, our ability to forecast our future results of operations and plan for and model future growth is limited and subject to a number of uncertainties. We have encountered and expect to continue to encounter risks and uncertainties frequently experienced by growing companies in rapidly evolving industries, such as the risks and uncertainties described herein. Accordingly, we may be unable to prepare accurate internal financial forecasts or replace anticipated revenue that we do not receive as a result of delays arising from these factors or cancellations of government programs, and our results of operations in future reporting periods may be below the expectations of investors or analysts. If we do not address these risks successfully, our results of operations could differ materially from our estimates and forecasts or the expectations of investors or analysts, causing our business to suffer and our common stock price to decline.

***If we fail to manage our growth effectively, we may be unable to execute our business plan and our business, results of operations, and financial condition could be harmed.***

In order to achieve the substantial future revenue growth we have projected, we must develop and market new products and services. We intend to expand our operations significantly. To properly manage our growth, we will need to hire and retain additional personnel, upgrade our existing operational management and financial and reporting systems, and improve our business processes and controls. Our future expansion will include:

- hiring and training new personnel;
- developing new technologies;
- controlling expenses and investments in anticipation of expanded operations;
- continuing to improve the existing operational management and financial reporting systems and team to comply with requirements as a public company; and
- implementing and enhancing administrative infrastructure, systems and processes.

If our operations continue to grow as planned, of which there can be no assurance, we will need to expand our sales and marketing, research and development, customer and commercial strategy, products and services, supply, information technology, cybersecurity and manufacturing functions. These efforts will require us to invest significant financial and

other resources, including in industries and sales channels in which we have limited experience to date. We will also need to continue to leverage our manufacturing and operational systems and processes, and there is no guarantee that we will be able to scale the business as currently planned or within the planned timeframe. The continued expansion of our business may also require additional manufacturing and operational facilities, as well as space for administrative support, and there is no guarantee that we will be able to find suitable locations for the manufacture of our space vehicles and related equipment.

Our continued growth, including recent awards, could increase the strain on our resources, and we could experience operating difficulties, including difficulties in hiring and training employees, finding manufacturing capacity to produce our space vehicles and related equipment, and delays in production. These difficulties may divert the attention of management and key employees and impact financial and operational results. If we are unable to drive commensurate growth, these costs, which include lease commitments, headcount and capital assets, could result in decreased margins, which could have a material adverse effect on our business, financial condition and results of operations.

***Customer concentration creates risks for our business.***

For the years ended December 31, 2024 and 2023, approximately 90% and 74% of our revenues came from one major customer. To the extent that any large customer were to default or otherwise fail to perform or be delayed in the fulfillment of its contractual obligations to us, changes its ordering patterns or business strategy, or otherwise reduces its purchases or stops purchasing our products or services, or if we experience difficulty in meeting the demand by these customers for our products or services, our revenues and results of operations could be adversely affected.

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

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

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

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

***Disruptions in U.S. government operations and funding could harm our business, results of operations, and financial condition could be harmed.***

Any disruptions in federal government operations could have a material adverse effect on our revenues, earnings, and cash flows. A prolonged failure to maintain significant U.S. government operations or delays or cancellations of U.S. programs based on budgetary constraints, particularly those pertaining to our business, could have a material adverse effect on our revenues, earnings, and cash flows. Continued uncertainty related to recent and future government shutdowns, including related to a change in administration, the budget and/or the failure of the government to enact annual appropriations, such as long-term funding under a continuing resolution, could have a material adverse effect on our revenues, earnings and cash flows. Additionally, disruptions in government operations may negatively impact regulatory approvals and guidance that are important to our operations.

Furthermore, 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.

***Unsatisfactory performance of our spaceflight systems or security incidents at our facilities could have a material adverse effect on our business, results of operations, and financial condition.***

We manufacture and operate highly sophisticated spaceflight systems that depend on complex technology. We also work cooperatively with our suppliers, subcontractors, venture partners and other parties (collectively, "Third Parties"). Failures and disruptions or compromises to our or our Third Parties' systems may be caused by natural disasters, fires (including wildfires), accidents, power disruptions, telecommunications failures, acts of terrorism or war, computer viruses, bugs or vulnerabilities, physical or electronic break-ins, human error, intentional conduct, targeted cyberattacks, or similar events or incidents. While we have built operational processes to ensure that the design, manufacture, performance and servicing of our spaceflight systems and our facilities meet rigorous performance goals, there can be no assurance that we will not experience operational or process failures and other problems, including through manufacturing or design defects, pilot error, failure of Third Party safeguards, natural disasters, cyber-attacks, or other intentional acts, that could result in potential safety risks. For example, the IM-2 mission experienced landing anomalies that impacted our ability to complete all mission milestones. There can be no assurance that our preparations, or those of Third Parties, will be able to prevent any such incidents.

Any actual or perceived safety issues may result in significant reputational harm to our businesses, in addition to tort liability, maintenance, increased safety infrastructure and other costs that may arise. Such issues with our spaceflight systems, facilities, or customer safety could result in delaying or cancelling planned flights, increased regulation or other systemic consequences. Our inability to meet our safety standards or adverse publicity affecting our reputation as a result of accidents, mechanical failures, damages to customer property or medical complications could have a material adverse effect on our business, financial condition and results of operation.

***If any of our systems, the systems of any critical Third Parties upon which we rely or our customers' systems are, or appear to be, breached, damaged, or if unauthorized processing of customer or third-party data is otherwise performed, public perception of our products services may be harmed, and we may lose business and incur losses or liabilities.***

Threat actors (such as ransomware groups) are becoming increasingly sophisticated and using tools and techniques that are designed to circumvent security controls, to evade detection and to remove or obfuscate forensic evidence. Our and our Third Parties' technology systems and networks may be damaged, disrupted, or compromised by malicious events, such as cyberattacks (including computer viruses, ransomware, and other malicious and destructive code, phishing attacks, and denial of service attacks), physical or electronic security breaches, natural disasters, fire (including wildfires), power loss, telecommunications failures, personnel misconduct, and human error. Such attacks or security breaches may be perpetrated by internal bad actors, such as employees or contractors, or by Third Parties. Furthermore, because the techniques used to obtain unauthorized access or sabotage systems change frequently and generally are not identified until after they are launched against a target, we and our Third Parties may be unable to anticipate these techniques or implement adequate preventative measures. While we have implemented what we believe is an appropriate information security program with cybersecurity procedures, practices, and controls, the control systems, cybersecurity program, infrastructure, physical facilities of, and personnel associated with Third Parties that we rely on are beyond our control and we cannot guarantee that our or our Third Parties' systems and networks have not been breached or that they do not contain exploitable defects or bugs that could result in a breach of or disruption to our systems and networks or the systems and networks of Third Parties that support us and our products and services. In addition, our defensive measures, including back-up systems and disaster recovery plans, or those of our critical Third Parties, may fail to timely or effectively anticipate, detect, prevent or allow us to recover from cyberattacks.

Our costs to adequately counter the risk of cyber-attacks and to comply with contractual and/or regulatory compliance requirements may increase significantly in the future. If there is a security vulnerability, error, or other bug in one of ours or our critical third-party systems or if there is a security exploit targeting them, we could face increased costs, claims, liability, reduced revenue, and harm to our reputation or competitive position. Because we do not maintain cybersecurity insurance, these costs will come directly from us and this could harm our financial condition.

***The market for commercial spaceflight is still emerging and may not achieve the growth potential we expect or may grow more slowly than expected.***

The market for commercial spaceflight has not been established with precision and is still emerging. Our estimates for the total addressable market for commercial spaceflight are based on a number of internal and third-party estimates, including our current backlog, the number of consumers, assumed flight cadence, our ability to leverage our current manufacturing

and operational processes and general market conditions. While we believe our assumptions and the data underlying our estimates are reasonable, these assumptions and estimates may not be correct. The conditions supporting our assumptions or estimates may change at any time, thereby reducing the predictive accuracy of these underlying factors. As a result, our estimates of the annual total addressable market for commercial spaceflight, as well as the expected growth rate for the total addressable market for that experience, may prove to be incorrect.

***We may experience delayed launches, launch failures, failure of lunar landers to reach their planned locations, failure of landers to conduct all mission milestones, significant increases in the costs related to launches of lunar landers, and insufficient capacity available from lunar lander launch providers. Any such issue could result in the loss of our lunar landers or cause significant delays in their deployment, which could harm our business, results of operations and financial condition.***

Delays in launching landers are common and can result from manufacturing delays, unavailability of reliable launch opportunities with suppliers, launch supplier schedule delays, delays in obtaining required regulatory approvals, changes in landing coordinates, updates to mission specifications (including mission scope and objectives) and launch failures. If lander manufacturing schedules are not met, a launch opportunity may not be available at the time the landers are ready to be launched. We also share launches with other manufacturers who may cause launch delays that are outside of our control. In addition, launch vehicles may fail, which could result in the destruction of any landers we have in such launch vehicle or an inability for the landers to perform their intended mission. Launch failures also result in significant delays in the deployment of landers because of the need to manufacture replacement parts, which typically takes up to six months or longer, and to obtain another launch opportunity. We also regularly review intended landing coordinates in order to determine the optimal landing site for our landers in consultation with NASA, while also updating mission specifications such as the scope of missions and the mission objectives. As such, from time to time, we have made, and expect to continue to make, material modifications to our missions, each of which may, alone or in the aggregate, cause us to experience material delays. Further, it could be more costly, and potentially prohibitively more costly, for us to launch and deploy our landers in the future due to increases in the cost of launches, launch insurance rates and launch-related services. In addition, any mission anomalies at launch, during transit, or during landing could limit our ability to complete all of our contracted mission milestones. Any launch failure, underperformance, mission anomalies, delay or increased cost on lander launches or related services could have a material adverse effect on our results of operations, business prospects and financial condition.

***We may experience delayed satellite launches, failure of our satellites to reach their planned orbital locations, significant increases in production costs of our satellites. Any such issue could harm our business, results of operations and financial condition.***

Delays in launching satellites are common and can result from manufacturing delays, updates to mission specifications (including mission scope and objectives) and launch failures. In September 2024, NASA awarded us a verification task order for NSN communication and navigation services for missions in the lunar region. For the Company to begin to have services under the NSN contract, we must successfully launch at least one satellite into a lunar orbit and five satellites to complete the constellation. If satellite schedules are not met, our operations may be materially adversely impacted. In addition, satellite deployment mechanisms may fail, which could result in an inability for the satellites to perform their intended mission. Further, it could be more costly, and potentially prohibitively more costly, for us to build and deploy our satellites in the future due to supplier cost increases. Any satellite failure, underperformance, delay or increase cost could have a material adverse effect on our results of operations, business prospects and financial condition.

***We have a history of net operating losses and may not achieve profitability in the future. We may need additional capital to fund our operations. If we fail to obtain additional capital, we may be unable to sustain operations.***

We expect to continue to incur operating losses for the foreseeable future as we continue to expand and develop, and we may need additional capital from external sources. If we are unable to raise additional capital, we may have to significantly delay, scale back or discontinue one or more of our R&D programs. We may be required to cease operations or seek partners for our product candidates at an earlier stage than otherwise would be desirable and on terms that are less favorable than might otherwise be available. In the absence of additional capital we may also be required to relinquish, license or otherwise dispose of rights to technologies, product candidates or products that we would otherwise seek to develop or commercialize on terms that are less favorable than might otherwise be available. If we are unable to secure additional capital, we may be required to take additional measures to reduce costs in order to conserve our cash in amounts sufficient to sustain operations and meet our obligations. These measures could cause significant delays in the development of our product candidates.

***Our business involves significant risks and uncertainties that may not be covered by insurance. Also, due to the inherent risks associated with commercial spaceflight, there is the possibility that any accident or catastrophe could lead to the loss of human life or a medical emergency.***

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

Further, commercial spaceflight is an inherently risky activity that can lead to accidents or catastrophes impacting human life. It is impossible to completely eliminate the potential for human error, and there is a possibility that other accidents may occur in the future as a result of human error or for a variety of other reasons, some of which may be out of our control. Any such accident could result in substantial losses to us, including reputational harm and legal liability, and, as a result, could have a material adverse effect on our business, financial condition and results of operations.

***The release, unplanned ignition, explosion, or improper handling of dangerous materials used in our business could disrupt and harm our business, results of operations, and financial condition.***

Our business operations involve the handling, production and disposition of potentially explosive and ignitable energetic materials and other dangerous chemicals, including materials used in rocket propulsion. The handling, production, transport and disposition of hazardous materials could result in incidents that temporarily shut down or otherwise disrupt our manufacturing operations and could cause production delays. A release of these chemicals or an unplanned ignition or explosion could result in death or significant injuries to employees and others. Material property damage to us and Third Parties could also occur. Extensive regulations apply to the handling of explosive and energetic materials, including but not limited to regulations governing hazardous substances and hazardous waste. The failure to properly store and ultimately dispose of such materials could create significant liability and/or result in regulatory sanctions. Any release, unplanned ignition, or explosion could expose us to adverse publicity or liability for damages or cause production delays, any of which could have a material adverse effect on our operating results, financial condition and/or cash flows.

***We rely on a limited number of suppliers for certain materials and supplied components. We may not be able to obtain sufficient materials or supplied components to meet our manufacturing and operating needs, or obtain such materials on favorable terms.***

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

Our ability to manufacture our launch vehicles is dependent upon sufficient availability of raw materials and supplied components, which we secure from a limited number of suppliers. Our reliance on suppliers to secure these raw materials and supplied components exposes us to volatility in the prices, quality, and availability of these materials. We may not be able to obtain sufficient supply of raw materials or supplied components, on favorable terms or at all, which could result in delays in manufacturing our spacecraft or increased costs.

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

***Our revenue, results of operations and reputation may be negatively impacted if our products contain defects or fail to operate in the expected manner.***

We sell complex and technologically advanced products and services, including rocket launch services, mission services, satellite services, spacecraft and spacecraft components. Sophisticated software used in our products and services, including software developed by us, may contain defects that can unexpectedly interfere with the software's intended operation. Defects may also occur in components and products that we manufacture or purchase from Third Parties. Most of the launch vehicles, spacecraft and spacecraft components we have developed must function under demanding and unpredictable operating conditions and in harsh and potentially destructive environments. Our products and services may not be successfully implemented, pass required acceptance criteria, or operate or give the desired output, or we may not be able to detect and fix all defects in the launch vehicles, spacecraft, spacecraft components and systems we sell and/or use. Failure to do so could result in lost revenue and damage to our reputation and may adversely affect our ability to win new contract awards.

***Rising inflation may materially impact our business, results of operations and financial condition.***

Inflation has increased recently. Inflation in the economy has resulted in, and may continue to result in, higher interest rates and capital costs, shipping costs, supply shortages, increased costs of labor and other similar effects. As a result of inflation, we have and may continue to experience cost increases. Although we may take measures to mitigate the impact of inflation, if these measures are not effective, our business, financial condition and results of operations could be materially adversely affected.

***We are subject to counterparty risk on contracts with customers. If a counterparty to one of our contracts were to default or otherwise fail to perform or be delayed in its performance on any of its contractual obligations to us, such default, failure to perform or delay could have a material adverse effect on our business, results of operations and financial condition.***

Our budgeted capital expenditures, forecasted growth and strategic plan are based on revenues expected to be generated pursuant to signed contracts existing as of the date such budget, forecast and strategic plan are approved by management and our Board. If a customer were to default or otherwise fail to perform or be delayed in the fulfillment of its contractual obligations to us, we would be required to adjust our budget, forecasts and strategic plans to mitigate the impact of such circumstance, which may negatively affect our business, financial condition, cash flows and/or liquidity. Additionally, if the scope of anticipated work related to any customer contract were to change due to unforeseen circumstances or evolving requirements of one or more of our counterparties, we may be unable to generate revenue on our anticipated timeline or may be required to incur increased costs from those originally estimated for a project, which could cause our budgets, forecasts and plans to be inaccurate. For instance, due to a change in the landing site of the IM-1 mission and an incremental delay in milestone payments, certain revenue associated with this mission shifted from 2023 to 2024. While we endeavor to mitigate this risk by assuming potential delays in revenue generation and estimated contract progress when preparing our budget, forecast and strategic plans, it is not possible to predict with accuracy the impact of any default, failure to perform or delay, which results in our inability to completely mitigate such risks. As such, the counterparty default, failure to perform or delay in performance may have a material adverse impact on our business, financial condition and results of operations.

***We are dependent on technology and automated systems to operate our business.***

We depend heavily on technology and automated systems to effectively operate our business. Any substantial, extended, or repeated failures of these systems could negatively affect our business, compromise the security of our information or other information stored on, transmitted by, or otherwise processed by these systems, result in the loss of or damage to important data, loss of revenue and increased costs, and generally harm our business. Additionally, loss of key talent required to maintain and advance these systems could have a material impact on our operations. Like other companies, our systems may be vulnerable to disruptions due to events beyond our control, including natural disasters, fire, power disruptions, software or equipment failures, terrorist attacks, cybersecurity incursions, computer viruses and hackers. There can be no assurance that the measures we have taken to reduce the adverse effects of certain potential failures or disruptions are adequate to prevent or remedy disruptions of our systems or prevent or mitigate all attacks. In addition, we will need to continuously make significant investments in technology to periodically upgrade and replace existing systems. If we are unable to make these investments or fail to successfully implement, upgrade or replace our systems, our operations and business could be adversely impacted. For example, in July 2024, certain businesses experienced disruptions related to a software update by a cybersecurity technology company. As of the date hereof, we have not experienced any significant impacts due to software updates, but we could in the future experience similar software-induced interruptions to our operations.

***We may use artificial intelligence ("AI") in our business or systems, and challenges with properly managing its use could result in competitive and reputational harm and negatively impact the operations and profitability of our business.***

We may incorporate AI solutions into our core offerings, and these applications may become important in our operations over time. Our competitors or other third parties may incorporate AI into their products or services more quickly or more successfully than we may, which could impair our ability to compete effectively and adversely affect our results of operations. Additionally, if the content, analyses, or recommendations that AI applications assist in producing are or are alleged to be deficient, inaccurate, or biased, our business, financial condition, and results of operations may be adversely affected. The use of AI applications has resulted in, and may in the future result in, cybersecurity incidents. Any such cybersecurity incidents related to our use of AI applications could adversely affect our reputation and results of operations. The rapid evolution of AI, including potential government regulation of AI, will require significant resources to develop, test and maintain our platform, offerings, services, and features to help us implement AI ethically in order to minimize unintended, harmful impact.

***If our prime contractors fail to maintain their relationships with their counterparties and fulfill their contractual obligations, our performance as a subcontractor and our ability to obtain future business could be materially and adversely impacted and our actual results could differ materially and adversely from those anticipated.***

We act as a subcontractor to prime contractors on multiple government contracts, including NASA's JETS Program. Our performance as a subcontractor on a government contract, is dependent on the prime contractor's ability to satisfactorily maintain its relationship with the government and fulfill its obligations under its contracts. A failure by the prime contractors to fulfill their obligations under their contracts could result in the termination of the prime contract or delayed revenue generation and recognition, thereby resulting in either the termination of our subcontract or material modifications to our subcontract. If any significant subcontract is terminated or delayed in this manner, it could cause our actual results to differ materially and adversely from those anticipated.

***Global pandemics, epidemics, outbreaks of infectious diseases or public health crises have disrupted our business and could have a material adverse effect on our business, results of operations and financial condition.***

The pandemics, epidemics, outbreaks of infectious diseases or public health crises across the globe have disrupted, and may in the future disrupt our business, which could materially and adversely affect our financial condition, results of operations, cash flows and/or future expectations. Any health crisis may negatively affect worldwide economic and commercial activity, disrupt global supply chains and the labor market and create significant volatility and disruption of financial and commodity markets. The extent to which our business may in the future be affected by pandemics, infectious disease outbreaks and other public health crises depends on a number of factors outside of our control, including but not limited to the extent and duration of labor disruptions, business operations disruptions from quarantines, travel restrictions and other requirements imposed by regulators and health authorities, delays, modifications and terminations of contracts, supply chain disruptions, increased cybersecurity and data protection risks, increased costs of doing business and other macroeconomic disruptions.

**Risks Relating to Compliance with Law, Government Regulation and Litigation**

***Our business with various governmental entities is subject to the policies, priorities, regulations, mandates and funding levels of such governmental entities and may be negatively or positively impacted by any change thereto.***

We are subject to a wide variety of laws and regulations relating to various aspects of our business, including with respect to our launch system operations, employment and labor, health care, tax, data privacy of the personal information we collect and process and data security of the operational and information technology we use, health and safety, and environmental issues. Laws and regulations at the foreign, federal, state and local levels frequently change and are often interpreted in different ways, especially in relation to new and emerging industries, and we cannot always reasonably predict the impact from, or the ultimate cost of compliance with, current or future regulatory or administrative changes. While we monitor these developments and devote a significant amount of management's time and external resources towards compliance with these laws, regulations and guidelines, we cannot guarantee that these measures will be satisfactory to regulators or other third parties, such as our customers. Moreover, changes in law, the imposition of new or additional regulations or the enactment of any new or more stringent legislation that impacts our business could require us to change the way we operate and could have a material adverse effect on our sales, profitability, cash flows and financial condition.

Failure to comply with these laws, such as with respect to obtaining and maintaining licenses, certificates, authorizations and permits critical for the operation of our business, may result in civil penalties or private lawsuits, or the suspension or revocation of licenses, certificates, authorizations or permits, which would prevent us from operating our business. For

example, the operation and launch of our spacecraft in the United States require licenses and permits from the FCC and the FAA, as well as review by other agencies of the U.S. Government, including the Department of Defense, Department of State, and NASA. Such license approvals may include an interagency review of safety, operational, national security, foreign policy implications and international obligations, as well as a review of foreign ownership. Any delays in regulatory actions allowing us to conduct our commercial space operations could adversely affect our ability to operate our business and our financial results.

***If we are unable to protect the confidentiality of our trade secrets and know-how, our business and competitive position may be harmed.***

We rely upon unpatented trade secret protection, unpatented know-how and continuing technological innovation to develop and maintain our business and competitive position, and we consider trade secrets and know-how to be our primary form of intellectual property protection. We seek to protect our proprietary technology, in part, by entering into confidentiality agreements with our suppliers, subcontractors, venture partners, employees and consultants, and other third parties. However, we may not be able to prevent the unauthorized disclosure or use of information which we consider to be confidential, our technical know-how or other trade secrets by the parties to these agreements, despite the existence generally of confidentiality provisions and other contractual restrictions. Monitoring unauthorized uses and disclosures is difficult, and we do not know whether the steps we have taken to protect our proprietary technologies will be effective. If any of the suppliers, subcontractors, venture partners, employees and consultants, and other third parties who are parties to these agreements breaches or violates the terms of any of these agreements, we may not have adequate remedies for any such breach or violation, and we could lose our trade secrets as a result. It is also possible that our trade secrets, know-how or other proprietary information could be obtained by third parties as a result of breaches of our physical or electronic security systems. Even where remedies are available, enforcing a claim that a party illegally disclosed or misappropriated our trade secrets, like patent litigation, is expensive and time consuming, and the outcome is unpredictable. In addition, courts outside the United States are sometimes less willing to protect trade secrets.

Additionally, despite our efforts to protect our proprietary technology, our trade secrets could otherwise become known or be independently discovered by our competitors. If any of our trade secrets were to be lawfully obtained or independently developed by a competitor or other third party, we would have no right to prevent them, or those to whom they communicate, from using that technology or information to compete with us.

***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 could have an adverse impact on our business, results of operations and financial condition.***

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

Considerable uncertainty exists regarding how future budget and program decisions will unfold, including the defense spending priorities of the U.S. government, what challenges budget reductions will present for the defense industry and whether annual appropriations bills for all agencies will be enacted for U.S. government fiscal year 2024 and thereafter due to many factors, including but not limited to, changes in the political environment, including before or after a change to the leadership within the government administration, and any resulting uncertainty or changes in policy or priorities and resultant funding. The U.S. government's budget deficit and the national debt could have an adverse impact on our business, financial condition, results of operations and cash flows in a number of ways, including the following:

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

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

***Our systems utilize third-party open source software, and any failure to comply with the terms of one or more of these open source software licenses could adversely affect our business, subject us to litigation, or create potential liability.***

Our systems include software licensed from third parties under any one or more open source licenses, and we expect to continue to incorporate open source software in our systems and technology in the future. Moreover, we cannot ensure that we have effectively monitored our use of open source software, or validated the quality or source of such software, or that we are in compliance with the terms of the applicable open source licenses or our current policies and procedures. From time to time, there have been claims against companies that use open source software in their products and services asserting that the use of such open source software infringes the claimants' intellectual property rights. As a result, we could be subject to suits by third parties claiming that what we believe to be licensed open source software infringes such third parties' intellectual property rights. Additionally, if an author or other third party that distributes such open source software were to allege that we had not complied with the conditions of one or more of these licenses, we could be required to incur significant legal expenses defending against such allegations and could be subject to significant damages and required to comply with onerous conditions or restrictions on these solutions, which could disrupt the distribution and sale of these solutions. Litigation could be costly for us to defend, have a negative effect on our business, financial condition, and results of operations, or require us to devote additional research and development resources to change our solutions. Furthermore, these third-party open source providers could experience service outages, data loss, privacy breaches, cyber-attacks, and other events relating to the applications and services they provide that could diminish the utility of these services, and which could harm our business as a result. In the past, we've experienced software vulnerabilities with our software providers. We may continue to experience such vulnerabilities in the future.

Use of open source software may entail greater risks than use of third-party commercial software, as open source licensors generally do not provide warranties or other contractual protections regarding infringement claims or the quality of the code, including with respect to security vulnerabilities where open source software may be more susceptible. In addition, certain open source licenses require that source code for software programs that incorporate, use or combine with such open source software be made available to the public at no cost and that any modifications or derivative works to such open source software continue to be licensed under the same terms as the open source software license. The terms of various open source licenses to which we are subject have not or may not have been interpreted by courts in the relevant jurisdictions, and there is a risk that such licenses could be construed in a manner that imposes unanticipated conditions or restrictions on our ability to market or provide our software and data. By the terms of certain open source licenses, we could be required to release the source code of our proprietary software, and to make our proprietary software available under open source licenses, if we combine our proprietary software with open source software in a certain manner. In the event that portions of our proprietary software are determined to be subject to an open source license, we could be required to publicly release the affected portions of our source code, re-engineer all or a portion of our solutions, or otherwise be limited in the licensing of our solutions, each of which could reduce or eliminate the value of our solutions. Disclosing our proprietary source code could allow our competitors to create similar products with lower development effort and time and ultimately could result in a loss of sales. Furthermore, any such re-engineering or other remedial efforts could require significant additional research and development resources, and we may not be able to successfully complete any such re-engineering or other remedial efforts. Any of these events could create liability for us and damage our reputation, which could have a material adverse effect on our business, results of operations, and financial condition and the market price of our shares.

***As a public reporting company, we are subject to rules and regulations established by the SEC regarding our internal control over financial reporting. Our internal controls may not be determined to be effective, which may adversely affect investor confidence in our company and, as a result, the value of our Class A Common Stock and your investment.***

We are required, pursuant to Section 404 of the Sarbanes-Oxley Act of 2002, to furnish a report by management on the effectiveness of our internal control over financial reporting in our Annual Reports on Form 10-K. This assessment, pursuant to Section 404(a) of the Sarbanes-Oxley Act, must include disclosure of any material weaknesses identified by our management in our internal control over financial reporting. Additionally, once we are no longer an emerging growth company, pursuant to Section 404(b) of the Sarbanes-Oxley Act, we will be required to comply with the independent registered public accounting firm attestation requirement on our internal control over financial reporting. If we are unable to establish or maintain appropriate internal control over financial reporting or implement these additional requirements in a timely manner or with adequate compliance, it could result in material misstatements to our consolidated financial statements, failure to meet our reporting obligations on a timely basis, increases in compliance costs, and subject us to adverse regulatory consequences, all of which may adversely affect investor confidence in, and the value of, our Class A Common Stock.

Any unremediated material weaknesses could result in material misstatements to our future annual or interim consolidated financial statements that might not be prevented or detected on a timely basis, or in delayed filing of required periodic reports. If we are unable to assert that our internal control over financial reporting is effective, investors may lose

confidence in the accuracy and completeness of our financial reports, the market price of our common stock could be adversely affected and we could become subject to litigation or investigations by Nasdaq, the SEC, or other regulatory authorities, which could require additional financial and management resources.

***We are subject to stringent U.S. export and import control laws and regulations and U.S. economic sanctions and trade control laws and regulations.***

We are required to comply with U.S. export control laws and regulations, including ITAR, Bureau of Political Military Affairs' directorate of Defense Trade controls administered by the U.S. Department of State, and the EAR, administered by the U.S. Department of Commerce's Bureau of Industry and Security. Pursuant to these foreign trade control laws and regulations, we are required, among other things, to (i) maintain a registration under ITAR, (ii) determine the proper licensing jurisdiction and export classification of products, software, and technology, and (iii) obtain licenses or other forms of U.S. government authorization to engage in the conduct of our space transport business. Violations of applicable export control laws and related regulations could result in criminal and administrative penalties, including fines, possible denial of export privileges, and debarment, which could have a material adverse impact on our business, including our ability to enter into contracts or subcontracts for U.S. government customers.

The inability to secure and maintain necessary export authorizations could negatively impact our ability to compete successfully or to operate our spaceflight business as planned. For example, if we were unable to obtain or maintain our licenses to export certain spacecraft hardware, we would be effectively prohibited from launching our vehicles from certain non-U.S. locations, which would limit the number of launch providers we could use. In addition, if we were unable to obtain a Department of State Technical Assistance Agreement to export certain launch related services, we would experience difficulties or even be unable to perform integration activities necessary to safely integrate our transfer vehicles to non-U.S. launch vehicles. In both cases, these restrictions could lead to higher launch costs which may have a material adverse impact on our results of operations. Similarly, if we were unable to secure effective export licensure to authorize the full scope of activity with a foreign partner or supplier, we may be required to make design changes to spacecraft or updates to our supplier chain, which may result in increased costs to us or delays in vehicle launches.

Any changes in the export control regulations or U.S. government licensing policy, such as those necessary to implement U.S. government commitments to multilateral control regimes, may restrict our operations. There is no inherent right to perform an export and given the significant discretion the government has adjudicating such authorizations in furtherance of U.S. national security and foreign policy interests, there can be no assurance we will be successful in our current and future efforts to secure and maintain necessary licenses, registrations, or other U.S. government regulatory approvals.

In addition, U.S. export control laws continue to change. For example, the control lists under the ITAR and the EAR are periodically updated to reclassify specific types of export-controlled technology. For example, any changes to the jurisdictional assignment of controlled data or hardware used by us could result in the need for different export authorizations, each then subject to a subsequent approval.

Similarly, should exceptions or exemptions under the EAR or ITAR, respectively, be changed, our activities otherwise authorized via these mechanisms may become unavailable and could result in the need for additional export authorizations. Additionally, changes to the administrative implementation of export control laws at the agency level may suddenly change as a result of geo-political events, which could result in existing or proposed export authorization applications being viewed in unpredictable ways, or potentially rejected, as a result of the changed agency level protocol.

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

Over its lifetime, a U.S. government program may be implemented by the award of many different individual contracts and subcontracts. The funding of U.S. government programs is subject to U.S. Congressional appropriations. In recent years, U.S. government appropriations have been affected by larger U.S. government budgetary issues and related legislation. Furthermore, 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. Although multi-year contracts may be authorized and appropriated in connection with major procurements, the U.S. Congress generally appropriates funds on a government fiscal year basis. Procurement funds are typically made available for obligation over the course of one to three years. Consequently, programs often initially receive only partial funding, and additional funds are obligated only as the U.S. Congress authorizes further appropriations. We cannot predict the extent to which total funding and/or funding for individual programs will be included, increased or reduced as part of the annual appropriations process ultimately approved by the U.S. Congress and the President of the United States or in separate supplemental appropriations or continuing

resolutions, as applicable. The termination of funding for a U.S. government program would result in a loss of anticipated future revenue attributable to that program, which could have an adverse impact on our operations. In addition, the termination of a program or the failure to commit additional funds to a program that already has been started could result in lost revenue and increase our overall costs of doing business.

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

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

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

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

***Uncertain macro-economic and political conditions could materially adversely affect our business, results of operations and financial condition.***

Our results of operations are materially affected by economic and political conditions in the U.S. and internationally, including inflation, deflation, interest rates, availability of capital, energy and commodity prices, trade laws and the effects of governmental initiatives to manage economic conditions. Current or potential customers may delay or decrease spending on our products and services as their business and/or budgets are impacted by economic and political conditions. The inability of current and potential customers to pay us for our products and services may adversely affect our earnings and cash flows.

The current invasion of Ukraine by Russia has escalated tensions among the U.S., the North Atlantic Treaty Organization ("NATO") and Russia. The U.S. and other NATO member states, as well as non-member states, have announced new sanctions against Russia and certain Russian banks, enterprises and individuals. These and any future additional sanctions and any resulting conflict between Russia, the U.S. and NATO countries could have an adverse impact on our current operations.

Further, such invasion, ongoing military conflict, resulting sanctions and related countermeasures by NATO states, the U.S. and other countries have led, and are likely to continue to lead, to market disruptions, including significant volatility in

commodity prices, credit and capital markets, as well as supply chain interruptions for equipment, which could have an adverse impact on our operations and financial performance.

**Risks Relating to Our Capital Resources**

***Our indebtedness could expose us to risks that could adversely affect our business, results of operations and financial condition.***

In the future, we may incur indebtedness. Our indebtedness could have significant negative consequences for our security holders, business, results of operations and financial condition by, among other things:

- increasing our vulnerability to adverse economic and industry conditions;
- limiting our ability to obtain additional financing;
- requiring the dedication of a substantial portion of our cash flow from operations to service our indebtedness, which will reduce the amount of cash available for other purposes;
- limiting our flexibility to plan for, or react to, changes in our business; and
- placing us at a possible competitive disadvantage with competitors that are less leveraged than us or have better access to capital.

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. In addition, any future indebtedness that we may incur may contain financial and other restrictive covenants that will limit our ability to operate our business, raise capital or make payments under our indebtedness. If we fail to comply with such covenants or to make payments under any of our indebtedness when due, then we would be in default under that indebtedness, which could, in turn, result in that indebtedness becoming immediately payable in full and cross-default or cross-acceleration under our other indebtedness and other liabilities.

***Our actual results may differ significantly from our earnings guidance.***

From time to time, we have released, and may continue to release, guidance in our quarterly earnings releases, quarterly earnings conference calls, or otherwise, regarding our future performance that represents our management's estimates as of the date of release. This guidance, which includes forward-looking statements, has been and will be based on projections prepared by our management. These projections are not prepared with a view toward compliance with published guidelines of the American Institute of Certified Public Accountants, and neither our registered public accountants nor any other independent expert or outside party compiles or examines the projections. Accordingly, no such person expresses any opinion or any other form of assurance with respect to the projections.

Projections are based upon a number of assumptions and estimates that, while presented with numerical specificity, are inherently subject to significant business, economic, and competitive uncertainties and contingencies, many of which are beyond our control and are based upon specific assumptions with respect to future business decisions, some of which will change. The rapidly evolving market in which we operate may make it difficult to evaluate our current business and our future prospects, including our ability to plan for and model future growth. We intend to state possible outcomes as high and low ranges which are intended to provide a sensitivity analysis as variables are changed. However, actual results will vary from our guidance and the variations may be material. The principal reason that we release guidance is to provide a basis for our management to discuss our business outlook as of the date of release with analysts and investors. We do not accept any responsibility for any projections or reports published by any such persons. Investors are urged not to rely upon our guidance in making an investment decision regarding our common stock.

Any failure to successfully implement our operating strategy or the occurrence of any of the events or circumstances set forth in this "*Risk Factors*" section could result in our actual operating results being different from our guidance, and the differences may be adverse and material.

***We are a "smaller reporting company" under federal securities laws and we cannot be certain whether the reduced reporting requirements applicable to such companies will make our common stock less attractive to investors.***

We are currently a "smaller reporting company" under federal securities laws. For as long as we continue to be a smaller reporting company, we may take advantage of exemptions from various reporting requirements that are applicable to other public companies, including reduced disclosure obligations regarding executive compensation in our periodic reports and proxy statements and we cannot predict if investors will find our common stock less attractive for so long as we rely on

these exemptions. If some investors find our common stock less attractive as a result, there may be a less active trading market for our common stock and our stock price may decline or be more volatile.

***Our operating results may vary significantly from quarter to quarter.***

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

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

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

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

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

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

***Changes in our accounting estimates and assumptions could negatively affect our business, results of operations and financial position.***

We prepare our consolidated financial statements in accordance with United States generally accepted accounting principles ("U.S. GAAP"). These accounting principles require us to make estimates and assumptions that affect the reported amounts of assets and liabilities and the disclosure of contingent assets and liabilities at the date of our financial statements. We are also required to make certain judgments that affect the reported amounts of revenues and expenses during each reporting period. We periodically evaluate our estimates and assumptions including, but not limited to, those relating to revenue recognition, recoverability of assets, valuation of derivatives and nonredeemable non-controlling interests, contingencies, stock-based compensation and income taxes. We base our estimates on historical experience and various assumptions that we believe to be reasonable based on specific circumstances. These assumptions and estimates involve the exercise of judgment and discretion, which may evolve over time in light of operational experience, regulatory direction, developments in accounting principles and other factors. Actual results could differ from these estimates as a result of changes in circumstances, assumptions, policies or developments in the business, which could materially affect our consolidated financial statements.

**Risks Relating to Our Organizational Structure**

***Our principal asset is our interest in Intuitive Machines, LLC, and, accordingly, we will depend on distributions from Intuitive Machines, LLC to pay our taxes and expenses, including payments under the Tax Receivable Agreement, and to pay dividends. Intuitive Machines, LLC's ability to make such distributions may be subject to various limitations and restrictions.***

We are a holding company and have no material assets other than our equity interest in Intuitive Machines, LLC. As such, we have no independent means of generating revenue or cash flow, and our ability to pay our taxes and operating expenses or declare and pay dividends in the future are dependent upon the financial results and cash flows of Intuitive Machines, LLC and its subsidiaries and distributions we receive from Intuitive Machines, LLC. Intuitive Machines, LLC and its subsidiaries may not generate sufficient cash flow to distribute funds to us and applicable state law and contractual restrictions, including negative covenants in our debt instruments, may not permit such distributions.

We anticipate that Intuitive Machines, LLC will continue to be treated as a partnership for U.S. federal income tax purposes and, as such, will not be subject to any entity-level U.S. federal income tax. Instead, taxable income will be allocated to holders of interests in Intuitive Machines, LLC, including us. Accordingly, we will incur income taxes on our allocable share of any net taxable income of Intuitive Machines, LLC. Under the terms of the Amended and Restated ("A&R") Operating Agreement, Intuitive Machines, LLC is obligated, subject to various limitations and restrictions, including with respect to any applicable credit agreements, to make tax distributions to holders of Intuitive Machines, LLC Common Units and Series A Preferred Units, including us. In addition to tax expenses, we will also incur expenses related to our operations, including payments under the Tax Receivable Agreement, which we expect could be significant.

We intend, as its managing member, to cause Intuitive Machines, LLC to make (i) pro rata tax distributions to the members of Intuitive Machines, LLC ("Intuitive Machine Members") in an amount sufficient to fund all or part of their tax obligations in respect of taxable income allocated to them and to cover our tax obligations, other than with respect to income allocated to the Series A Preferred Units, but including payments due under the Tax Receivable Agreement, (ii) additional tax distributions to us to the extent necessary to cover our tax obligations with respect to income from the Series A Preferred Units and (iii) distributions to us to pay our operating expenses and to fund any dividends, including dividends made on the Series A Preferred Stock. However, Intuitive Machines, LLC's ability to make such distributions may be subject to various limitations and restrictions, such as restrictions on distributions that would either violate any contract or agreement to which Intuitive Machines, LLC is then a party, including debt agreements, or any applicable law, or that would have the effect of rendering Intuitive Machines, LLC insolvent. If we do not have sufficient funds to pay our tax or other liabilities or to fund our operations (including, if applicable, as a result of an acceleration of our obligations under the Tax Receivable Agreement), we may have to borrow funds, which could materially adversely affect our liquidity and financial condition and subject us to various restrictions imposed by any such lenders. To the extent that we are unable to make timely payments under the Tax Receivable Agreement for any reason, such payments generally will be deferred and will accrue interest until paid; provided, however, that nonpayment for a specified period may constitute a material breach of a material obligation under the Tax Receivable Agreement resulting in a termination of the Tax Receivable Agreement and the acceleration of payments due under the Tax Receivable Agreement.

Under the A&R Operating Agreement, we intend to cause Intuitive Machines, LLC, from time to time, to make pro rata distributions in cash to each holder of Intuitive Machines, LLC Common Units (including us) in amounts at least sufficient to cover the taxes imposed on their allocable share of net taxable income of Intuitive Machines, LLC. As a result of (i) potential differences in the amount of net taxable income allocable to us and to Intuitive Machines, LLC's other members, (ii) the lower tax rate applicable to corporations compared to individuals, and (iii) certain tax benefits that we anticipate from (a) future purchases or redemptions of Intuitive Machines, LLC Common Units from the Intuitive Machines Members (other than us) and (b) payments under the Tax Receivable Agreement, these cash distributions may be in amounts that exceed our actual tax liabilities with respect to the relevant taxable year, including our obligations under the Tax Receivable Agreement. Our Board will determine the appropriate uses for any such excess cash, which may include, among other uses, the payment of obligations under the Tax Receivable Agreement and the payment of other expenses. We will have no obligation to distribute such cash (or other available cash) to our stockholders. No adjustments to the exchange ratio for Intuitive Machines, LLC Common Units and corresponding shares of Class A Common Stock will be made as a result of any cash distribution by us or any retention of cash by us, and in any event the ratio will remain one-to-one. To the extent we do not distribute such excess cash as dividends on our stock, we may take other actions with respect to such excess cash, for example, holding such excess cash, or lending it (or a portion thereof) to Intuitive Machines, LLC, which may result in shares of our Class A Common Stock increasing in value relative to the value of Intuitive Machines, LLC Common Units. Following such loan or a contribution of such excess cash to Intuitive Machines, LLC, we may, but are not required to, make an adjustment to the outstanding number of Intuitive Machine, LLC Common Units held by the Intuitive Machines Members (other than us). In the absence of such adjustment, the Intuitive Machines Members may benefit from any value attributable to such cash and/or loan balances if they acquire shares of Class A Common Stock in exchange for their Intuitive Machines, LLC Common Units, notwithstanding that such holders may have participated previously as holders of Intuitive Machines, LLC Common Units in distributions that resulted in such excess cash balances.

***The Tax Receivable Agreement with the TRA Holders (as defined below) requires us to make cash payments to them in respect of certain tax benefits to which we may become entitled, and we expect that the payments we will be required to make will be substantial.***

In connection with the consummation of the Transactions, we entered into a Tax Receivable Agreement with Intuitive Machines, LLC and certain Intuitive Machines Members (the "TRA Holders"). Under the Tax Receivable Agreement, we are required to make cash payments to the TRA Holders equal to 85% of the amount of cash tax savings, if any, that we actually realize, or in certain circumstances are deemed to realize (calculated using certain assumptions), as a result of the Existing Basis, Basis Adjustments and Interest Deductions (each as defined below). The actual amount of cash tax savings will depend on, among other things, changes in the relevant tax law, whether we earn sufficient taxable income to realize all tax benefits that are subject to the Tax Receivable Agreement and the timing of any future redemptions or exchanges of Intuitive Machines, LLC Common Units. We will depend on cash distributions from Intuitive Machines, LLC to make payments under the Tax Receivable Agreement. Any payments made by us to the TRA Holders under the Tax Receivable Agreement will generally reduce the amount of cash that might have otherwise been available to us. Due to the uncertainty of various factors, we cannot precisely quantify the likely tax benefits we will realize as a result of the purchase of Intuitive Machines, LLC Common Units and Intuitive Machines, LLC Common Unit exchanges, and the resulting amounts we are likely to pay out to the TRA Holders pursuant to the Tax Receivable Agreement; however, we estimate that such payments will be substantial.

The payment obligation is an obligation of us and not of Intuitive Machines, LLC. Any payments made by us to the TRA Holders under the Tax Receivable Agreement will not be available for reinvestment in our business and will generally reduce the amount of overall cash flow that might have otherwise been available to us. To the extent that we are unable to make timely payments under the Tax Receivable Agreement for any reason, such payments will be deferred and will accrue interest until paid by us. Payments under the Tax Receivable Agreement are not conditioned upon one or more of the TRA Holders maintaining a continued ownership interest in Intuitive Machines, LLC or us. Furthermore, if we experience a Change of Control (as defined under the A&R Operating Agreement), which includes certain mergers, asset sales and other forms of business combinations, we would be obligated to make an immediate payment, and such payment may be significantly in advance of, and may materially exceed, the actual realization, if any, of the future tax benefits to which the payment relates. This payment obligation could (i) make us a less attractive target for an acquisition, particularly in the case of an acquirer that cannot use some or all of the tax benefits that are the subject of the Tax Receivable Agreement and (ii) result in holders of our Class A Common Stock receiving substantially less consideration in connection with a change of control transaction than they would receive in the absence of such obligation. Accordingly, the TRA Holders' interests may conflict with those of the holders of our Class A Common Stock.

In addition, decisions we make in the course of running our business, such as with respect to mergers, asset sales, other forms of business combinations or other changes in control, may influence the timing and amount of payments made under the Tax Receivable Agreement. For example, the earlier disposition of assets following a redemption or exchange of Intuitive Machines, LLC Common Units may accelerate the recognition of associated tax benefits for which we would be required to make payments under the Tax Receivable Agreement and increase the present value of such payments, and the

disposition of assets before a redemption or exchange of Intuitive Machines, LLC Common Units increase the tax liability of the TRA Holders (or their transferees or assignees) without giving rise to any rights to receive payments under the Tax Receivable Agreement with respect to tax attributes associated with such assets.

The ability to generate tax assets covered by the Tax Receivable Agreement, and the actual use of any resulting tax benefits, as well as the amount and timing of any payments under the Tax Receivable Agreement, will vary depending upon a number of factors, including the timing of redemptions or exchanges of Intuitive Machines, LLC Common Units by, or purchases of Intuitive Machines, LLC Common Units from, the TRA Holders (or their transferees or other assignees), the price of our Class A Common Stock at the time of the redemption, exchange or purchase; the extent to which such redemptions, exchanges or purchases are taxable; the amount and timing of the taxable income allocated to us or otherwise generated by us in the future; the tax rates and laws then applicable and the portion of our payments under the Tax Receivable Agreement constituting imputed interest.

***In certain cases, payments under the Tax Receivable Agreement to the TRA Holders may be accelerated and/or significantly exceed any actual benefits we realize in respect of the tax attributes subject to the Tax Receivable Agreement.***

The Tax Receivable Agreement provides that if (i) we materially breach any of our material obligations thereunder or the Tax Receivable Agreement is rejected by operation of law, (ii) certain mergers, asset sales, other forms of business combinations or other changes of control were to occur after the Closing Date or (iii) we elect an early termination of the Tax Receivable Agreement, then our obligations, or our successor's obligations, under the Tax Receivable Agreement to make payments would be accelerated and become immediately due and payable. The amount due and payable in those circumstances is based on the present value (at a discount rate equal to the secured overnight financing rate ("SOFR") plus 100 basis points) of projected future tax benefits that are based on certain assumptions, including an assumption that we would have sufficient taxable income to fully use all potential future tax benefits that are subject to the Tax Receivable Agreement.

As a result of the foregoing, we would be required to make an immediate cash payment that may be made significantly in advance of the actual realization, if any, of such future tax benefits. We could also be required to make cash payments to the TRA Holders that are greater than 85% of the actual cash tax savings we ultimately realize in respect of the tax benefits that are subject to the Tax Receivable Agreement. In these situations, our obligations under the Tax Receivable Agreement could have a substantial negative impact on our liquidity and could have the effect of deferring or preventing certain mergers, asset sales, other forms of business combinations or other changes of control. We may need to incur debt to finance payments under the Tax Receivable Agreement to the extent our cash resources are insufficient to meet our obligations under the Tax Receivable Agreement as a result of timing discrepancies or otherwise. We may not be able to fund or finance our obligations under the Tax Receivable Agreement.

***We will not be reimbursed for any payments made to the TRA Holders under the Tax Receivable Agreement in the event that any tax benefits are disallowed.***

Payments under the Tax Receivable Agreement will be based on the tax reporting positions that we determine, which are complex and factual in nature, and the Internal Revenue Service (the "IRS") or another taxing authority may challenge all or part of the tax basis increases or other tax benefits we claim, as well as other related tax positions we take, and a court could sustain such challenge. If the outcome of any such challenge would reasonably be expected to materially affect a recipient's rights and obligations under the Tax Receivable Agreement, then our ability to settle such challenges may be restricted by the rights of the TRA Holders pursuant to the Tax Receivable Agreement, and such restrictions apply for as long as the Tax Receivable Agreement remains in effect. In addition, we will not be reimbursed for any cash payments previously made to the TRA Holders under the Tax Receivable Agreement in the event that any tax benefits initially claimed by us and for which payment has been made to a TRA Holder are subsequently challenged by a taxing authority and are ultimately disallowed. Instead, any excess cash payments made by us to a TRA Holder will be netted against any future cash payments that we might otherwise be required to make to such TRA Holder under the terms of the Tax Receivable Agreement. However, we might not determine that we have effectively made an excess cash payment to a TRA Holder for a number of years following the initial time of such payment and, if any of our tax reporting positions are challenged by a taxing authority, we will not be permitted to reduce any future cash payments under the Tax Receivable Agreement until any such challenge is finally settled or determined. Moreover, the excess cash payments we made previously under the Tax Receivable Agreement could be greater than the amount of future cash payments against which we would otherwise be permitted to net such excess. As a result, payments could be made under the Tax Receivable Agreement significantly in excess of 85% of the actual cash tax savings that we realize in respect of the tax attributes with respect to a TRA Holder that are the subject of the Tax Receivable Agreement.

***If Intuitive Machines, LLC were to become a publicly traded partnership taxable as a corporation for U.S. federal income tax purposes, we and Intuitive Machines, LLC might be subject to potentially significant tax inefficiencies, and***

***we would not be able to recover payments we previously made under the Tax Receivable Agreement even if the corresponding tax benefits were subsequently determined to have been unavailable due to such status.***

We and Intuitive Machines, LLC intend to operate such that Intuitive Machines, LLC does not become a publicly traded partnership taxable as a corporation for U.S. federal income tax purposes. A "publicly traded partnership" is a partnership, the interests of which are traded on an established securities market or are readily tradable on a secondary market or the substantial equivalent thereof. Under certain circumstances, exercises of the Intuitive Machines, LLC Options, redemptions and exchanges of Intuitive Machines, LLC Common Units pursuant to the Intuitive Machines Members' redemption and exchange rights as described under the A&R Operating Agreement or other transfers of Intuitive Machines, LLC units could cause Intuitive Machines, LLC to be treated as a publicly traded partnership. Applicable U.S. Treasury regulations provide for certain safe harbors from treatment as a publicly traded partnership, and we intend to operate so that redemptions, exchanges and other transfers of Intuitive Machines, LLC units qualify for one or more such safe harbors. For example, we intend to limit the number of unitholders of Intuitive Machines, LLC, and the A&R Operating Agreement provides for limitations on the ability of unitholders of Intuitive Machines, LLC to transfer their Intuitive Machines, LLC units and will provide us, as managing member of Intuitive Machines, LLC, with the right to impose restrictions (in addition to those already in place) on the ability of owners of Intuitive Machines, LLC to redeem, exchange or otherwise transfer their Intuitive Machines, LLC units to the extent we believe it is necessary to ensure that Intuitive Machines, LLC will continue to be classified as a partnership for U.S. federal income tax purposes.

If Intuitive Machines, LLC were to become a publicly traded partnership taxable as a corporation for U.S. federal income tax purposes, significant tax inefficiencies might result for us and for Intuitive Machines, LLC, including as a result of our inability to file a consolidated U.S. federal income tax return with Intuitive Machines, LLC. In addition, we may not be able to realize tax benefits covered under the Tax Receivable Agreement, and we would not be able to recover any payments previously made by us under the Tax Receivable Agreement, even if the corresponding tax benefits (including any claimed increase in the tax basis of Intuitive Machines, LLC's assets) were subsequently determined to have been unavailable.

***If we were deemed to be an investment company under the Investment Company Act, as a result of our ownership of Intuitive Machines, LLC, applicable restrictions could make it impractical for us to continue our business as contemplated and could have a material adverse effect on our business.***

Under Sections 3(a)(1)(A) and (C) of the Investment Company Act, a company generally will be deemed to be an "investment company" for purposes of the Investment Company Act if (i) it is, or holds itself out as being, engaged primarily, or proposes to engage primarily, in the business of investing, reinvesting or trading in securities or (ii) it engages, or proposes to engage, in the business of investing, reinvesting, owning, holding or trading in securities and it owns or proposes to acquire investment securities having a value exceeding 40% of the value of its total assets (exclusive of U.S. government securities and cash items) on an unconsolidated basis. We do not believe that we are an "investment company," as such term is defined in either of those sections of the Investment Company Act.

As the sole managing member of Intuitive Machines, LLC, we control and operate Intuitive Machines, LLC. On that basis, we believe that our interest in Intuitive Machines, LLC is not an "investment security" as that term is used in the Investment Company Act. However, if we were to cease participation in the management of Intuitive Machines, LLC, our interest in Intuitive Machines, LLC could be deemed an "investment security" for purposes of the Investment Company Act.

We and Intuitive Machines, LLC intend to continue to conduct our operations so that we will not be deemed an investment company. However, if we were to be deemed an investment company, restrictions imposed by the Investment Company Act, including limitations on our capital structure and our ability to transact with affiliates, could make it impractical for us to continue our business as contemplated and could have a material adverse effect on our business.

***We and Intuitive Machines, LLC are controlled by our Founders (as defined below), whose interests may differ from those of our public stockholders.***

Our Founders Dr. Kamal Ghaffarian, Stephen Altemus and Timothy Crain and their permitted transferees (collectively, the "Founders"), have control over almost all stockholder decisions because they control a substantial majority of the combined voting power. This may limit or preclude your ability to influence corporate matters. As of March 18, 2025, our Founders collectively control approximately 62% of the combined voting power of our common stock primarily as a result of their ownership of Class C Common Stock, each share of which is entitled to three votes on all matters submitted to a vote of our stockholders.

As a result, the Intuitive Machines Founders have the ability to control any action requiring the general approval of our stockholders, including the election and removal of directors and thereby determine corporate and management policies,

including potential mergers or acquisitions, payment of dividends, asset sales, amendments to the Certificate of Incorporation and By-Laws and other significant corporate transactions for so long as they retain significant ownership of our Class C Common Stock. This concentration of ownership and voting power may also delay, defer or even prevent an acquisition by a third party or other change of control of us and may make some transactions more difficult or impossible without their support, even if such events are in the best interests of minority stockholders. This concentration of voting power may have a negative impact on the trading price of Class A Common Stock.

Our Founders are entitled to vote their shares, and shares over which they have voting control, in their own interests, which may not always be in the interests of our stockholders generally. Because our Founders hold their economic interest in our business through Intuitive Machines, LLC, rather than through us, they may have conflicting interests with holders of shares of Class A Common Stock. For example, our Founders may have a different tax position from us, which could influence their decisions regarding whether and when we should dispose of assets or incur new or refinance existing indebtedness, especially in light of the existence of the Tax Receivable Agreement, and whether and when we should undergo certain changes of control within the meaning of the Tax Receivable Agreement or terminate the Tax Receivable Agreement. In addition, the structuring of future transactions may take into consideration these tax or other considerations even where no similar benefit would accrue to us. See "Certain Relationships and Related Party Transactions—Tax Receivable Agreement." In addition, our Founders' ability to effectively control us may discourage someone from making a significant equity investment in us, or could discourage transactions involving a change in control, including transactions in which you as a holder of shares of Class A Common Stock might otherwise receive a premium for your shares over the then-current market price.

***We cannot predict the impact our multi-class structure may have on our stock price.***

We cannot predict whether our multi-class structure will result in a lower or more volatile market price of our Class A Common Stock or in adverse publicity or other adverse consequences. Our multi-class capital structure may make us ineligible for inclusion in certain indices, and as a result, mutual funds, exchange-traded funds and other investment vehicles that attempt to passively track these indices will not be investing in our stock. In addition, other stock indices may take similar actions. Given the sustained flow of investment funds into passive strategies that seek to track certain indices, exclusion from certain stock indices would likely preclude investment by many of these funds and would make our Class A Common Stock less attractive to other investors. As a result, the trading price and volume of our Class A Common Stock could be adversely affected.

**Risks Relating to the Ownership of Our Class A Common Stock**

***Delaware law and the Certificate of Incorporation and our bylaws (the "By-Laws") contain certain provisions, including anti-takeover provisions, that limit the ability of stockholders to take certain actions and could delay or discourage takeover attempts that stockholders may consider favorable.***

The Certificate of Incorporation, By-Laws, and the DGCL, contain provisions that could have the effect of rendering more difficult, delaying, or preventing an acquisition deemed undesirable by the Board and therefore depress the trading price of our Class A Common Stock. These provisions could also make it difficult for stockholders to take certain actions, including electing directors who are not nominated by the then-current members of the Board or taking other corporate actions, including effecting changes in management. Among other things, the Certificate of Incorporation and By-Laws include provisions regarding:

- the ability of the Board to issue shares of preferred stock, including "blank check" preferred stock and to determine the price and other terms of those shares, including preferences and voting rights, without stockholder approval, which could be used to significantly dilute the ownership of a hostile acquirer;
- the limitation of the liability of, and the indemnification of, our directors and officers;
- the right of the Board to elect a director to fill a vacancy created by the expansion of the Board or the resignation, death or removal of a director, which prevents stockholders from being able to fill vacancies on the Board;
- the requirement that directors may only be removed from the Board for cause and upon the affirmative vote of the holders of at least 66 2/3% of the total voting power of the then outstanding capital stock;
- a prohibition on stockholder action by written consent (except for actions by the holders of Class B Common Stock, Class C Common Stock or as required for holders of any series of preferred stock), which forces stockholder action to be taken at an annual or special meeting of stockholders and could delay the ability of stockholders to force consideration of a stockholder proposal or to take action, including the removal of directors;

- the requirement that a special meeting of stockholders may be called only by the Board, the chairman of the Board or chief executive officer, which could delay the ability of stockholders to force consideration of a proposal or to take action, including the removal of directors;

- controlling the procedures for the conduct and scheduling of the Board and stockholder meetings;

- the requirement for the affirmative vote of holders of at least 66 2/3% of the total voting power of all of the then outstanding shares of the voting stock, voting together as a single class, to amend, alter, change or repeal certain provisions in the Certificate of Incorporation which could preclude stockholders from bringing matters before annual or special meetings of stockholders and delay changes in the Board and also may inhibit the ability of an acquirer to effect such amendments to facilitate an unsolicited takeover attempt;

- the ability of the Board to amend the By-Laws, which may allow the Board to take additional actions to prevent an unsolicited takeover and inhibit the ability of an acquirer to amend the By-Laws to facilitate an unsolicited takeover attempt; and

- advance notice procedures with which our stockholders must comply to nominate candidates to the Board or to propose matters to be acted upon at a stockholders' meeting, which could preclude stockholders from bringing matters before annual or special meetings of stockholders and delay changes in the Board and also may discourage or deter a potential acquirer from conducting a solicitation of proxies to elect the acquirer's own slate of directors or otherwise attempting to obtain control of us.

These provisions, alone or together, could delay or prevent hostile takeovers and changes in control or changes in the Board or management.

In addition, as a Delaware corporation, we are generally subject to provisions of Delaware law, including the DGCL. Any provision of the Certificate of Incorporation, By-Laws or Delaware law that has the effect of delaying or preventing a change in control could limit the opportunity for stockholders to receive a premium for their shares of our Common Stock and could also affect the price that some investors are willing to pay for our Common Stock.

***The Certificate of Incorporation designates a state or federal court located within the State of Delaware as the exclusive forum for certain types of actions and proceedings between us and our stockholders, and the federal district courts as the exclusive forum for Securities Act claims, which could limit our stockholders' ability to choose the judicial forum for disputes with us or our directors, officers, or employees.***

The Certificate of Incorporation provides that, unless we consent in writing to the selection of an alternative forum, the Court of Chancery of the State of Delaware, or if such court does not have subject matter jurisdiction, any other court located in the State of Delaware with subject matter jurisdiction, will be the sole and exclusive forum for (a) any derivative action or proceeding brought on our behalf, (b) any action asserting a claim of breach of a fiduciary duty owed by any current or former director, officer, other employee or stockholder of Intuitive Machines, Inc. to it or its stockholders, (c) any action asserting a claim against us or our officers or directors arising pursuant to any provision of the DGCL, the Certificate of Incorporation or By-Laws or as to which the DGCL confers jurisdiction on the Court of Chancery of the State of Delaware, (d) any action to interpret, apply, enforce or determine the validity of the Certificate of Incorporation or the By-Laws or any provision thereof, (e) any action asserting a claim against us or any current or former director, officer, employee, stockholder or agent of Intuitive Machines, Inc. governed by the internal affairs doctrine of the law of the State of Delaware or (f) any action asserting an "internal corporate claim" as defined in Section 115 of the DGCL. The Certificate of Incorporation also provides that, unless we consent in writing to the selection of an alternative forum, to the fullest extent permitted by law, the federal district courts of the United States will be the exclusive forum for the resolutions of any complaint asserting a cause of action arising under the Securities Act. This provision in the Certificate of Incorporation does not address or apply to claims that arise under the Exchange Act; however, Section 27 of the Exchange Act creates exclusive federal jurisdiction over all suits brought to enforce any duty or liability created by the Exchange Act or the rules and regulations thereunder. To the extent these provisions could be construed to apply to such claims, there is uncertainty as to whether a court would enforce such provisions in connection with such claims, and stockholders cannot waive compliance with the federal securities laws and the rules and regulations thereunder.

Any person or entity purchasing or otherwise acquiring any interest in any of our securities of will be deemed to have notice of and consented to the provisions of the Certificate of Incorporation described in the preceding paragraph. These exclusive-forum provisions may limit a stockholder's ability to bring a claim in a judicial forum of its choosing for disputes with us or our directors, officers, or other employees, which may discourage lawsuits against us and our directors, officers, and other employees. The enforceability of similar exclusive-forum provisions in other companies' certificates of incorporation has been challenged in legal proceedings, and it is possible that, in connection with one or more actions or proceedings described above, a court could rule that this provision in the Certificate of Incorporation is inapplicable or

unenforceable. If a court were to find these exclusive-forum provisions to be inapplicable or unenforceable in an action, we may incur additional costs associated with resolving the dispute in other jurisdictions, which could harm its results of operations.

***Our business and operations could be negatively affected if it becomes subject to certain claims, litigation or shareholder activism, which could, among other things, cause us to incur significant expense, negatively impact our reputation, hinder execution of business and growth strategy and impact our stock price.***

We may be subject to certain claims, litigation, shareholder activism or other proceedings, which could take many forms or arise in a variety of situations. Securities litigation and stockholder activism, including potential proxy contests, could result in substantial costs and divert management's and our Board's attention and resources from our business. Additionally, the Company has been, and may in the future become, subject to litigation from customers, suppliers or other parties. For example, on November 22, 2024, an alleged successor in interest to a purported former holder of shares of our Series A Preferred Stock (the "Plaintiff") filed a breach of contract action in the Delaware Court of Chancery alleging that 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. Although we believe that we have meritorious defenses and intend to vigorously defend the litigation, we cannot be certain as to the ultimate outcome of this matter or as to any potential losses we may incur, which may be material. Any litigation could give rise to perceived uncertainties as to our future, adversely affect our relationships with service providers and make it more difficult to attract and retain qualified personnel. Also, we may be required to incur significant legal fees and other expenses related to any litigation and activist stockholder matters. Further, our stock price could be subject to significant fluctuation or otherwise be adversely affected by the events, risks and uncertainties of any litigation and stockholder activism.

***We may issue shares of preferred stock in the future, which could make it difficult for another company to acquire us or could otherwise adversely affect holders of Class A Common Stock, which could depress the trading price of our Class A Common Stock.***

Our Certificate of Incorporation authorizes us to issue one or more series of preferred stock. Our Board has the authority to determine the preferences, limitations and relative rights of the shares of preferred stock and to fix the number of shares constituting any series and the designation of such series, without any further vote or action by our stockholders. Our preferred stock could be issued with voting, liquidation, dividend and other rights superior to the rights of Class A Common Stock. The potential issuance of preferred stock may delay or prevent a change in control of us, discourage bids for Class A Common Stock at a premium to the market price and materially and adversely affect the market price and the voting and other rights of the holders of Class A Common Stock.

***Sales of a substantial number of our securities in the public market by our existing securityholders could cause the price of our shares of Common Stock to fall.***

Sales of a substantial number of our shares of Class A Common Stock in the public market by our other existing securityholders, or the perception that those sales might occur, could depress the market price of our Class A Common Stock and could impair our ability to raise capital through the sale of additional equity securities. We are unable to predict the effect that such sales may have on the prevailing market price of our Class A Common Stock.

***Our issuance of additional capital stock in connection with financings, acquisitions, investments, the Equity Incentive Plan or otherwise will dilute all other stockholders.***

We expect to issue additional capital stock in the future that will result in dilution to all other stockholders. We expect to grant equity awards to employees and directors under the Equity Incentive Plan. We also intend to raise capital through equity financings in the future. As part of our business strategy, we may acquire or make investments in complementary companies, products or technologies and issue equity securities to pay for any such acquisition or investment. Any such issuances of additional capital stock may cause stockholders to experience significant dilution of their ownership interests and the per share value of our common stock to decline.

**Item 1B. Unresolved Staff Comments**

None.

**Item 1C. Cybersecurity**

***Risk Management and Strategy***

We believe cybersecurity is critical to advancing the Company's strategy and the growth of our business. We manufacture and operate highly sophisticated spaceflight systems that depend on complex technology and face a multitude of cybersecurity threats. Threat actors (such as ransomware groups) are becoming increasingly sophisticated and using tools and techniques that are designed to circumvent security controls, to evade detection and to remove or obfuscate forensic evidence. Our information technology systems and networks may be damaged, disrupted, or compromised by malicious events, such as cyberattacks (including computer viruses, ransomware, and other malicious and destructive code, phishing attacks, and denial of service attacks), physical or electronic security breaches, natural disasters, fire, power loss, telecommunications failures, personnel misconduct, and human error. Such attacks or security breaches may be perpetrated by internal bad actors, such as employees or contractors, or by third parties. Furthermore, because the techniques used to obtain unauthorized access or sabotage systems change frequently and generally are not identified until after they are launched against a target, we may be unable to anticipate these techniques or implement adequate preventative measures.

We also work cooperatively with our suppliers, subcontractors, venture partners and other parties. Failures and disruptions or compromises to our or our third parties' systems may cause targeted cyberattacks or similar events or incidents to impact our business and operations. While we have built operational processes to help ensure the integrity of our design, manufacture, performance and servicing of our systems, there can be no assurance that we will not experience operational or process failures and other problems due to cyber incidents.

Intuitive Machines uses several methods for controlling cybersecurity risks/threats. We use next generation firewall hardware to identify threats and malware and block those in transit before they reach our networks. We use software that identifies malware/viruses and blocks those before execution. We also implement software tools that create weekly reports of vulnerabilities for the Information Technology ("IT") organization to review and action. Additionally, we have systems that collect logs and events from various elements within the networks including firewalls, servers, network hardware, and user equipment and displays all these events in one place for forensic analysis and tracking. If any security incidents do occur, they are tracked within our incident response system through to closure. We also engage with third party consultants to assess cyber risk to both our mission operations network and our business operations network.

We have not experienced any cybersecurity incidents that have had a material impact on our business strategy, results of operations or financial condition. Our costs to adequately counter the risk of cyber-attacks and to comply with contractual and/or regulatory compliance requirements may increase significantly in the future. If there is a security vulnerability, error, or other bug in one of ours or our critical third-party systems or if there is a security exploit targeting them, we could face increased costs, claims, liability, reduced revenue, and harm to our reputation or competitive position. For a description of possible risks associated with a cybersecurity incident, refer to Part I, Item 1A Risk Factors of this Annual Report, "*If any of our systems, the systems of any critical Third Parties upon which we rely or our customers' systems are, or appear to be, breached or if unauthorized processing of customer or third-party data is otherwise performed, public perception of our products services may be harmed, and we may lose business and incur losses or liabilities.*"

***Governance***

The Board oversees management's processes for identifying and mitigating risks, including cybersecurity risks, to help align our risk exposure with our strategic objectives, senior leadership regularly briefs the Board of Directors on our cybersecurity and information security posture and the Board of Directors is apprised of cybersecurity threats. Our information technology organization, led by our Senior Vice President of Production & Operations, and our Senior Director of IT & Cybersecurity, are responsible for our overall information security strategy, policy and cyber threat detection and response. The current Senior Director of IT and Cybersecurity is a Certified Information Systems Security Professional ("CISSP") and has 28 years of IT industry experience in operations and cybersecurity planning and implementations for organizations internal to NASA, Jacobs Engineering, and Lockheed Martin. The Information Technology team includes full-time cybersecurity professionals that work routinely with third party security firms along with government and civilian agencies for malware remediation, threat intelligence sharing, and cyber risk analysis exercises. These partnerships provide 24/7 monitoring and remediation, and the shared intelligence flows into regular updates for our evolving security strategies. Our IT operations team has a combined experience of over 50 years combating cyber threats at all levels including military, government, civilian agencies, and corporate enterprise.

The full Board retains oversight of cybersecurity because of its importance to the Company. In the event of an incident, we intend to follow our detailed incident response playbook, which outlines the steps to be followed from incident detection to mitigation, recovery and notification, including notifying functional areas (e.g. legal), as well as senior leadership and the Board, as appropriate. Assessing, identifying and managing cybersecurity related risks are integrated into our overall enterprise risk management process.

We have implemented cybersecurity policies and frameworks based on industry and governmental standards. As a government contractor, we must comply with extensive regulations, including requirements imposed by International Standards such as ISO/IEC 20000-1:2018 Information Technology – Service Management and ISO/IEC 27001:2013 Information Technology – Security Techniques, National Institute of Standards and Technology (NIST) Special Publication (SP) 800 Series requirements and controls, Cybersecurity and Infrastructure Security Agency (CISA) guidance, applicable Federal Information Processing Standards (FIPS) and Federal Acquisition Regulations guidance, and are continuing progress towards full implementation of the Cybersecurity Maturity Model Certification (CMMC) 2.0 standards in 2025.

## Item 2. Properties

**Houston, Texas.** Our principal facility is a leased facility located in Houston, Texas which includes our corporate headquarters and Lunar Production and Operations Center ("LPOC") at the Houston Spaceport at Ellington Airport. The center was completed in late 2023 and spans across about 12.5 acres of real estate, and has more than 100,000 square feet of office and advanced production space. The LPOC serves as a production and testing facility of lunar lander components and other aerospace related operations and features tiered storage, an advanced loading dock, and a production area with 45-foot ceilings and crane capable of handling our Nova Lunar Lander designs.

**Glen Burnie, Maryland.** In 2024, we expanded our presence and opened our leased 22,000 square foot Maryland facility that focuses on mechanisms and robotics. This facility builds and tests space-flight equipment and hardware. The staff consists primarily of mechanical and aerospace engineers, as well as electromechanical technicians and related engineering support staff.

**Phoenix, Arizona.** In 2024, in connection with the Lunar Reconnaissance Orbiter Camera ("LROC") and Shadow Cam subcontracts, we opened our leased 16,000 square foot lunar data analytics facility in Phoenix, Arizona where we perform operations for lunar assets and operations, analyze landing site and mobility paths on the Moon.

## Item 3. 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. Information relating to commitments and contingencies is described in Note 14 - Commitments and Contingencies to our consolidated financial statements in Part II, Item 8 of this Annual Report on Form 10-K.

## Item 4. Mine Safety Disclosures

Not applicable.

## PART II

### Item 5. Market for Registrant's Common Equity, Related Stockholder Matters and Issuer Purchases of Equity Securities

***Market Information***

Our Class A Common Stock is listed on the Nasdaq Stock Market (the "Nasdaq") under the symbol "LUNR."

***Holders***

As of March 18, 2025, there were 41 holders of record of our Class A Common Stock, 0 holders of record of our Class B Common Stock, 5 holders of record of our Class C Common Stock and 1 holder of record of our Series A Preferred Stock. In calculating the number of shareholders, we consider clearing agencies and security position listings as one shareholder for each agency or listing.

***Dividend Policy***

We have not declared or paid dividends on our common stock to date. We have no current plans to pay dividends on our Class A Common Stock in the foreseeable future. Holders of our Class B Common Stock and Class C Common Stock do not have any right to receive dividends. The declaration, amount, and payment of any future dividends on shares of Class A Common Stock is at the sole discretion of our Board and will depend on a number of factors, including general and economic conditions, our financial condition and operating results, our available cash and current and anticipated cash needs, capital requirements, contractual, legal, tax, and regulatory restrictions and implications on the payment of dividends by us to our stockholders or by our subsidiaries to us, and such other factors as our Board may deem relevant.

***Sale of Unregistered Securities and Use of Proceeds***

Sales of unregistered equity securities were previously reported in a Quarterly Report on Form 10-Q or in a Current Report on Form 8-K. Additionally, you may refer to the following footnote disclosures in this Annual Report on Form 10-K for information on these transactions related to unregistered equity securities: Note 2 for information on the Series A Investment related to the Business Combination, and Note 8 for information on the sell of securities in a private placement with Armistice Capital Master Fund Ltd, and the sell of securities in a private offering with an accredited investor.

***Issuer Purchases of Equity of Securities***

None.

***Securities Authorized for Issuance Under Equity Compensation Plans***

The following table summarizes our equity compensation plans information as of December 31, 2024. See Note 10 - Share-Based Compensation and Retirement Benefits of the consolidated financial statements included in this Annual Report on Form-10K for a description of each plan.

| Plan Category | Number of securities to be issued upon exercise of outstanding restricted stock units and options (a) | Weighted-average exercise price of outstanding restricted stock options and options (b)[1] | Number of securities remaining available for future issuance under equity compensation plans (excluding securities reflected in column (a)) (c) |
|---|---|---|---|
| Equity compensation plans approved by shareholders: | | | |
| 2021 Plan | 989,423 | $ 3.54 | — |
| 2023 Plan[2] | 3,307,039 | $ — | 8,060,355 |
| Equity compensation plans not approved by shareholders | — | | — |
| **Total** | **4,296,462** | | **8,060,355** |

(1) Reflects the effects of the Business Combination (as discussed in Note 1) in which share-based compensation awards of legacy Intuitive Machines, LLC were converted into share-based compensation awards of Intuitive Machines using an exchange ratio of 0.5562.

(2) Column (a) represents shares of common stock that may be issued upon the vesting and settlement of service-based RSUs with no consideration of an exercise price.

**Item 6. Reserved**

## Item 7. Management's Discussion and Analysis of Financial Condition and Results of Operations

*As a result of the closing of the Business Combination on February 13, 2023, which was accounted for as a reverse recapitalization in accordance with U.S. GAAP, the financial statements of Intuitive Machines, LLC, a Delaware limited liability company and our wholly-owned subsidiary, are now the financial statements of the Company. You should read the following discussion and analysis of our financial condition and results of operations in conjunction with our consolidated financial statements and related notes thereto included elsewhere in this Annual Report. Certain of the information contained in this discussion and analysis or set forth elsewhere in this Annual 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 I. Item 1A. "Risk Factors" included in this Annual Report, 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 Strategy*. 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 December 31, 2024. 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. See *Our Business Strategy* for a description of our additional lunar missions, lunar relay communications, lunar vicinity navigation, and autonomous surface rover operations.

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 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.
- ***Data Transmission Services*** offerings include the collection, processing, and interpretation of space-based data, utilizing applications, such as, command, control, communications, reconnaissance and prospecting.
- ***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.

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.

***Delivery Services***

We utilize our proprietary lunar lander vehicles to service CLPS contracts by flying NASA scientific equipment and commercial payloads to the lunar surface and supporting mission operations. With four CLPS contracts awarded to date, we are pioneering lunar access. We are also scaling our lander capabilities to support larger payloads, including heavy cargo-class infrastructure delivery for projects like the Lunar Terrain Vehicle ("LTV"), ensuring a reliable path for sustained human and robotic exploration of the Moon.

In August 2024, NASA awarded Intuitive Machines a $116.9 million contract to deliver six science and technology payloads, including one European Space Agency-led drill suite to the Moon's South Pole. This award leverages the Company's lunar delivery, data transmission, and autonomous operation capabilities to explore the region targeted for sustained human operations. As part of NASA's CLPS initiative, this marks the Company's fourth contract award, IM-4, to deliver science and technology payloads and return valuable data while autonomously operating on the surface of the Moon. In February 2024, our IM-1 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. 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.

Revenue streams from delivery services are expected to include transportation and delivery of payloads (satellites, scientific instruments, and cargo) to various destinations in space, including rapid in-space mobility solutions enabled by our proprietary engine technology.

***Data Transmission Services***

We believe that our Data Transmission Services offering is made up of a validated and complete lunar communications solution. Our Lunar Data Network ("LDN") consists of our Nova Control Center ("NCC"), our existing global collection of dishes called the Lunar Telemetry, Tracking and Communications Network ("LTN"), and a constellation of Lunar Data Network Satellites to be deployed as part of our NSN 2.2 contract award.

In September 2024, NASA awarded Intuitive Machines the sole NSN contract for communication and navigation services for missions in the near space region, which extends from Earth's surface to beyond the Moon (NSN 2.2). The NSN contract is a firm-fixed-price, multiple award, Indefinite-Delivery/Indefinite-Quantity ("IDIQ") task order contract, with a base period of five years with an additional five-year option, with a maximum potential value of $4.82 billion. The initial NSN contract award includes incrementally funded task orders totaling $150.0 million over the next 3 years. As the sole awardee of the initial tranche of NSN contracts, we are deploying a constellation of lunar relay satellites to provide continuous cislunar communication and navigation services. This capability supports NASA's Artemis missions while introducing a scalable, pay-by-the-minute data service model, enabling enhanced video, telemetry, and autonomous navigation. Our strategy leverages the additional performance capacity of our lunar landers to deploy satellites at marginal costs, creating a robust and cost-effective lunar communication infrastructure that forms the data backbone of our cislunar operations. We believe providing these lunar data and navigation services to NASA, NSS, and commercial/international customers will be an increasingly important priority.

In December 2024, NASA awarded Intuitive Machines NSN contracts for DTE services for the lunar vicinity (NSN 1.2) and beyond the lunar vicinity (NSN 1.3). These contracts allow use of terrestrial ground stations to support science missions in lunar orbit, on the lunar surface, or beyond the Moon. Our network is secured by layered levels of protection including advanced architecture, enterprise-level endpoint and antivirus protection, and Splunk advanced Security Information & Event Management ("SIEM") control. Our Network Control Center ("NCC") is located at our headquarters in Houston, Texas and was built from the ground up. NCC enables collaboration, innovation and seamless operations, in this 24-hour facility that was designed to provide tracking, telemetry and communications support for cislunar space and the surface of the Moon.

Our network is secured by layered levels of protection including advanced architecture, enterprise-level endpoint and antivirus protection, and Splunk advanced Security Information & Event Management ("SIEM") control. Our Network Control Center ("NCC") is located at our headquarters in Houston, Texas and was built from the ground up by our highly experienced team. NCC enables collaboration, innovation and seamless operations, in this 24-hour facility that was designed to provide tracking, telemetry and communications support for cislunar space and the surface of the Moon.

Once established and deployed, the data transmission services are expected to include and support NASA, U.S. national security, international, and commercial data needs. We will collect, transmit, and monetize data buys from data collected in-transit to the moon, in a variety of cislunar orbits, and on the surface of the moon for our future missions.

***Infrastructure as a Service***

Our Infrastructure as a Service pillar delivers essential systems and platforms to enable sustainable lunar exploration and commercial activity. By focusing on mobility, energy, and operational capabilities, we are creating the foundational infrastructure needed to support NASA's Artemis campaign and commercial endeavors on the Moon. Key areas of focus include the LTV, its commercialization potential, and the Fission Surface Power ("FSP") initiative, all designed to build a thriving and sustainable lunar economy.

During 2024, NASA awarded Intuitive Machines a $30.8 million LTV contract to support the agency's Artemis Campaign as a prime contractor, leading the development of the Moon RACER. Designed to operate in extreme lunar conditions, including the Moon's South Pole, the LTV features advanced autonomous driving, power management, and communications systems.

***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.

In the $9.5 million JETSON Low Power project, we are helping AFRL develop the architecture and technology for deploying and maintaining a network of navigation beacons in cislunar space that require little-to-no support once

delivered to their orbits. This includes a new radioisotope power generator that gives IM invaluable experience with nuclear power systems that can be applied to future lunar surface infrastructure, such as NASA's FSP program.

We have also made significant progress to date in federal services contracts. Our federal service contracts provide us access to one of our key customers, NASA, allows us to develop technologies important for the cislunar economy, and provides a skilled labor force which can support our three core pillars. In 2023, we were awarded as the prime contractor by NASA on the OMES III contract, with a focus on spacecraft mechanisms and robotics. In addition in 2024, we were also selected as an awardee under the One Acquisition Solution for Integrated Services Plus Multi-Agency Contract ("OASIS+").

**Recent Developments**

In December 2024, the Company completed an underwritten public offering of 10,952,381 shares of its Class A Common Stock at a price to the public of $10.50 per share (the "Public Offering"), which included the full exercise of the underwriters' option to purchase an additional 1,275,714 shares of Class A Common Stock from the Company. The Company also entered into an agreement with an accredited investor, pursuant to which the Company sold to the investor $10.0 million of shares of its Class A Common Stock in a concurrent private placement at a purchase price per share equal to the public offering price per share in the Offering of $10.50 (the "Private Offering" together with the Public Offering, the "2024 Offering"). The net proceeds to the Company from the Offering and concurrent private placement, after deducting transaction costs of $6.5 million, were approximately $116.9 million.

In December 2024, the Company secured two additional contracts from NASA's Near Space Network ("NSN") for Direct-to-Earth ("DTE") services. DTE communication and navigation services are critical for enabling missions to exit Earth's orbit, reach lunar destinations, and explore deep space. The new contract awards are NSN 1.2 for DTE Geostationary to Cislunar DTE Services, offering enhanced data transmission capabilities and autonomous operations and NSN 1.3 for xCislunar DTE Services, addressing mission needs for highly elliptical orbits and deep space operations. Both contracts are firm-fixed-price, indefinite-delivery/indefinite-quantity task orders designed to bolster NASA's Lunar Exploration Ground Segment. These awards add capacity to alleviate demand on the Deep Space Network and support unique mission requirements.

**Subsequent Events**

*Warrant Redemption*

On February 4, 2025, the Company announced the redemption of all of its outstanding warrants (the Public Warrants and Private Warrants as defined in Note 9, collectively the "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. During the period from January 1, 2025 to March 6, 2025, 15,358,229 of the Warrants were exercised resulting in gross proceeds of $176.6 million. On the Redemption Date, a total of 6,571,724 Warrants remained unexercised as of 5:00 p.m. New York City time, and the Company redeemed those Warrants for an aggregate redemption price of $66 thousand. As such, the Warrants ceased trading on the Nasdaq and were delisted, with the suspension of trading effective before the market opened on March 6, 2025. In connection with the Warrant Redemption, 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.

*Earn Out Units*

On February 4, 2025, the Company issued an aggregate of 7,500,000 shares of Intuitive Machines' Class C Common Stock in connection with meeting the conditions of the following milestones, Triggering Events II-A and III (as defined in Note 2), resulting in the vesting of Earn Out Units of 5,000,000 and 2,500,000, respectively. Refer to Note 2 for additional information on the Earn Out Units.

*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 will 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%. 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 the date of this filing, the revolving credit facility remains unborrowed.

**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 section titled Part I., Item 1A. "Risk Factors" in this Annual Report.

***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 the recent banking crisis, rising 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"), heightened geopolitical tensions (such as the war in Ukraine and Israel), changes to the U.S. federal budget, and the political and regulatory environment 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.

***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 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 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 December 31, 2024, we have $328.3 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 reach our target of multiple missions per year manifested 2-3 years in advance, 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 in 2024. 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, 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**

***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 the targeted launch date. A significant portion of the revenue (approximately 10% of the contract price) contains variable consideration 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.

***Cost of revenue (excluding depreciation)***

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

***Impairment of property and equipment***

Impairment of long-lived assets occurs whenever events or changes in circumstances indicate the carrying value of a long-lived asset may not be recoverable. Long-lived assets consists of property and equipment, net. An impairment loss is recognized if the carrying amount of a long-lived asset is not recoverable and exceeds it fair value. See Note 4 of the consolidated financial statements for additional information on the impairment of 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, research and development ("R&D"), 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. R&D represents costs incurred for the Company's continued enhancements of our landers, lunar data network, other space systems, and also for the development and innovation of our proprietary technology platforms. R&D costs primarily include engineering personnel salaries and benefits, subcontractor costs, materials and supplies, and other related expenses. We also 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 (expense), net***

Interest income (expense), net consists of interest income earned on cash and cash equivalents and short-term investment balances held by us in interest bearing demand deposit accounts. Interest expense is incurred primarily on long-term debt and credit support arrangements.

***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 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 Notes 2 and 11 of the 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 consolidated statement of operations. See Notes 9 and 11 of the consolidated financial statements for additional information on the warrant liabilities.

***Change in fair value of SAFE Agreements***

Prior to closing the Business Combination (as discussed in Note 1), Intuitive Machines, LLC issued six SAFE Agreements in late 2021 and early 2022. The funds received upon issuance of the SAFE Agreements were used to fund operations. Pursuant to the guidance under ASC 480 "Distinguishing Liabilities from Equity," management determined that the SAFE Agreements should be initially recorded as liabilities at fair value and subsequently remeasured at fair value with changes recognized in earnings until conversion at a qualifying financing event or termination of the SAFE Agreements. Upon the consummation of the Business Combination in February 2023, the SAFE Agreements liability was eliminated and converted into shares of our Class A Common Stock. See Note 11 - Fair Value Measurements of the consolidated financial statements for additional information on the SAFE Agreements.

***Loss on issuance of securities***

In connection with the Private Placement, Warrant Exercise Agreement, and the Bridge Loan Conversion as discussed in Notes 9 and 11 to the 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 consolidated statement of operations.

***Other income (expense), net***

Other (expense) 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***

Noncontrolling interests represents the portion of Intuitive Machines, LLC that the Company controls and consolidates but does not own. The noncontrolling interests was created as a result of the Business Combination and represents 68,150,754 Class A and Class B units issued by Intuitive Machines, LLC to the prior investors represents approximately 81.2% of the ownership interests in the Company at the Closing Date. The Company allocates net income or loss attributable to the noncontrolling interests based on the weighted average ownership interests during the period. The net income or loss attributable to noncontrolling interests is reflected in the consolidated statement of operations.

The financial results of Intuitive Machines, LLC were consolidated into Intuitive Machines, Inc. for the periods February 13, 2023 forward and resulted in the allocation of approximately 35.5% of Intuitive Machines, LLC's net loss to noncontrolling interests.

***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. Intuitive Machines is the primary beneficiary of this VIE which is consolidated for financial reporting purposes.

**Results of Operations**

The following tables set forth our results of operations for the periods presented. The period over 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 year ended December 31, 2024 compared to the year ended December 31, 2023.

| | Year Ended December 31, | | |
|---|---|---|---|
| (in thousands) | 2024 | 2023 | $ Change |
| **Revenue** | $ 228,000 | $ 79,551 | $ 148,449 |
| **Operating expenses:** | | | |
| Cost of revenue (excluding depreciation) | 190,369 | 101,044 | 89,325 |
| Cost of revenue (excluding depreciation) - affiliated companies | 34,862 | 2,949 | 31,913 |
| Depreciation | 1,859 | 1,376 | 483 |
| Impairment of property and equipment | 5,044 | 964 | 4,080 |
| General and administrative expense (excluding depreciation) | 53,262 | 34,337 | 18,925 |
| **Total operating expenses** | 285,396 | 140,670 | 144,726 |
| **Operating loss** | (57,396) | (61,119) | 3,723 |
| **Other income (expense), net:** | | | |
| Interest income (expense), net | 180 | (823) | 1,003 |
| Change in fair value of earn-out liabilities | (120,124) | 66,252 | (186,376) |
| Change in fair value of warrant liabilities | (77,651) | 15,435 | (93,086) |
| Change in fair value of SAFE Agreements | — | (2,353) | 2,353 |
| Loss on issuance of securities | (93,136) | (6,729) | (86,407) |
| Other income (expense), net | 1,242 | (483) | 1,725 |
| **Total other income (expense), net** | (289,489) | 71,299 | (360,788) |
| **Income (loss) before income taxes** | (346,885) | 10,180 | (357,065) |
| Income tax expense | (37) | (40) | 3 |
| **Net income (loss)** | (346,922) | 10,140 | (357,062) |
| Net loss attributable to Intuitive Machines, LLC prior to the Business Combination | — | (6,481) | 6,481 |
| **Net income (loss) (post Business Combination)** | (346,922) | 16,621 | (363,543) |
| Net loss attributable to redeemable noncontrolling interest | (67,004) | (45,141) | (21,863) |
| Net income attributable to noncontrolling interest | 3,495 | — | 3,495 |
| **Net income (loss) attributable to the Company** | (283,413) | 61,762 | (345,175) |
| Less: Preferred dividends | (896) | (2,343) | 1,447 |
| **Net income (loss) attributable to Class A common shareholders** | $ (284,309) | $ 59,419 | $ (343,728) |

***Revenue***

Revenue for the years ended December 31, 2024 and 2023 was primarily driven by NASA and other commercial payload contracts associated with the IM-1, IM-2 and IM-3 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. Additionally, we earned revenue from several other general and feasibility study engineering contracts for the year ended December 31, 2024, including the JETSON Low Power, LTV and NSN contract awards.

The following provides a summary of the significant contracts and targeted 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 with a targeted mission launch date in December 2022. Total IM-2 mission estimated contract revenue under NASA and other commercial fixed-priced contracts increased to $123.8 million as of December 31, 2024 (excluding constrained revenue of $15.8 million) as compared to $102.1 million as of December 31, 2023. The increase in total mission estimated contract revenue is mostly due to a task order modification with NASA finalized in the second quarter of 2024 to change the mission targeted landing site within the South Pole region of the moon and extend the expected mission launch and post-launch services of IM-2 to no later than August 2025. The task order modification increased estimated contract revenue by approximately $12.5 million. In addition, several new awards for commercial landed payload and commercial rideshare contracts further contributed to the increase in the estimated revenue. In early 2025, we completed the IM-2 mission and continue to work with our customers to close out all related contracts.

- 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 under our current contract with NASA. Total IM-3 mission estimated revenue under fixed-priced contracts is $93.0 million (excluding constrained revenue of $9.7 million) as of December 31, 2024 as compared to $80.9 million as of December 31, 2023. The increase in total mission estimated contract revenue is mostly due to a task order modification with NASA to identify its complement of payloads and extend the IM-3 mission timeline to no later than June 2026. The task order modification increased estimated contract revenue by approximately $9.0 million.

- 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. Total IM-4 mission estimated revenue under fixed-priced contracts is $105.2 million (excluding constrained revenue of $11.7 million) as of December 31, 2024.

Total revenue increased by $148.4 million, or 187%, for the year ended December 31, 2024 compared to the same period in 2023 and was substantially driven by a full year of revenue in 2024 from the OMES III contract execution which began in the fourth quarter of 2023 as further discussed below.

Revenue on the IM-1 mission increased approximately $5.2 million to $12.4 million for the year ended December 31, 2024 from $7.2 million for the same period in 2023. The increase in IM-1 revenue was due to the successful completion of the mission in February 2024 which resulted in the release of approximately $12.3 million of previously constrained revenue, and approximately $11.6 million was recognized as revenue during the first quarter of 2024. Revenue on the IM-2 mission decreased slightly by $3.0 million to $19.1 million for the year ended December 31, 2024 from $22.1 million for the same period in 2023 as revenue from commercial payload and commercial rideshare contracts leveled off as the mission neared the upcoming launch in February 2025. The IM-2 mission was approximately 97% complete as of December 31, 2024. Revenue from the IM-3 mission decreased approximately $11.9 million to $13.0 million for the year ended December 31, 2024 from $24.9 million for the same period in 2023 and was largely attributable to unfavorable adjustments from task order modifications extending the targeted mission launch window to no later than June 2026. The IM-3 mission was approximately 69% complete as of December 31, 2024.

Revenues from task orders under the OMES III contract, which commenced in December 2023, were approximately $145.0 million for the year ended December 31, 2024 compared to $12.5 million for the same period in 2023. Other revenue contracts from engineering and other services increased approximately $23.1 million mostly driven by $18.3 million in revenues from the LTV contract awarded in April 2024.

*Cost of revenue (excluding depreciation)*

Total cost of revenue increased by $121.2 million, or 117%, for the year ended December 31, 2024 compared to the same period in 2023. Cost of revenue on the IM-1 mission decreased by $12.8 million due to winding down progress as the mission was completed in February 2024. On the IM-2 mission, cost of revenue decreased slightly by approximately $1.4 million for the year ended December 31, 2024 compared to the same period in 2023 as the mission neared completion. IM-3 mission cost of revenue decreased by approximately $11.4 million to $20.2 million for the year ended December 31, 2024 compared to $31.6 million for the same period in 2023, primarily due to lower activity as the focus shifted towards the upcoming IM-2 mission launch, as previously discussed.

As of December 31, 2024, two lunar missions were in loss positions. On the IM-2 mission, we increased the accrued contract loss by approximately $9.9 million during the year ended December 31, 2024 which was primarily driven by

unfavorable adjustments resulting from task order modifications to change the mission targeted landing site and extension of the targeted mission launch window to early 2025. On the IM-3 mission, the accrued contract loss increased by approximately $12.5 million during the year ended December 31, 2024 and was largely attributable to unfavorable adjustments resulting from task order modifications extending the targeted mission launch window to no later than 2026.

Cost of revenue from task orders under the OMES III contract were approximately $138.3 million for the year ended December 31, 2024 compared to $11.6 million for the same period in 2023. The OMES III contract started in December 2023. Other contract cost of revenue increased approximately $17.3 million for the year ended December 31, 2024 compared to the same periods in 2023 mostly driven by $15.4 million in cost of revenue from the LTV contract awarded in April 2024.

*Impairment of property and equipment*

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 contract. Management concluded the 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 consolidated statements of operations for the year ended December 31, 2024. See Note 4 to the consolidated financial statements for additional information.

During the fourth quarter of 2023 and in connection with moving operations to our new facility, the Lunar Production and Operations Center ("LPOC"), as discussed further in Note 5 to the consolidated financial statements, management identified the move as a significant adverse change in the usage of space from our prior facility. As such, management determined that certain leasehold improvements and furniture and fixtures from our prior facility will not be utilized at the LPOC and the carrying value will not be recoverable. For the year ended December 31, 2023, we recorded impairment charges of approximately $1.0 million in our consolidated statements of operations. See Note 4 to the consolidated financial statements for additional information.

*General and administrative expense (excluding depreciation)*

General and administrative expense (excluding depreciation) increased by $18.9 million for the year ended December 31, 2024 compared to the same period in 2023, primarily attributable to our growth to support corporate and business operations, resulting in higher headcount driving increased employee compensation and benefits expense of $9.4 million and related share-based compensation expense of $4.5 million. For the same comparative periods, we incurred increases in expenses for rent expense of $2.5 million primarily driven by the move to our new corporate headquarters in late 2023, professional services of $1.9 million, software licenses of $1.7 million, and various other administrative costs of $1.0 million. These increases were slightly offset by a decrease in bids and proposals of $2.1 million.

*Other income (expense), net*

Total other income (expense), net unfavorable change of $360.8 million for the year ended December 31, 2024 compared to the same period in 2023 was primarily due to unfavorable changes in fair value of the earn-out liabilities of $186.4 million and warrant liabilities of $93.1 million, and loss on issuance of securities of $86.4 million. These unfavorable changes were partially offset by favorable changes of $2.4 million related to the SAFE Agreement liability which was eliminated and converted to Class A Common Stock upon the consummation of the Business Combination in February 2023, $1.0 million in interest income (expense), net as the Company paid off the Credit Mobilization Facility during late 2023 through mid 2024 (as further discussed in Note 6 to the consolidated financial statements), and various other income of $1.7 million.

*Income tax expense*

For the years ended December 31, 2024 and 2023, we recognized a combined U.S. federal and state expense for income taxes of $37 thousand and $40 thousand, respectively. The effective combined U.S. federal and state income tax rates were (0.01%) and 0.39% for the years ended December 31, 2024 and 2023, respectively. For year ended December 31, 2024, our effective tax rate differed from the statutory rate of 21% 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. For the year ended December 31, 2023, our effective tax rate differed from the statutory rate primarily due to Intuitive Machines, LLC's status as a partnership for U.S. federal income tax purposes.

**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 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 work 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 is 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) | December 31, 2024 | December 31, 2023 |
|---|---|---|
| Backlog | $ 328,345 | $ 268,566 |

Orders comprising backlog as of a given balance sheet date are typically invoiced in subsequent periods. As of December 31, 2024, we expect to recognize approximately 60% to 65% of our backlog in 2025, approximately 15% to 20% in 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 increased by $59.8 million as of December 31, 2024 compared to December 31, 2023, due to $303.7 million in new awards primarily associated with the IM-4 CLPS, NSN, and LTV contracts awarded from NASA as well as task order modifications to the existing IM-2 CLPS, IM-3 CLPS and OMES III contracts. These increases were partially offset by continued performance on existing contracts of $228.0 million and decreases related to contract value adjustments of $15.9 million mostly related to various fixed price contracts.

As of December 31, 2024, our backlog of $328.3 million exceeded our remaining performance obligations of $168.7 million as reported in Note 3 to our consolidated financial statements. The difference of $159.6 million was primarily due $66.0 million of variable consideration associated with constrained revenue and $93.6 million in backlog related to the funded value of the OMES III project and various other time and materials service 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 SAFE Agreements, 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 income (loss), the most directly comparable financial measure presented in accordance with U.S. GAAP, to Adjusted EBITDA.

| | Year Ended December 31, | |
|---|---|---|
| **(in thousands)** | **2024** | **2023** |
| Net income (loss) | $ (346,922) | $ 10,140 |
| Adjusted to exclude the following: | | |
| Income tax expense | 37 | 40 |
| Depreciation | 1,859 | 1,376 |
| Impairment on property and equipment | 5,044 | 964 |
| Interest (income) expense, net | (180) | 823 |
| Share-based compensation expense | 8,798 | 4,273 |
| Change in fair value of earn-out liabilities | 120,124 | (66,252) |
| Change in fair value of warrant liabilities | 77,651 | (15,435) |
| Change in fair value of SAFE Agreements | — | 2,353 |
| Loss on issuance of securities | 93,136 | 6,729 |
| Other (income) expense, net | (1,242) | 483 |
| Adjusted EBITDA | $ (41,695) | $ (54,506) |

***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:

| | Year Ended December 31, | |
|---|---|---|
| **(in thousands)** | **2024** | **2023** |
| Net cash used in operating activities | $ (57,587) | $ (45,279) |
| Purchases of property and equipment | (10,111) | (29,911) |
| Free cash flow | $ (67,698) | $ (75,190) |

**Liquidity and Capital Resources**

Since inception, we have funded our operations through internally generated cash on hand, proceeds from sales of our capital stock, including the execution of SAFE Agreements, our At The Market Offering Program (the "ATM Program") with Cantor (as described below), our 2024 Offering (as described below), proceeds from warrant exercises, and 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, capital expenditures, general corporate purposes, including operations, research and development 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.

As of December 31, 2024, we had cash and cash equivalents of $207.6 million and working capital of $194.3 million. For the year ended December 31, 2024, the Company received approximately $294.7 million in gross proceeds from warrant exercises, sales of stock under the ATM program and the 2024 Offering, and other equity transactions, as further described in Notes 8 and 9.

In connection with the Business Combination as discussed in Notes 1 and 8, the Company entered into the Cantor Purchase Agreement, pursuant to which the Company may direct CFPI, at the Company's discretion, to purchase up to the lesser of (i) $50.0 million of newly issued shares of Class A Common Stock and (ii) the "exchange cap" specified therein, subject to certain customary conditions and limitations set forth in the agreement. The Cantor Purchase Agreement contractually terminated on September 1, 2024. Additionally, in April 2024, the Company and Cantor entered into a Controlled Equity Offering Sales Agreement with Cantor acting as the Company's exclusive sales agent for the sale of newly issued shares of Class A Common Stock for aggregate proceeds up to $100.0 million, as further described in Note 8 as the ATM Program. Pursuant to the ATM program, the Company raised approximately $97.5 million, net of $2.5 million in transaction fees, during the second and third quarters of 2024.

In December 2024, the Company completed an underwritten public offering of 10,952,381 shares of its Class A Common Stock at a price to the public of $10.50 per share (the "Public Offering"), which included the full exercise of the underwriters' option to purchase an additional 1,275,714 shares of Class A Common Stock from the Company. The Company also entered into an agreement with an accredited investor, pursuant to which the Company sold to the investor 952,381 shares of its Class A Common Stock in a concurrent private placement at a purchase price per share equal to the Public Offering price per share of $10.50 (the "Private Offering" together with the Public Offering, the "2024 Offering"). The net proceeds to the Company from the 2024 Offering, after deducting transaction costs of $6.5 million, were approximately $116.9 million.

As further described in Note 17 - Subsequent Events, the Company announced on February 4, 2025, the redemption of all of its outstanding warrants (the Public Warrants and Private Warrants as defined in Note 9, collectively the "Warrants") and Warrants remaining unexercised as of March 6, 2025 (the "Redemption Date") were redeemed by the Company for $0.01 per Warrant. During the first quarter of 2025, the Company received approximately $176.6 million in gross proceeds from the Warrant exercises of 15,358,229. On the Redemption Date, a total of 6,571,724 Warrants remained unexercised and the Company redeemed those Warrants for an aggregate redemption price of $66 thousand. In connection with the Warrant Redemption, a warrant holder agreed to exercise 1,800,000 of the Public 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.

Management believes that the cash and cash equivalents as of December 31, 2024 and the additional liquidity provided by subsequent equity transactions, 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.

***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 will 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%. 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 the date of this filing, the revolving credit facility remains unborrowed.

***Live Oak Mobilization Credit Facility***

In December 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 credit mobilization 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. See Note 6 - Debt to our consolidated financial statements for additional information related to the credit mobilization facilities.

***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 must 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") 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 further described in Note 8.

***Other***

In March 2024, the Company filed a shelf registration statement on Form S-3 (File No. 333-278288) with the Securities and Exchange Commission, which permits the offering, issuance, and sale of up to a maximum aggregate offering price of $300.0 million of the Company's Class A common stock and warrants. Up to a maximum of $100.0 million of the maximum aggregate offering price of $300.0 million may be issued and sold pursuant to an at-the-market financing facility under a capital controlled equity offering sales agreement between the Company and Cantor Fitzgerald & Co. As of the third quarter of 2024, the Company raised approximately $97.5 million in net proceeds (net of $2.5 million in transaction fees) pursuant to the at-the-market financing facility. In addition, subject to market and other conditions, we may opportunistically pursue underwritten public offerings of our Class A common stock under such shelf registration statement for our account or the account of our selling stockholders. Unless otherwise specified in the prospectus supplement relating to any such offering, we expect to use the net proceeds of any sales of Class A common stock for our account for general

corporate purposes. We would not receive any proceeds from the sale of our Class A common stock by the selling stockholders. We expect to continue to evaluate opportunities for such underwritten offerings over the near and intermediate term.

The following table summarizes our cash flows for the periods presented (in thousands):

| | Year Ended December 31, | |
|---|---|---|
| **(in thousands)** | **2024** | **2023** |
| Net cash used in operating activities | $ (57,587) | $ (45,279) |
| Net cash used in investing activities | $ (10,111) | $ (29,911) |
| Net cash provided by financing activities | $ 272,787 | $ 53,924 |

***Cash Flows for the years ended December 31, 2024 and 2023***

*Operating Activities*

During the year ended December 31, 2024, our operating activities used $57.6 million of net cash as compared to $45.3 million of net cash used during the year ended December 31, 2023. 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 year ended December 31, 2024, investing activities used $10.1 million of net cash as compared to $29.9 million of net cash used during the year ended December 31, 2023. The $19.8 million favorable change primarily results from capital expenditures that occurred during 2023 for our Lunar Production and Operations Center that was completed in late 2023 slightly offset by capital expenditures associated primarily with the new NSN contract award in late 2024.

*Financing Activities*

During the year ended December 31, 2024, financing activities provided $272.8 million of net cash as compared to $53.9 million of net cash provided during the year ended December 31, 2023.

During 2024, our financing activities primarily included $61.3 million in proceeds from the exercise of warrants, $224.0 million in net proceeds from the issuance of securities, $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 our Credit Mobilization Facility, $2.3 million in distributions to noncontrolling interests, and $2.2 million in net activity related to our share-based awards.

During 2023, our financing activities primarily included $34.1 million in proceeds received upon consummation of the Business Combination and Series A Preferred Stock issuance slightly offset by $9.4 million in related transaction costs paid. We also received $20.0 million in proceeds upon the close of the Private Placement, $12.7 million in cash associated with the termination of a prepaid forward purchase agreement and $16.1 million in proceeds from the exercise of warrants, slightly offset by $12.0 million repayment on a loan under our Credit Mobilization Facility and member distributions of $8.0 million.

**Contractual Obligations and Commitments**

The following table presents our significant contractual obligations and commitments as of December 31, 2024 (in thousands):

| | | Payments Due | | | | | |
|---|---|---|---|---|---|---|---|
| | Total | 2025 | 2026 | 2027 | 2028 | 2029 | Thereafter |
| Operating lease obligations[1] | $ 69,521 | $ 2,522 | $ 2,614 | $ 2,175 | $ 2,232 | $ 2,710 | $ 57,268 |
| Finance lease obligations[1] | 110 | 47 | 41 | 17 | 5 | — | — |
| Purchase commitments[2] | 97,089 | 38,973 | 37,829 | 20,287 | — | — | — |
| **Total** | **$ 166,720** | **$ 41,542** | **$ 40,484** | **$ 22,479** | **$ 2,237** | **$ 2,710** | **$ 57,268** |

(1) Refer to Note 5 for additional information on our operating and finance lease obligations.

(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.

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

**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 judgement 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 consolidated financial statements included elsewhere in this Annual Report.

The preparation of our 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," 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 its 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.

If the Company loses its EGC status, it will qualify as a large accelerated filer based on its unaffiliated market capitalization, according to Rule 12b-2 of the Securities Exchange Act of 1934, as amended.

**Item 7A. 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 8. Financial Statements and Supplementary Data**

**Index to Consolidated Financial Statements**


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## Report of Independent Registered Public Accounting Firm

Board of Directors and Shareholders
Intuitive Machines, Inc.

**Opinion on the financial statements**
We have audited the accompanying consolidated balance sheets of Intuitive Machines, Inc. (a Delaware corporation) and subsidiaries (the "Company") as of December 31, 2024 and 2023, the related consolidated statements of operations, mezzanine equity, shareholders' deficit, and cash flows for each of the two years in the period ended December 31, 2024, and the related notes (collectively referred to as the "consolidated financial statements"). In our opinion, the consolidated financial statements present fairly, in all material respects, the financial position of the Company as of December 31, 2024 and 2023, and the results of its operations and its cash flows for each of the two years in the period ended December 31, 2024, in conformity with accounting principles generally accepted in the United States of America.

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

We conducted our audits in accordance with the standards of the PCAOB. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement, whether due to error or fraud. The Company is not required to have, nor were we engaged to perform, an audit of its internal control over financial reporting. As part of our audits we are required to obtain an understanding of internal control over financial reporting but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control over financial reporting. Accordingly, we express no such opinion.

Our audits included performing procedures to assess the risks of material misstatement of the financial statements, whether due to error or fraud, and performing procedures that respond to those risks. Such procedures included examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements. Our audits also included evaluating the accounting principles used and significant estimates made by management, as well as evaluating the overall presentation of the financial statements. We believe that our audits provide a reasonable basis for our opinion.

/s/ GRANT THORNTON LLP

We have served as the Company's auditor since 2021.

Houston, Texas
March 25, 2025

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

| | December 31, 2024 | December 31, 2023 |
|---|---|---|
| **ASSETS** | | |
| **Current assets** | | |
| Cash and cash equivalents | $ 207,607 | $ 4,498 |
| Restricted cash | 2,042 | 62 |
| Trade accounts receivable | 44,759 | 16,881 |
| Contract assets | 34,592 | 7,126 |
| Prepaid and other current assets | 4,161 | 3,044 |
| **Total current assets** | 293,161 | 31,611 |
| Property and equipment, net | 23,364 | 18,349 |
| Operating lease right-of-use assets | 38,765 | 35,853 |
| Finance lease right-of-use assets | 114 | 95 |
| **Total assets** | $ 355,404 | $ 85,908 |
| **LIABILITIES, MEZZANINE EQUITY AND SHAREHOLDERS' DEFICIT** | | |
| **Current liabilities** | | |
| Accounts payable and accrued expenses | $ 17,350 | $ 16,771 |
| Accounts payable - affiliated companies | 2,750 | 5,786 |
| Current maturities of long-term debt | — | 8,000 |
| Contract liabilities, current | 65,184 | 41,371 |
| Operating lease liabilities, current | 2,021 | 4,833 |
| Finance lease liabilities, current | 37 | 25 |
| Other current liabilities | 11,489 | 4,747 |
| **Total current liabilities** | 98,831 | 81,533 |
| Contract liabilities, non-current | 14,334 | — |
| Operating lease liabilities, non-current | 35,259 | 30,550 |
| Finance lease liabilities, non-current | 63 | 67 |
| Earn-out liabilities | 134,156 | 14,032 |
| Warrant liabilities | 68,778 | 11,294 |
| Other long-term liabilities | 62 | 4 |
| **Total liabilities** | 351,483 | 137,480 |
| 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 26,000 shares issued and outstanding | 5,990 | 28,201 |
| Redeemable noncontrolling interests | 1,005,965 | 181,662 |
| **SHAREHOLDERS' DEFICIT** | | |
| Class A common stock, $0.0001 par value, 500,000,000 shares authorized, 101,859,000 and 22,279,876 shares issued and 100,609,000 and 21,029,876 outstanding | 10 | 2 |
| 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, 55,394,533 and 70,909,012 shares issued and outstanding | 6 | 7 |
| Treasury stock, at cost, 1,250,000 shares | (12,825) | (12,825) |
| Paid-in capital | — | — |
| Accumulated deficit | (996,453) | (248,619) |
| **Total shareholders' deficit attributable to the Company** | (1,009,262) | (261,435) |
| Noncontrolling interests | 1,228 | — |
| **Total shareholders' deficit** | (1,008,034) | (261,435) |
| **Total liabilities, mezzanine equity and shareholders' deficit** | $ 355,404 | $ 85,908 |

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

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

| | Year Ended December 31, | |
|---|---|---|
| | 2024 | 2023 |
| **Revenue** | $ 228,000 | $ 79,551 |
| **Operating expenses:** | | |
| Cost of revenue (excluding depreciation) | 190,369 | 101,044 |
| Cost of revenue (excluding depreciation) - affiliated companies | 34,862 | 2,949 |
| Depreciation | 1,859 | 1,376 |
| Impairment of property and equipment | 5,044 | 964 |
| General and administrative expense (excluding depreciation) | 53,262 | 34,337 |
| **Total operating expenses** | 285,396 | 140,670 |
| **Operating loss** | (57,396) | (61,119) |
| **Other income (expense), net:** | | |
| Interest income (expense), net | 180 | (823) |
| Change in fair value of earn-out liabilities | (120,124) | 66,252 |
| Change in fair value of warrant liabilities | (77,651) | 15,435 |
| Change in fair value of SAFE Agreements | — | (2,353) |
| Loss on issuance of securities | (93,136) | (6,729) |
| Other income (expense), net | 1,242 | (483) |
| **Total other income (expense), net** | (289,489) | 71,299 |
| **Income (loss) before income taxes** | (346,885) | 10,180 |
| Income tax expense | (37) | (40) |
| **Net income (loss)** | (346,922) | 10,140 |
| Net loss attributable to Intuitive Machines, LLC prior to the Business Combination | — | (6,481) |
| **Net income (loss) (post Business Combination)** | (346,922) | 16,621 |
| Net loss attributable to redeemable noncontrolling interest | (67,004) | (45,141) |
| Net income attributable to noncontrolling interest | 3,495 | — |
| **Net income (loss) attributable to the Company** | (283,413) | 61,762 |
| Less: Preferred dividends | (896) | (2,343) |
| **Net income (loss) attributable to Class A common shareholders** | $ (284,309) | $ 59,419 |
| | | |
| **Net income (loss) per share** [(1)] | | |
| Net income (loss) per share of Class A common stock - basic | $ (4.63) | $ 3.37 |
| Net income (loss) per share of Class A common stock - diluted | (4.63) | 2.42 |
| **Weighted-average common shares outstanding** | | |
| Weighted average shares outstanding - basic | 61,410,250 | 17,648,050 |
| Weighted average shares outstanding - diluted | 61,410,250 | 25,564,313 |

[(1)]As a result of the Business Combination, the capital structure changed and net income per share information for 2023 represents results after the Closing Date of the Business Combination, for the period from February 13, 2023 through December 31, 2023. See Note 1 - Business Description and Note 12 - Net Income (Loss) per Share for additional information.

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

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

| | Series A Preferred Stock | | Redeemable Noncontrolling Interest |
|---|---|---|---|
| | Shares | Amount | |
| **Balance, December 31, 2022** | — | $ — | $ — |
| Issuance of series A preferred stock | 26,000 | 25,827 | — |
| Cumulative preferred dividends | — | 2,343 | — |
| Accretion of preferred stock discount | — | 31 | — |
| Establishment of redeemable noncontrolling interests | — | — | (85,865) |
| Subsequent remeasurement of redeemable noncontrolling interests | — | — | 312,668 |
| Net loss attributable to redeemable noncontrolling interests | — | — | (45,141) |
| **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 | — | 896 | — |
| Accretion of preferred stock discount | — | 13 | — |
| Subsequent remeasurement of redeemable noncontrolling interests | — | — | 891,307 |
| Net loss attributable to redeemable noncontrolling interests | — | — | (67,004) |
| **Balance, December 31, 2024** | 5,000 | $ 5,990 | $ 1,005,965 |

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

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

| | Members Units | | Common Stock Class A | | Common Stock Class B | | Common Stock Class C | | Treasury Stock | Paid-in Capital | Accumulated Deficit | Total Shareholders' Deficit |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | Units | | Shares | Amount | Shares | Amount | Shares | Amount | | | | |
| **Balance, December 31, 2022** | 122,505,500 | $ 1 | — | $ — | — | $ — | — | $ — | $ — | $ 14,967 | $ (65,859) | $ (50,891) |
| Issuance of units | 21,500 | — | — | — | — | — | — | — | — | 22 | — | 22 |
| Share-based compensation expense | — | — | — | — | — | — | — | — | — | 101 | — | 101 |
| Net loss | — | — | — | — | — | — | — | — | — | — | (6,481) | (6,481) |
| **Effects of Business Combination** | | | | | | | | | | | | |
| Recapitalization | (122,527,000) | (1) | 13,736,932 | 2 | 10,566 | — | 68,140,188 | 6 | — | 47,438 | — | 47,445 |
| Conversion of SAFE Agreements | — | — | 2,066,666 | — | — | — | — | — | — | 20,667 | — | 20,667 |
| Issuance of warrants to preferred shareholders | — | — | — | — | — | — | — | — | — | 173 | — | 173 |
| Transaction costs | — | — | — | — | — | — | — | — | — | (24,445) | — | (24,445) |
| Establishment of the earn-out liabilities | — | — | — | — | — | — | — | — | — | (99,659) | — | (99,659) |
| Establishment of redeemable noncontrolling interest | — | — | — | — | — | — | — | — | — | 85,865 | — | 85,865 |
| **Activities subsequent to the Business Combination** | | | | | | | | | | | | |
| Share-based compensation expense | — | — | — | — | — | — | — | — | — | 4,172 | — | 4,172 |
| Member distributions | — | — | 64,328 | — | — | — | 268,824 | — | — | 3,168 | (11,120) | (7,952) |
| Cumulative preferred dividends | — | — | — | — | — | — | — | — | — | (2,343) | — | (2,343) |
| Accretion of preferred stock discount | — | — | — | — | — | — | — | — | — | (31) | — | (31) |
| Repurchase of common stock | — | — | — | — | — | — | — | — | (12,825) | — | — | (12,825) |
| Class A common stock issued for warrants exercised | — | — | 1,402,106 | — | — | — | — | — | — | 16,124 | — | 16,124 |
| Class A common stock issued related to Private Placement (Note 9) | — | — | 4,705,883 | — | — | — | — | — | — | — | — | — |
| Class A common stock issued for stock options exercised | — | — | 197,610 | — | — | — | — | — | — | (369) | — | (369) |
| Class A common stock issued for Class B canceled | — | — | 10,566 | — | (10,566) | — | — | — | — | — | — | — |
| Partner capital | — | — | — | — | — | — | — | — | — | 686 | — | 686 |
| Recapitalization adjustment (Note 3) | — | — | — | — | — | — | — | — | — | (1,000) | — | (1,000) |
| Issuance of Class A Common Stock related to CEF (Notes 3) | — | — | 95,785 | — | — | — | — | — | — | 834 | — | 834 |
| Issuance of Class C common stock related to earn-out awards (Note 3) | — | — | — | — | — | — | 2,500,000 | 1 | — | 19,375 | — | 19,376 |
| Other | — | — | — | — | — | — | — | — | — | — | 2 | 2 |
| Subsequent remeasurement of redeemable noncontrolling interests | — | — | — | — | — | — | — | — | — | (85,745) | (226,923) | (312,668) |
| Net income attributable to the Company | — | — | — | — | — | — | — | — | — | — | 61,762 | 61,762 |
| **Balance, December 31, 2023** | **—** | **$ —** | **22,279,876** | **$ 2** | **—** | **$ —** | **70,909,012** | **$ 7** | **$ (12,825)** | **$ —** | **$ (248,619)** | **$ (261,435)** |

# INTUITIVE MACHINES, INC.
## Consolidated Statements of Shareholders' Deficit *(continued)*
## (In thousands except per share data)

| | Common Stock Class A | | Common Stock Class C | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|
| | Shares | Amount | Shares | Amount | Treasury Stock | Paid-in Capital | Accumulated Deficit | Total 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 | — | — | — | — | — | 8,798 | — | 8,798 | — | 8,798 |
| Cumulative preferred dividends | — | — | — | — | — | (896) | — | (896) | — | (896) |
| Accretion of preferred stock discount | — | — | — | — | — | (13) | — | (13) | — | (13) |
| Conversion of Series A preferred stock (Note 8) | 7,738,743 | 1 | — | — | — | 23,119 | — | 23,120 | — | 23,120 |
| Class A common stock issued for warrants exercised (Note 9) | 22,974,743 | 3 | — | — | — | 184,561 | — | 184,564 | — | 184,564 |
| Class A common stock issued related to loan conversion (Notes 6 and 8) | 3,487,278 | — | — | — | — | — | — | — | — | — |
| Class A common stock issued for stock options exercised | 250,947 | — | — | — | — | 52 | — | 52 | — | 52 |
| Class A common stock issued for vested RSUs and PSUs | 1,339,417 | — | — | — | — | (2,281) | — | (2,281) | — | (2,281) |
| Class A common stock issued for Class C canceled | 15,361,622 | 1 | (15,361,622) | (1) | — | — | — | — | — | — |
| Distribution to noncontrolling interests | — | — | — | — | — | — | — | — | (2,267) | (2,267) |
| Issuance of Class A common stock related to ATM Program (Note 8) | 16,521,612 | 2 | — | — | — | 97,495 | — | 97,497 | — | 97,497 |
| Issuance of Class A common stock related to the 2024 Offering and Concurrent Private Placement (Note 8) | 11,904,762 | 1 | (152,857) | — | — | 116,874 | — | 116,875 | — | 116,875 |
| Transaction costs (Note 8) | — | — | — | — | — | (350) | — | (350) | — | (350) |
| Tax receivable agreement - obligation to partners | — | — | — | — | — | (473) | — | (473) | — | (473) |
| Issuance of Class C common stock related to earn-out awards (Note 8) | — | — | — | — | — | — | — | — | — | — |
| Subsequent remeasurement of redeemable noncontrolling interests | — | — | — | — | — | (426,886) | (464,421) | (891,307) | — | (891,307) |
| Net income attributable to noncontrolling interest | 0 | — | — | — | — | — | — | — | 3,495 | 3,495 |
| Net loss attributable to the Company | — | — | — | — | — | — | (283,413) | (283,413) | — | (283,413) |
| **Balance, December 31, 2024** | **101,859,000** | **$ 10** | **55,394,533** | **$ 6** | **$ (12,825)** | **$ —** | **$ (996,453)** | **$ (1,009,262)** | **$ 1,228** | **$ (1,008,034)** |

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

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

| | Year Ended December 31, | |
|---|---|---|
| | 2024 | 2023 |
| **Cash flows from operating activities:** | | |
| Net income (loss) | $ (346,922) | $ 10,140 |
| Adjustments to reconcile net income (loss) to net cash used in operating activities: | | |
| Depreciation | 1,859 | 1,376 |
| Bad debt expense (recovery) | 440 | (836) |
| Impairment of property and equipment | 5,044 | 964 |
| Share-based compensation expense | 8,798 | 4,273 |
| Change in fair value of SAFE Agreements | — | 2,353 |
| Change in fair value of earn-out liabilities | 120,124 | (66,252) |
| Change in fair value of warrant liabilities | 77,651 | (15,435) |
| Loss on issuance of securities | 93,136 | 6,729 |
| Deferred income taxes | — | 7 |
| Other | 58 | 43 |
| Changes in operating assets and liabilities: | | |
| Trade accounts receivable, net | (28,319) | (14,743) |
| Contract assets | (28,102) | 490 |
| Prepaid expenses | (481) | (1,435) |
| Other assets, net | 1,334 | 1,165 |
| Accounts payable and accrued expenses | (1,228) | 14,091 |
| Accounts payable – affiliated companies | (3,036) | 4,441 |
| Contract liabilities – current and long-term | 38,147 | (9,841) |
| Other liabilities | 3,910 | 17,191 |
| **Net cash used in operating activities** | (57,587) | (45,279) |
| **Cash flows from investing activities:** | | |
| Purchase of property and equipment | (10,111) | (29,911) |
| **Net cash used in investing activities** | (10,111) | (29,911) |
| **Cash flows from financing activities:** | | |
| Proceeds from Business Combination | — | 8,055 |
| Proceeds from issuance of Series A Preferred Stock | — | 26,000 |
| Transaction costs | (9,370) | (9,371) |
| Proceeds from borrowings | 10,000 | — |
| Repayment of loans | (18,000) | (12,000) |
| Proceeds from issuance of securities | 233,392 | 20,000 |
| Member distributions | — | (7,952) |
| Stock option exercises | 300 | — |
| Forward purchase agreement termination | — | 12,730 |
| Warrants exercised | 61,261 | 16,124 |
| Contributions from (distributions to) noncontrolling interests | (2,267) | 686 |
| Payment of withholding taxes from share-based awards | (2,529) | (348) |
| **Net cash provided by financing activities** | 272,787 | 53,924 |
| **Net increase (decrease) in cash, cash equivalents and restricted cash** | 205,089 | (21,266) |
| Cash, cash equivalents and restricted cash at beginning of the period | 4,560 | 25,826 |
| Cash, cash equivalents and restricted cash at end of the period | 209,649 | 4,560 |
| Less: restricted cash | 2,042 | 62 |
| Cash and cash equivalents at end of the period | $ 207,607 | $ 4,498 |
| **Supplemental disclosure of cash flow information** | | |
| Cash paid for interest | $ 408 | $ 1,919 |
| Cash paid for taxes | $ 613 | $ 35 |
| Accrued capital expenditures | $ 1,807 | $ — |
| **Noncash financing activities:** | | |
| Transaction costs | $ — | $ 15,074 |
| SAFE Agreements | $ — | $ 20,667 |
| Class A Common Stock related to CEF (Note 8) | $ — | $ 834 |
| Issuance of Class C Common Stock related to earn-out awards (Note 8) | $ — | $ 19,376 |
| Conversion of Series A preferred stock (Note 8) | $ 23,120 | $ — |
| Preferred dividends | $ (896) | $ (2,343) |

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

**INTUITIVE MACHINES, INC.**
**NOTES TO 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 that is contributing to the establishment of cislunar infrastructure and commerce. Cislunar encompasses objects in orbit in the Earth-Moon system and on the Lunar surface. We are focused on establishing the lunar infrastructure and basis for commerce to inform and sustain human presence off Earth. We believe our business is well positioned for continued growth and expansion as we scale these services. 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. IM is currently headquartered in Houston, Texas.

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 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 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 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 17 - Subsequent Events for more information on the redemption.

## NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

### Basis of Presentation and Principles of Consolidation

The Company's consolidated financial statements and related notes as of and for the years ended December 31, 2024 and 2023 have been prepared in accordance with United States generally accepted accounting principles ("GAAP") and pursuant to the rules and regulations of the SEC. Our consolidated financial statements include the accounts of Intuitive Machines, the accounts of 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.

### 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 line item in the consolidated balance sheet.

### 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. If the Company loses its EGC, it will qualify as a large accelerated filer based on its unaffiliated market capitalization, according to Rule 12b-2 of the Securities Exchange Act of 1934, as amended.

### Use of Estimates

The preparation of our consolidated financial statements in conformity with U.S. GAAP requires us to make estimates and assumptions that affect the amounts reported in the 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. 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 90% and 74% of the Company's total revenue for the years ended December 31, 2024 and 2023, respectively, and accounted for 90% and 80% of the accounts receivable balance as of December 31, 2024 and 2023, respectively.

Major suppliers are defined as those individually comprising more than 10% of the annual goods or services purchased. For the years ended December 31, 2024 and 2023, the Company had one major supplier representing 17% of goods and services purchased for both periods. As of December 31, 2024, there were two major suppliers representing 14% and 8% of the accounts payable balance. There were no accounts payable balances associated with a major supplier as of December 31, 2023.

**Liquidity and Capital Resources**

The consolidated financial statements as of December 31, 2024 and for the years ended December 31, 2024 and 2023, 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 December 31, 2024, the Company had cash and cash equivalents of $207.6 million and working capital of $194.3 million. The Company has historically funded its operations through internally generated cash on hand, proceeds from sales of its capital stock including the execution of SAFE Agreements, our At The Market Offering Program (the "ATM Program") with Cantor (as described below), our 2024 Offering (as described below), proceeds from warrant exercises, and proceeds from the issuance of bank debt. For the year ended December 31, 2024, the Company received approximately $294.7 million in gross proceeds from warrant exercises, sales of stock under the ATM program and 2024 Offering, and other equity transactions, as further described in Notes 8 and 9.

In connection with the Business Combination as discussed in Notes 1 and 8, the Company entered into the Cantor Purchase Agreement, pursuant to which the Company may direct CFPI, at the Company's discretion, to purchase up to the lesser of (i) $50.0 million of newly issued shares of Class A Common Stock and (ii) the "exchange cap" specified therein, subject to certain customary conditions and limitations set forth in the agreement. The Cantor Purchase Agreement contractually terminated on September 1, 2024. Additionally, in April 2024, the Company and Cantor entered into a Controlled Equity Offering Sales Agreement with Cantor acting as the Company's exclusive sales agent for the sale of newly issued shares of Class A Common Stock for aggregate proceeds up to $100.0 million, as further described in Note 8 as the ATM Program. Pursuant to the ATM program, the Company raised approximately $97.5 million, net of $2.5 million in transaction fees, during the second and third quarters of 2024.

In December 2024, the Company completed an underwritten public offering of 10,952,381 shares of its Class A Common Stock at a price to the public of $10.50 per share (the "Public Offering"), which included the full exercise of the underwriters' option to purchase an additional 1,275,714 shares of Class A Common Stock from the Company. The Company also entered into an agreement with an accredited investor, pursuant to which the Company sold to the investor 952,381 shares of its Class A Common Stock in a concurrent private placement at a purchase price per share equal to the Public Offering price per share of $10.50 (the "Private Offering" together with the Public Offering, the "2024 Offering"). The net proceeds to the Company from the 2024 Offering, after deducting transaction costs of $6.5 million, were approximately $116.9 million.

As further described in Note 17 - Subsequent Events, the Company announced on February 4, 2025, the redemption of all of its outstanding warrants (the Public Warrants and Private Warrants as defined in Note 9, collectively the "Warrants") and Warrants remaining unexercised as of March 6, 2025 (the "Redemption Date") will be redeemed by the Company for $0.01 per Warrant. During the first quarter of 2025, the Company received approximately $176.6 million in gross proceeds from the Warrant exercises of 15,358,229. On the Redemption Date, a total of 6,571,724 Warrants remained unexercised and the Company redeemed those Warrants for an aggregate redemption price of $66 thousand. In connection with the Warrant Redemption, a warrant holder agreed to exercise 1,800,000 of the Public 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.

Management believes that the cash and cash equivalents as of December 31, 2024 and the additional liquidity provided by subsequent equity transactions (discussed above), 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 and Cash Equivalents**

The Company considers cash, time deposits and other highly liquid investments purchased with an initial maturity of three months or less to be cash equivalents.

**Restricted Cash**

Restricted cash consists of cash not readily available for general purpose cash needs. Restricted cash relates to cash held at commercial banks to support credit accounts. Restricted cash serving as collateral will be released upon full repayment of the credit account.

**Transaction Costs**

*Business Combination*

Transaction costs consists of direct legal, consulting, audit and other fees related to the consummation of the Business Combination and related transactions as described further in Note 1. These costs were initially capitalized as incurred and recorded as prepaid expenses in our consolidated balance sheets and totaled $5.3 million as of December 31, 2022. Upon the completion of the Business Combination, transaction costs directly related to the issuance of shares were netted against the proceeds from the merger and recorded as an offset in additional paid-in capital upon consummation of the transactions. Total transaction costs charged to additional paid in capital were approximately $24.4 million during the year ended December 31, 2023. Approximately, $9.4 million in transaction costs were paid by Intuitive Machines, LLC during the year ended December 31, 2023. The remaining difference was paid by Intuitive Machines, LLC in 2022 or by IPAX prior to the closing of the Business Combination.

*Issuance of Securities*

Transaction costs related to various agreements for the issuance of securities (as further described in Note 8), includes direct legal, broker, accounting and other fees. Transaction costs related to these activities totaled approximately $9.4 million for the year ended December 31, 2024, recorded as an offset in additional paid-in capital in our consolidated balance sheets and approximately $1.4 million for the year ended December 31, 2023, charged to general and administrative expenses in our statement of operations.

**Accounts Receivable and Allowance for Credit Losses**

Accounts receivable is recorded at the invoiced amount and unbilled receivable, less an allowance for any potential expected uncollectible amounts and do not bear interest. The Company estimates allowance for credit losses based on the credit worthiness of each customer, historical collections experience and other information, including the aging of the receivables. The Company writes off accounts receivable against the allowance for credit losses when a balance is unlikely to be collected.

**Prepayments and Other Current Assets**

Prepaid and other current assets primarily consist of prepaid service fees, security deposits and other general prepayments.

**Property and Equipment, Net**

Property and equipment, net are stated at cost, less accumulated depreciation. Property and equipment which are not in service are classified as construction-in-process.

Depreciation is computed using the straight-line method over the following estimated useful lives of assets:

| Asset | Useful Life |
|---|---|
| Leasehold improvements | 1 – 12 years |
| Vehicles and trailers | 3 – 5 years |
| Computers and software | 3 years |
| Furniture and fixtures | 5 years |
| Machinery and equipment | 3 – 7 years |

Expenditures for maintenance and repairs that do not extend the useful lives of property and equipment are recognized as expenses when incurred. Upon retirement or sale of assets, the cost and related accumulated depreciation and amortization is written off. No material gains or losses related to the sale of assets have been recognized in the accompanying consolidated statements of operations.

**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 year ended December 31, 2024, we recorded impairment charges of approximately $5.0 million within our consolidated statements of operations associated with construction in progress of certain assets under development by a third part subcontractor that were not in compliance according to the specifications under contract. For the year ended December 31, 2023, we recorded impairment charges of $1.0 million within the consolidated statements of operations associated with leasehold improvements and furniture and fixtures in connection with our previous corporate headquarters. See Note 4 for further discussion of our impairment losses 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 (as defined below) 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 (as defined below) 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. As of December 31, 2024, the remaining Earn Out Units had a fair value of $134.2 million. See Note 11 - Fair Value Measurements for additional information related to the changes in fair value on the earn-out liabilities.

*Triggering Events*

The 10,000,000 Earn Out Units received by the applicable Intuitive Machines, LLC Members related to the Business Combination (discussed in Note 1) are subject to vesting and will be earned, released and delivered upon satisfaction of the following milestones (each, a “Triggering Event”):

(i) 2,500,000 Earn Out Units will vest if, during the Earn Out Period (as defined below), Intuitive Machines is awarded the OMES III Contract by NASA (“Triggering Event I”);

(ii) 5,000,000 Earn Out Units will vest if, within the Earn Out Period, Triggering Event I occurs and the volume weighted average closing sale price of the Class A Common Stock equals or exceeds $15.00 per share ("Triggering Event II-A");

(iii) 7,500,000 Earn Out Units will vest if, within the Earn Out Period, Triggering Event I has not occurred and the volume weighted average closing sale price of the Class A Common Stock equals or exceeds $15.00 per share ("Triggering Event II-B") and;

(iv) 2,500,000 Earn Out Units will vest if, within the Earn Out Period, Triggering Event III occurs the volume weighted average closing sale price of the Class A Common Stock equals or exceeds $17.50 per share ("Triggering Event III"), provided, that Triggering Event II-A and Triggering Event II-B may not both be achieved.

"Earn Out Period" means (i) with respect to Triggering Event I, the time period beginning on September 16, 2022 and ending at 11:59 pm ET on December 31, 2023, and (ii) with respect to Triggering Event II-A, Triggering Event II-B and Triggering Event III, the time period beginning on the date that is 150 days following the Closing Date and ending on the date that is the five (5) year anniversary of the Closing Date.

*Subsequent Earn Out Events*

In February 2025, the remaining Earn Out Units vested due to Triggering Events II-A and III (as defined above) under the earn out agreement resulting in the issuance of 5,000,000 and 2,500,000, respectively, shares of Intuitive Machines' Class C Common Stock. See Note 17 - Subsequent Events for additional information related to these earn out events.

**The Series A Investment**

Concurrently with the execution of the Business Combination Agreement (as described in Note 1), Intuitive Machines, Inc. entered into the Series A Purchase Agreement with Kingstown 1740 Fund, LP (an existing security holder of Intuitive Machines, Inc. and an affiliate of IPAX's sponsor, Inflection Point Holdings LLC (the "Sponsor") and Ghaffarian Enterprises, LLC (an affiliate of Kamal Ghaffarian, an Intuitive Machines, LLC founder) (collectively, the "Series A Investors"), pursuant to which, and on the terms and subject to the conditions of which, Intuitive Machines, Inc. agreed to issue and sell to the Series A Investors (i) an aggregate of 26,000 shares of 10% Series A Cumulative Convertible Preferred Stock, par value $0.0001 per share (the "Series A Preferred Stock") which will be convertible into shares of Class A Common Stock in accordance with the terms of the Certificate of Designation of Preferences, Rights and Limitations of 10% Series A Cumulative Convertible Preferred Stock (the "Certificate of Designation") and (ii) warrants to purchase 541,667 shares of Class A Common Stock at an initial exercise price of $15.00 per share, subject to adjustment (the "Preferred Investor Warrants").

In conjunction with the closing of the Business Combination, the Company received proceeds of $26.0 million and issued 26,000 shares of Series A Preferred Stock and 541,667 Preferred Investor Warrants. The Series A Preferred Stock and Preferred Investor Warrants each represent freestanding financial instruments. The Series A Preferred Stock is not a mandatorily redeemable financial instrument and is redeemable at the option of the Series A Investors. The Series A Preferred Stock was recorded as Series A preferred stock subject to possible redemption and classified as temporary equity pursuant to ASC 480-10-S99. The Preferred Investor Warrants were classified as equity. The $26.0 million in proceeds received were allocated to the Series A Preferred Stock and Preferred Investor Warrants based on the relative fair value of the instruments at closing. See Note 8 for additional information on the Series A Preferred Stock and Note 9 for additional information on the Series A Preferred Warrants.

**Warrants**

The Company accounts for warrants as either equity-classified or liability-classified instruments based on an assessment of the warrant's specific terms pursuant to the guidance of ASC 480, "Distinguishing Liabilities from Equity" and ASC 815, "Derivatives and Hedging". The assessment considers whether the warrants are freestanding financial instruments pursuant to ASC 480, meet the definition of a liability pursuant to ASC 480, and whether the warrants meet all of the requirements for equity classification under ASC 815. This assessment is conducted at the time of warrant issuance and as of each subsequent quarterly period end date while the warrants are outstanding. Liability classified warrants are valued using a Black-Scholes-Merton model at issuance and for each reporting period when applicable.

**Lease Liabilities and Right-of-Use Assets**

We determine whether a contract is or contains a lease when we have the right to control the use of the identified asset in exchange for consideration. Lease liabilities and right-of-use assets ("ROU assets") are recognized at the commencement date based on the present value of lease payments over the lease term. We use our incremental borrowing rate in the calculation of present value unless the implicit rate can be readily determined, however, none of our lease liabilities were determined using implicit rates. Certain leases include provisions for the renewal or termination. We only consider fixed payments and those options that are reasonably certain to be exercised in the determination of the lease term and the initial measurement of lease liabilities and ROU assets. Expense for operating lease payments is recognized as lease expense on a straight-line basis over the lease term. We do not separate lease and non-lease components of a contract. Operating and finance ROU assets, and operating and finance lease liabilities are presented within our consolidated balance sheet. See Note 5 - Leases for further disclosures and information on leases.

**Fair Value Measurements**

The Company's financial instruments consist of cash and cash equivalents, restricted cash, trade accounts receivables, accounts payables, amounts receivable or payable to related parties and long-term debt. The carrying amount of cash and cash equivalents, trade accounts receivables, accounts payables and receivables and payables from affiliates approximates fair value because of the short-term nature of the instruments. The fair value of debt approximates its carrying value because the cost of borrowing fluctuates based upon market conditions.

We utilize valuation techniques that maximize the use of observable inputs and minimize the use of unobservable inputs to the extent possible. We estimate fair value based on assumptions that market participants would use in pricing an asset or liability in the principal or most advantageous market. When considering market participant assumptions in fair value measurements, the following fair value hierarchy distinguishes between observable and unobservable inputs, which is categorized in one of the following levels:

- Level 1: Quoted prices for identical instruments in active markets.
- Level 2: Quoted prices for similar instruments in active markets; quoted prices for identical or similar instruments in markets that are not active; and model-derived valuations whose inputs are observable or whose significant value drivers are observable; and
- Level 3: Significant inputs to the valuation model are unobservable.

**Redeemable Noncontrolling Interests**

Noncontrolling interests represent the portion of Intuitive Machines, LLC that Intuitive Machines, Inc. controls and consolidates but does not own. The noncontrolling interests was created as a result of the Business Combination and represents 68,150,754 common units issued by Intuitive Machines, LLC to the prior investors. As of the Close of the Business Combination, Intuitive Machines, Inc. held an 18.8% interest in Intuitive Machines, LLC, with the remaining 81.2% interest held by Intuitive Machines, LLC's prior investors. As of December 31, 2024, Intuitive Machines, Inc. held an 64.5% interest in Intuitive Machines, LLC with the remaining 35.5% interest held by the prior investors. The prior investors' interests in Intuitive Machines, LLC represents a redeemable noncontrolling interest. At its discretion, the members have the right to exchange their common units in Intuitive Machines, LLC (along with the cancellation of the paired shares of Intuitive Machines Class C Common Stock in Intuitive Machines) for either shares of Class A Common Stock on a one-to-one basis or cash proceeds of equal value at the time of redemption. Any redemption of Intuitive Machines, LLC Common Units in cash must be funded through a private or public offering of Class A Common Stock and is subject to the Board's approval. As of December 31, 2024, the prior investors of Intuitive Machines, LLC hold the majority of the voting rights on the Board.

As the redeemable noncontrolling interests are redeemable upon the occurrence of an event that is not solely within the Company's control, we classify our redeemable noncontrolling interests as temporary equity. The redeemable noncontrolling interests were initially measured at the Intuitive Machines, LLC prior investors' share in the net assets of the Company upon consummation of the Business Combination. Subsequent remeasurements of the Company's redeemable noncontrolling interests are recorded as a deemed dividend each reporting period, which reduces retained earnings, if any, or additional paid-in capital of Intuitive Machines. Remeasurements of the Company's redeemable

noncontrolling interests are based on the fair value of our Class A Common Stock. See Note 8 - Mezzanine Equity and Equity for additional information related to the redeemable noncontrolling interests.

**General and Administrative Expense**

General, selling, and administrative expenses consist of human capital related expenses for employees involved in general corporate functions, including executive management and administration, accounting, finance, tax, legal, information technology, marketing, and human resources; rent relating to the Company's office space; professional fees and other general corporate costs; and research and development. Human capital expenses primarily include salaries and benefits. Research and development ("R&D") represents costs incurred for the Company's continued enhancements of our landers, lunar data network, other space systems, and also for the development and innovation of our proprietary technology platforms. R&D costs primarily include engineering personnel salaries and benefits, subcontractor costs, materials and supplies, and other related expenses.

**Revenue Recognition**

Most of our revenue is from long-term contracts associated with the engineering services for the research, design, development, manufacturing, integration and sustainment of advanced technology aerospace systems. 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.

*Contract Combination*

To determine the proper revenue recognition method for contracts, we evaluate whether two or more contracts should be combined and accounted for as one single contract and whether the combined or single contract should be accounted for as more than one performance obligation. This evaluation requires judgment and the decision to combine a group of contracts or separate a combined or single contract into multiple performance obligations could change the amount of revenue and profit recorded in each period. Contracts are considered to have a single performance obligation if the promise to transfer the individual goods or services is not separately identifiable from other promises in the contracts primarily because we provide a significant service of integrating a complex set of tasks and components into a single project or capability.

*Contract Types*

The Company performs 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 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.

For a small portion of our business, where we have the right to consideration from the customer in an amount that corresponds directly with the value received by the customer based on our performance to date, revenue is recognized when services are performed and contractually billable. Under the typical payment terms of our services contracts, amounts are billed as work progresses in accordance with agreed-upon contractual terms, either at periodic intervals (e.g., weekly, biweekly, or monthly) or upon achievement of contractual milestones.

*Contract Costs*

Contract costs include all direct materials, labor and subcontractor costs and an allocation of indirect costs related to contract performance. Customer-furnished materials are included in both contract revenue and cost of revenue when management concludes that the company is acting as a principal rather than as an agent. Revenue for uninstalled materials is recognized when the cost is incurred and control is transferred to the customer, which revenue is recognized using the

cost-to-cost method. Certain costs associated with significant long-term service arrangements are capitalized and amortized across the life of the contract. Capitalized contract costs primarily relate to prepaid pre-launch integration and engineering services and launch services subcontracted with a third party. Pre-launch integration and engineering services and launch services are capitalized and amortized over the term of the contract on a systematic basis that is consistent with the transfer of the goods and services to our end customer. Project mobilization costs are generally charged to the project as incurred when they are an integrated part of the performance obligation being transferred to the client. Costs to obtain a contract are expensed as incurred unless they are expected to be recovered from the customer.

*Variable Consideration*

It is common for our contracts to contain variable consideration in the form of award fees, incentive fees, performance bonuses, liquidated damages or penalties that may increase or decrease the transaction price. These variable amounts generally are awarded upon achievement of certain performance metrics, program milestones or targets and can be based on customer discretion. We estimate the amount of variable consideration based on a weighted probability or the most likely amount to which we expect to be entitled. Variable consideration is included in the transaction price when it is probable that a significant reversal of cumulative revenue recognized will not occur or when the uncertainty associated with the variable consideration is resolved. Our estimates of variable consideration and determination of whether to include such amounts in the transaction price are based largely on our assessment of legal enforceability, anticipated performance, and any other information (historical, current or forecasted) that is reasonably available to us.

*Contract Estimates and Modifications*

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 is complex and subject to many variables and requires significant judgment. As a significant change in estimated total revenue and cost could affect the profitability of our contracts, we routinely review and update our contract-related estimates through a disciplined project review process in which management reviews the progress and execution of our performance obligations and the estimate at completion. As part of this process, management reviews information including, but not limited to, outstanding contract matters, progress towards completion, program schedule and the associated changes in estimates of revenue and costs. Management must make assumptions and estimates regarding the availability and productivity of labor, the complexity of the work to be performed, the availability and cost of materials, the performance of subcontractors and the availability and timing of funding from the customer, along with other risks inherent in performing services under all contracts where we recognize revenue over time using the cost-to-cost method.

We typically recognize changes in contract estimates on a cumulative catch-up basis in the period in which the changes are identified. Such changes in contract estimates can result in the recognition of revenue in a current period for performance obligations which were satisfied or partially satisfied in prior period. Changes in contract estimates may also result in the reversal of previously recognized revenue if the current estimate differs from the previous estimate. If at any time the estimate of contract profitability indicates an anticipated loss on the contract, we recognize the total loss in the period it is identified.

Contracts are often modified to account for changes in contract specifications and requirements. Most of our contract modifications are for goods or services that are not distinct from existing contracts due to the significant integration provided in the context of the contract and are accounted for as if they were part of the original contract. The effect of a contract modification on the transaction price and our measure of progress for the performance obligation to which it relates, is recognized as an adjustment to revenue (either as an increase in or a reduction of revenue) on a cumulative catch-up basis. We account for contract modifications prospectively when the modification results in the promise to deliver additional goods or services that are distinct and the increase in price of the contract is for the same amount as the stand-alone selling price of the additional goods or services included in the modification.

*Unbilled Receivables and Deferred Revenue*

Billing practices are governed by the contract terms of each project based upon costs incurred, achievement of milestones or predetermined schedules. Billings do not necessarily correlate with revenue recognized over time using the cost-to-cost method. Unbilled receivables (contract assets) include unbilled amounts typically resulting from revenue under long-term contracts when the cost-to-cost method of revenue recognition is utilized, and revenue recognized exceeds the amount billed to the customer. Deferred revenue (contract liabilities) consists of advance payments and billings in excess of revenue recognized. Our unbilled receivables and deferred revenue are reported in a net position on a contract-by-contract basis at the end of each reporting period.

The payment terms of our contracts from time to time require the customer to make advance payments as well as interim payments as work progresses. The advance payment generally is not considered to contain a significant financing component as we expect to recognize those amounts in revenue within a year of receipt as work progresses on the related performance obligation.

**Income Taxes**

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. 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.

We use the asset and liability method of accounting for income taxes for the Company. Under the asset and liability method, deferred tax assets and liabilities are recognized for the future tax consequences attributable to differences between the financial statement carrying amounts of existing assets and liabilities and their respective tax bases and net operating loss ("NOL") and tax credit carry forwards. Deferred tax assets and liabilities are measured using enacted income tax rates expected to apply to taxable income in the years in which those differences are expected to be recovered or settled. The effect on deferred tax assets and liabilities of a change in income tax rates is recognized in the results of operations in the period that includes the enactment date. The realizability of deferred tax assets is evaluated quarterly based on a "more likely than not" standard and, to the extent this threshold is not met, a valuation allowance is recorded.

The Company follows the guidance of ASC Topic 740, *Income Taxes.* Interest and penalties associated with tax positions are recorded in the period assessed as general and administrative expenses. The open tax years for the tax returns generally include 2020 through 2022 for state and federal reporting purposes.

**Tax Receivable Agreement**

In conjunction with the consummation of the Transactions, Intuitive Machines, Inc. entered into a Tax Receivable Agreement (the "TRA") with Intuitive Machines, LLC and certain Intuitive Machines, LLC members (the "TRA Holders"). Pursuant to the TRA, Intuitive Machines, Inc. is required to pay the TRA Holders 85% of the amount of cash tax savings, if any, in U.S. federal, state, and local income tax that are based on, or measured with respect to, net income or profits, and any interest related thereto that Intuitive Machines, Inc. realizes, or is deemed to realize, as a result of certain tax attributes, including (A) existing tax basis of certain assets of Intuitive Machines, LLC and its subsidiaries, (B) tax basis adjustments resulting from taxable exchanges of Intuitive Machines, LLC Common Units acquired by Intuitive Machines, Inc., (C) certain tax benefits realized by Intuitive Machines, Inc. as a result of the Business Combination, and (D) tax deduction in respect of portions of certain payments made under the TRA. All such payments to the TRA Holders are the obligations of Intuitive Machines, Inc., and not that of Intuitive Machines, LLC. See Note 7 - Income taxes for additional information on the TRA liability.

**Earnings (Loss) Per Share ("EPS")**

The Company reports both basic and diluted earnings per share. Basic earnings per share is calculated based on the weighted average number of shares of Class A Common Stock outstanding and excludes the dilutive effect of warrants, stock options, and other types of convertible securities. Diluted earnings per share is calculated based on the weighted average number of shares of Class A Common Stock outstanding and the dilutive effect of stock options, warrants and other types of convertible securities are included in the calculation. Dilutive securities are excluded from the diluted earnings per share calculation if their effect is anti-dilutive, such as in periods where a net loss has been reported.

Prior to the Business Combination, the membership structure of Intuitive Machines, LLC included membership units. In conjunction with the closing of the Business Combination, the Company effectuated a recapitalization whereby all membership units were converted to common units of Intuitive Machines, LLC, and Intuitive Machines, Inc. implemented a revised class structure including Class A Common Stock having one vote per share and economic rights, Class B Common Stock having one vote per share and no economic rights, and Class C Common Stock having three votes per share and no economic rights. The Company has determined that the calculation of loss per unit for periods prior to the Business Combination would not be meaningful to the users of these consolidated financial statements. As a result, loss per share information has not been presented for periods prior to the Business Combination on February 13, 2023.

**Share-Based Compensation**

We recognize all share-based awards to employees and directors as share-based compensation expense based upon their fair values on the date of grant.

We estimate the fair value of share-based payment awards on the date of grant. The value of the portion of the award that is ultimately expected to vest is recognized as an expense during the requisite service periods. We have estimated the fair value for each option award as of the date of grant using the Black-Scholes-Merton option pricing model. The Black-Scholes option pricing model considers, among other factors, the expected life of the award and the expected volatility of our share price. We recognize the share-based compensation expense over the requisite service period using the straight-line method for service condition only awards, which is generally a vesting term of five years. Forfeitures are accounted for in the period in which they occur and reverses any previously recognized compensation cost associated with forfeited awards.

**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. The Company is assessing the potential impact of adopting the ASU on its financial statements.

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 2023, the FASB issued ASU No. 2023-07, Segment Reporting (Topic 280): Improvements to Reportable Segment Disclosures, which requires a public entity to disclose significant segment expenses and other segment items on an annual and interim basis and provide in interim periods all disclosures about a reportable segment’s profit or loss and assets that are currently required annually. It requires a public entity to disclose the title and position of the Chief Operating Decision Maker. The new standard became effective for fiscal years beginning after December 15, 2023, and interim periods within fiscal years beginning after December 15, 2024. A public entity should apply the amendments in this ASU retrospectively to all prior periods presented in the financial statements. The adoption of this ASU did not have a material impact on the Company’s consolidated financial statements.

**Other Current Liabilities**

As of December 31, 2024 and 2023, other current liabilities consisted of the following (in thousands):

| | December 31, 2024 | December 31, 2023 |
|---|---|---|
| Payroll accruals | $ 10,274 | $ 2,553 |
| Income tax payable | 43 | 20 |
| Professional fees accruals | 960 | 832 |
| Commercial insurance financing | — | 493 |
| Commitment shares liability (see Note 8) | — | 755 |
| Other accrued liabilities | 212 | 94 |
| Other current liabilities | $ 11,489 | $ 4,747 |

**Immaterial Error Corrections to Previously Issued Financial Statements**

During the third quarter of 2024, we identified and corrected immaterial errors affecting previously issued financial statements related to historical estimated contract losses on certain lunar payload services contracts. These errors were due to the improper inclusion of constrained variable consideration in determining estimated contract losses from fiscal year 2020 through the second quarter of fiscal year 2024. Additionally, we corrected several other immaterial errors previously identified within the same reporting periods.

As of June 30, 2024, the cumulative error for all periods previously reported was an understatement of Net income attributable to the Company of approximately $5.1 million impacting Contract liabilities (current and non-current) and Accounts payable – affiliated companies in our consolidated balance sheets and Cost of revenues (excluding depreciation) and General and administrative expense (excluding depreciation) in our consolidated statements of operations. The errors had no impact to total operating cash flows in our previously reported cash flows. We assessed the materiality of the errors, both quantitatively and qualitatively, in accordance with the SEC's SAB No. 99 and SAB No. 108, and concluded these errors were not material to any of our previously issued quarterly or annual financial statements. In order to correctly present the errors noted above, previously issued financial statements have been revised and are presented as "As Corrected" in the tables below.

The effect of the corrections on the consolidated balance sheet at December 31, 2023 and consolidated statement of operations for the fiscal year ended December 31, 2023 are as follows (in thousands):

| | December 31, 2023 | | |
|---|---|---|---|
| **Revised Balance Sheet Amounts:** | **As Previously Reported** | **Adjustments** | **As Corrected** |
| Accounts payable - affiliated companies | $ 3,493 | $ 2,293 | $ 5,786 |
| Contract liabilities, current | $ 45,511 | $ (4,140) | $ 41,371 |
| Total current liabilities | $ 83,380 | $ (1,847) | $ 81,533 |
| Total liabilities | $ 139,327 | $ (1,847) | $ 137,480 |
| Accumulated deficit | $ (250,466) | $ 1,847 | $ (248,619) |
| Total shareholders' deficit | $ (263,282) | $ 1,847 | $ (261,435) |

| | Year Ended December 31, 2023 | | |
|---|---|---|---|
| **Revised Consolidated Statement of Operations Amounts:** | **As Previously Reported** | **Adjustments** | **As Corrected** |
| Revenue | $ 79,521 | $ 30 | $ 79,551 |
| Cost of revenue (excluding depreciation) | $ 97,523 | $ 3,521 | $ 101,044 |
| Cost of revenue (excluding depreciation) - affiliated companies | $ 2,949 | $ — | $ 2,949 |
| General and administrative expense (excluding depreciation) | $ 32,946 | $ 1,391 | $ 34,337 |
| Total operating expenses | $ 135,758 | $ 4,912 | $ 140,670 |
| Operating loss | $ (56,237) | $ (4,882) | $ (61,119) |
| Income before income taxes | $ 15,062 | $ (4,882) | $ 10,180 |
| Net income | $ 15,022 | $ (4,882) | $ 10,140 |
| Net loss attributable to Intuitive Machines, LLC prior to the Business Combination | $ (5,751) | $ (730) | $ (6,481) |
| Net income (post Business Combination) | $ 20,773 | $ (4,152) | $ 16,621 |
| Net loss attributable to redeemable noncontrolling interest | $ (42,031) | $ (3,110) | $ (45,141) |
| Net income attributable to the Company | $ 62,804 | $ (1,042) | $ 61,762 |
| Net income attributable to Class A common shareholders | $ 60,461 | $ (1,042) | $ 59,419 |
| | | | |
| **Net income per share:** | | | |
| Net income per share of Class A common stock - basic | $ 3.43 | $ (0.06) | $ 3.37 |
| Net income per share of Class A common stock - diluted | $ 2.46 | $ (0.04) | $ 2.42 |

The effect of the corrections on the condensed consolidated statement of operations for the three months ended March 31, 2024 and 2023 are as follows (in thousands, except per share amounts):

| | Three Months Ended March 31, 2024 | | |
|---|---|---|---|
| **Revised Condensed Consolidated Statement of Operations Amounts:** | **As Previously Reported** | **Adjustments** | **As Corrected** |
| Revenue | $ 73,068 | $ 151 | $ 73,219 |
| Cost of revenue (excluding depreciation) | $ 51,552 | $ (1,712) | $ 49,840 |
| Cost of revenue (excluding depreciation) - affiliated companies | $ 9,359 | $ — | $ 9,359 |
| General and administrative expense (excluding depreciation) | $ 17,143 | $ (762) | $ 16,381 |
| Total operating expenses | $ 78,468 | $ (2,474) | $ 75,994 |
| Operating loss | $ (5,400) | $ 2,625 | $ (2,775) |
| Loss before income taxes | $ (120,656) | $ 2,625 | $ (118,031) |
| Net loss | $ (120,656) | $ 2,625 | $ (118,031) |
| Net loss (post Business Combination) | $ (120,656) | $ 2,625 | $ (118,031) |
| Net loss attributable to redeemable noncontrolling interest | $ (23,291) | $ 1,774 | $ (21,517) |
| Net loss attributable to the Company | $ (98,337) | $ 851 | $ (97,486) |
| Net loss attributable to Class A common shareholders | $ (98,808) | $ 851 | $ (97,957) |
| | | | |
| **Net loss per share:** | | | |
| Net loss per share of Class A common stock - basic and diluted | $ (2.70) | $ 0.02 | $ (2.68) |

| | Three Months Ended March 31, 2023 | | |
|---|---|---|---|
| **Revised Condensed Consolidated Statement of Operations Amounts:** | **As Previously Reported** | **Adjustments** | **As Corrected** |
| Cost of revenue (excluding depreciation) | $ 23,126 | $ 1,006 | $ 24,132 |
| General and administrative expense (excluding depreciation) | $ 8,777 | $ 487 | $ 9,264 |
| Total operating expenses | $ 32,199 | $ 1,493 | $ 33,692 |
| Operating loss | $ (13,963) | $ (1,493) | $ (15,456) |
| Loss before income taxes | $ (20,232) | $ (1,493) | $ (21,725) |
| Net loss | $ (23,447) | $ (1,493) | $ (24,940) |
| Net loss attributable to Intuitive Machines, LLC prior to the Business Combination | $ (5,751) | $ (730) | $ (6,481) |
| Net loss (post Business Combination) | $ (17,696) | $ (763) | $ (18,459) |
| Net loss attributable to redeemable noncontrolling interest | $ (8,336) | $ (618) | $ (8,954) |
| Net loss attributable to the Company | $ (9,360) | $ (145) | $ (9,505) |
| Net loss attributable to Class A common shareholders | $ (9,688) | $ (145) | $ (9,833) |
| | | | |
| **Net loss per share:** | | | |
| Net loss per share of Class A common stock - basic and diluted | $ (0.64) | $ (0.01) | $ (0.65) |

The effect of the corrections on the condensed consolidated statement of operations for the three and six months ended June 30, 2024 and 2023 are as follows (in thousands, except per share amounts):

| | Three Months Ended June 30, 2024 | | |
|---|---|---|---|
| **Revised Condensed Consolidated Statement of Operations Amounts:** | **As Previously Reported** | **Adjustments** | **As Corrected** |
| Revenue | $ 41,408 | $ 233 | $ 41,641 |
| Cost of revenue (excluding depreciation) | $ 47,838 | $ 590 | $ 48,428 |
| Cost of revenue (excluding depreciation) - affiliated companies | $ 9,264 | $ — | $ 9,264 |
| General and administrative expense (excluding depreciation) | $ 12,057 | $ (1,031) | $ 11,026 |
| Total operating expenses | $ 69,582 | $ (441) | $ 69,141 |
| Operating loss | $ (28,174) | $ 674 | $ (27,500) |
| Income before income taxes | $ 15,981 | $ 674 | $ 16,655 |
| Net income | $ 15,981 | $ 674 | $ 16,655 |
| Net income (post Business Combination) | $ 15,981 | $ 674 | $ 16,655 |
| Net loss attributable to redeemable noncontrolling interest | $ (3,088) | $ 283 | $ (2,805) |
| Net income attributable to the Company | $ 18,280 | $ 391 | $ 18,671 |
| Net income attributable to Class A common shareholders | $ 18,143 | $ 391 | $ 18,534 |
| | | | |
| Net income per share: | | | |
| Net income per share of Class A common stock - basic | $ 0.33 | $ 0.01 | $ 0.34 |
| Net income per share of Class A common stock - diluted | $ 0.29 | $ 0.01 | $ 0.30 |

| | Three Months Ended June 30, 2023 | | |
|---|---|---|---|
| **Revised Condensed Consolidated Statement of Operations Amounts:** | **As Previously Reported** | **Adjustments** | **As Corrected** |
| Cost of revenue (excluding depreciation) | $ 22,481 | $ 582 | $ 23,063 |
| General and administrative expense (excluding depreciation) | $ 8,376 | $ 403 | $ 8,779 |
| Total operating expenses | $ 31,176 | $ 985 | $ 32,161 |
| Operating loss | $ (13,183) | $ (985) | $ (14,168) |
| Income before income taxes | $ 15,249 | $ (985) | $ 14,264 |
| Net income | $ 18,777 | $ (985) | $ 17,792 |
| Net income (post Business Combination) | $ 18,777 | $ (985) | $ 17,792 |
| Net loss attributable to redeemable noncontrolling interest | $ (10,744) | $ (1,001) | $ (11,745) |
| Net income attributable to the Company | $ 29,521 | $ 16 | $ 29,537 |
| Net income attributable to Class A common shareholders | $ 28,866 | $ 16 | $ 28,882 |
| | | | |
| **Net income per share:** | | | |
| Net income per share of Class A common stock - basic | $ 1.84 | $ — | $ 1.84 |
| Net income per share of Class A common stock - diluted | $ 1.52 | $ — | $ 1.52 |

| Revised Condensed Consolidated Statement of Operations Amounts: | Six Months Ended June 30, 2024 | | |
|---|---|---|---|
| | As Previously Reported | Adjustments | As Corrected |
| Revenue | $ 114,476 | $ 384 | $ 114,860 |
| Cost of revenue (excluding depreciation) | $ 99,390 | $ (1,122) | $ 98,268 |
| Cost of revenue (excluding depreciation) - affiliated companies | $ 18,623 | $ — | $ 18,623 |
| General and administrative expense (excluding depreciation) | $ 29,200 | $ (1,793) | $ 27,407 |
| Total operating expenses | $ 148,050 | $ (2,915) | $ 145,135 |
| Operating loss | $ (33,574) | $ 3,299 | $ (30,275) |
| Loss before income taxes | $ (104,675) | $ 3,299 | $ (101,376) |
| Net loss | $ (104,675) | $ 3,299 | $ (101,376) |
| Net loss (post Business Combination) | $ (104,675) | $ 3,299 | $ (101,376) |
| Net loss attributable to redeemable noncontrolling interest | $ (26,379) | $ 2,057 | $ (24,322) |
| Net loss attributable to the Company | $ (80,057) | $ 1,242 | $ (78,815) |
| Net loss attributable to Class A common shareholders | $ (80,665) | $ 1,242 | $ (79,423) |
| | | | |
| **Net loss per share:** | | | |
| Net loss per share of Class A common stock - basic and diluted | $ (1.76) | $ 0.03 | $ (1.73) |

| Revised Condensed Consolidated Statement of Operations Amounts: | Six Months Ended June 30, 2023 | | |
|---|---|---|---|
| | As Previously Reported | Adjustments | As Corrected |
| Cost of revenue (excluding depreciation) | $ 45,607 | $ 1,588 | $ 47,195 |
| General and administrative expense (excluding depreciation) | $ 17,153 | $ 890 | $ 18,043 |
| Total operating expenses | $ 63,375 | $ 2,478 | $ 65,853 |
| Operating loss | $ (27,146) | $ (2,478) | $ (29,624) |
| Loss before income taxes | $ (4,983) | $ (2,478) | $ (7,461) |
| Net loss | $ (4,670) | $ (2,478) | $ (7,148) |
| Net loss attributable to Intuitive Machines, LLC prior to the Business Combination | $ (5,751) | $ (730) | $ (6,481) |
| Net income (loss) (post Business Combination) | $ 1,081 | $ (1,748) | $ (667) |
| Net loss attributable to redeemable noncontrolling interest | $ (19,080) | $ (1,619) | $ (20,699) |
| Net income attributable to the Company | $ 20,161 | $ (129) | $ 20,032 |
| Net income attributable to Class A common shareholders | $ 19,178 | $ (129) | $ 19,049 |
| | | | |
| **Net income per share:** | | | |
| Net income per share of Class A common stock - basic | $ 1.23 | $ — | $ 1.23 |
| Net income per share of Class A common stock - diluted | $ 0.83 | $ — | $ 0.83 |

The effect of the corrections on the condensed consolidated statement of operations for the three and nine months ended September 30, 2023 are as follows (in thousands, except per share amounts):

| | Three Months Ended September 30, 2023 | | |
|---|---|---|---|
| **Revised Condensed Consolidated Statement of Operations Amounts:** | **As Previously Reported** | **Adjustments** | **As Corrected** |
| Cost of revenue (excluding depreciation) | $ 25,768 | $ 725 | $ 26,493 |
| General and administrative expense (excluding depreciation) | $ 9,853 | $ 60 | $ 9,913 |
| Total operating expenses | $ 35,950 | $ 785 | $ 36,735 |
| Operating loss | $ (23,219) | $ (785) | $ (24,004) |
| Income before income taxes | $ 15,701 | $ (785) | $ 14,916 |
| Net income | $ 15,096 | $ (785) | $ 14,311 |
| Net income (post Business Combination) | $ 15,096 | $ (785) | $ 14,311 |
| Net loss attributable to redeemable noncontrolling interest | $ (18,555) | $ (437) | $ (18,992) |
| Net income attributable to the Company | $ 33,651 | $ (348) | $ 33,303 |
| Net income attributable to Class A common shareholders | $ 32,977 | $ (348) | $ 32,629 |
| | | | |
| **Net income per share:** | | | |
| Net income per share of Class A common stock - basic | $ 1.89 | $ (0.02) | $ 1.87 |
| Net income per share of Class A common stock - diluted | $ 1.29 | $ (0.02) | $ 1.27 |

| | Nine Months Ended September 30, 2023 | | |
|---|---|---|---|
| **Revised Condensed Consolidated Statement of Operations Amounts:** | **As Previously Reported** | **Adjustments** | **As Corrected** |
| Cost of revenue (excluding depreciation) | $ 71,375 | $ 2,313 | $ 73,688 |
| General and administrative expense (excluding depreciation) | $ 27,006 | $ 950 | $ 27,956 |
| Total operating expenses | $ 99,325 | $ 3,263 | $ 102,588 |
| Operating loss | $ (50,365) | $ (3,263) | $ (53,628) |
| Income before income taxes | $ 10,718 | $ (3,263) | $ 7,455 |
| Net income | $ 10,426 | $ (3,263) | $ 7,163 |
| Net loss attributable to Intuitive Machines, LLC prior to the Business Combination | $ (5,751) | $ (730) | $ (6,481) |
| Net income (post Business Combination) | $ 16,177 | $ (2,533) | $ 13,644 |
| Net loss attributable to redeemable noncontrolling interest | $ (37,635) | $ (2,056) | $ (39,691) |
| Net income attributable to the Company | $ 53,812 | $ (477) | $ 53,335 |
| Net income attributable to Class A common shareholders | $ 52,155 | $ (477) | $ 51,678 |
| | | | |
| **Net income per share:** | | | |
| Net income per share of Class A common stock - basic | $ 3.20 | $ (0.03) | $ 3.17 |
| Net income per share of Class A common stock - diluted | $ 2.16 | $ (0.02) | $ 2.14 |

## 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 years ended December 31, 2024 and 2023 (in thousands):

| | Year Ended December 31, | | | |
|---|---|---|---|---|
| | 2024 | | 2023 | |
| **Revenue by Contract Type** | | | | |
| Cost reimbursable | $ 146,516 | 64 % | $ 13,920 | 17 % |
| Fixed price | 74,681 | 33 % | 58,743 | 74 % |
| Time and materials | 6,803 | 3 % | 6,888 | 9 % |
| **Total** | $ 228,000 | 100 % | $ 79,551 | 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 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 consolidated balance sheets. Long-term deferred revenue and provisions for loss contracts are recorded in long-term contract liabilities on our consolidated balance sheets.

The following table presents contract assets as of December 31, 2024 and 2023 (in thousands):

| | December 31, 2024 | December 31, 2023 |
|---|---|---|
| **Contract Assets** | | |
| Unbilled receivables | $ 18,113 | $ 6,146 |
| Deferred contract costs | 16,479 | 980 |
| **Total** | $ 34,592 | $ 7,126 |

Amortization expense associated with deferred contract costs for subcontracted launch services was recorded in cost of revenue and was $13.7 million and $31.2 million, respectively, for the years ended December 31, 2024 and 2023.

The following table presents contract liabilities as of December 31, 2024 and 2023 (in thousands):

| | December 31, 2024 | December 31, 2023 |
|---|---|---|
| **Contract liabilities – current** | | |
| Deferred revenue | $ 54,803 | $ 22,896 |
| Contract loss provision | 7,890 | 5,457 |
| Accrued launch costs | 2,491 | 13,018 |
| Total contract liabilities – current | 65,184 | 41,371 |
| **Contract liabilities – long-term** | | |
| Deferred revenue | 14,334 | — |
| **Total contract liabilities** | $ 79,518 | $ 41,371 |

Revenue recognized from amounts included in contract liabilities at the beginning of the period was $13.6 million and $38.2 million during the years ended December 31, 2024 and 2023, 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 $28.1 million and $23.6 million, respectively, for the years ended December 31, 2024 and 2023.

As of December 31, 2024, the status of these loss contracts was as follows:

- The first 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 years ended December 31, 2024, and 2023, changes in estimated contract costs resulted in an additional $5.7 million and $9.0 million in contract loss, respectively.
- The second 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 years ended December 31, 2024 and 2023, changes in estimated contract costs resulted in an additional $12.5 million and $5.8 million in contract loss, respectively. As of December 31, 2024, and 2023, this contract was approximately 69% complete and 64% complete, respectively. The period of performance for this contract currently runs through June 2026 as a result of modification to the contract. As of December 31, 2024 and 2023, the contract loss provision recorded in contract liabilities, current was $7.0 million and $0.9 million, respectively, in our consolidated balance sheets.
- The third 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. For the years ended December 31, 2024 and 2023, changes in estimated contract costs resulted in an additional $9.9 million and $8.8 million in contract loss, respectively. As of December 31, 2024, this contract was approximately 95% complete. The period of performance for this contract currently runs through August 2025 as a result of modifications to the contract. As of December 31, 2024 and 2023, the contract loss provision recorded in contract liabilities, current in our consolidated balance sheets was $0.9 million and $4.6 million, respectively.
- 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 December 31, 2024, the aggregate amount of the transaction price allocated to remaining performance obligations was $168.7 million. The Company expects to recognize revenue on approximately 55-60% of the remaining performance obligations over the next 12 months, 20%-25% in 2026 and the remaining thereafter. Remaining performance obligations do not include variable consideration that was determined to be constrained as of December 31, 2024.

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 agreements and cost reimbursable agreements.

**NOTE 4 - PROPERTY AND EQUIPMENT, NET**

As of December 31, 2024 and 2023, property and equipment, net consisted of the following (in thousands):

| | December 31, 2024 | December 31, 2023 |
|---|---|---|
| Leasehold improvements | $ 208 | $ — |
| Vehicles and trailers | 129 | 129 |
| Computers and software | 4,146 | 2,864 |
| Furniture and fixtures | 1,913 | 1,666 |
| Machinery and equipment | 4,361 | 2,772 |
| Construction in progress | 17,117 | 13,795 |
| Property and equipment, gross | 27,874 | 21,226 |
| Less: accumulated depreciation and amortization | (4,510) | (2,877) |
| Property and equipment, net | $ 23,364 | $ 18,349 |

Total depreciation expense related to property and equipment for the years ended December 31, 2024 and 2023 was $1.9 million and $1.4 million, respectively.

Construction in progress includes constructions costs associated with the fabrication of a commercial communications satellite. 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 consolidated statements of operations for the year ended December 31, 2024.

As of December 31, 2024, construction in progress includes construction costs of $11.1 million associated with the commercial communications satellite and $4.7 million associated with the satellite communications and navigation network related to the NSN contract recently awarded in September 2024. The Company capitalized interest in connection with construction in progress of $1.0 million for the year ended December 31, 2023 and recognized no capitalized interest for the year ended December 31, 2024.

During the fourth quarter of 2023 and in connection with moving operations to our new facility, the Lunar Production and Operations Center (“LPOC”), as discussed further in Note 5, management identified the move as a significant adverse change in the usage of space from our prior facility. As such, management determined that certain leasehold improvements and furniture and fixtures from our prior facility will not be utilized at the LPOC and the carrying value will not be recoverable. For the year ended December 31, 2023, we recorded impairment charges of approximately $1.0 million in our consolidated statements of operations.

**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 seven real estate leases with lease terms ranging from 52 months to 250 months and six equipment leases (of which five 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. For the years ended December 31, 2024 and 2023, there were no significant variable lease costs. There are no restrictions or covenants imposed by any of the leases, and none of the Company’s leases contain material residual value guarantees.

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

| | Year Ended December 31, | |
|---|---|---|
| | 2024 | 2023 |
| Operating lease cost | $ 4,144 | $ 1,536 |
| Finance lease cost | 37 | 3 |
| Short-term lease cost | 94 | 333 |
| Total lease cost | $ 4,275 | $ 1,872 |

The components of supplemental cash flow information related to operating leases are as follows (in thousands):

| | Year Ended December 31, | | | |
|---|---|---|---|---|
| | 2024 | | 2023 | |
| | Operating Leases | Finance Leases | Operating Leases | Finance Leases |
| Cash paid for amounts included in the measurement of lease liabilities: | | | | |
| Cash flows from operating activities | $ 2,019 | $ 9 | $ 1,034 | $ 3 |
| Cash flows from investing activities | $ 3,823 | $ 2 | $ 1,344 | $ 5 |
| Cash flows from financing activities | $ — | $ 35 | $ — | $ 2 |
| Right-of-use assets obtained in exchange for new operating lease liabilities | $ 4,145 | $ 43 | $32,393 | $ 93 |
| Weighted average remaining lease term - operating leases (months) | 204 | 28 | 226 | 35 |
| Weighted average discount rate - operating leases | 6.5 % | 7.8 % | 6.1 % | 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 consolidated balance sheets.

The table below includes the estimated future undiscounted cash flows for operating and finance leases as of December 31, 2024 (in thousands):

| Year Ending December 31, | Operating Leases | Finance Leases |
|---|---|---|
| 2025 | $ 2,522 | $ 47 |
| 2026 | 2,614 | 41 |
| 2027 | 2,175 | 17 |
| 2028 | 2,232 | 5 |
| 2029 | 2,710 | — |
| Thereafter | 57,268 | — |
| Total undiscounted lease payments | $ 69,521 | $ 110 |
| Less: imputed interest | 32,241 | 10 |
| Present value of lease liabilities | $ 37,280 | $ 100 |

**NOTE 6 - DEBT**

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

| | December 31, 2024 | December 31, 2023 |
|---|---|---|
| Credit Mobilization Facility | $ — | $ 8,000 |
| Less: deferred financing costs | — | — |
| Less: current maturities | — | (8,000) |
| Long-term debt, net of current maturities | $ — | $ — |

As of December 31, 2024 and 2023, the weighted-average interest rate on short-term borrowings outstanding was 10.55% and 10.20%, respectively.

*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 must 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 further described in Note 8.

*Loan Agreement*

See Note 17 - Subsequent Events for information related to a loan and security agreement executed with Stifel Bank during the first quarter of 2025.

**NOTE 7 - INCOME TAXES**

The Company's consolidated income tax provision consisted of the following components (in thousands):

| | Year Ended December 31, | |
|---|---|---|
| | **2024** | **2023** |
| Current: | | |
| Federal | $ — | $ — |
| State | 41 | 33 |
| Deferred: | | |
| Federal | — | — |
| State and local | (4) | 7 |
| Total income tax provision (benefit) | $ 37 | $ 40 |

The reconciliation of the income tax provision computed at the Company's effective tax rate is as follows (in thousands except for rates):

| | Year Ended December 31, | |
|---|---|---|
| | 2024 | 2023 |
| Income/(loss) before income taxes | $ (346,885) | $ 10,180 |
| Statutory income tax rate | 21.0 % | 21.0 % |
| Expected income tax expense/(benefit) | (72,846) | 2,137 |
| Noncontrolling interest | 13,458 | 10,705 |
| Fair value on earn-out liabilities | 25,226 | (13,913) |
| Fair value on warrant liabilities | 18,646 | — |
| Other permanent differences | (99) | (1,796) |
| Stock compensation | (480) | — |
| Research and development benefit | — | (611) |
| State income tax expense | (5,593) | (741) |
| Change in valuation allowance | 21,997 | 4,359 |
| Other | (272) | (100) |
| Total income tax provision (benefit) | $ 37 | $ 40 |
| | | |
| Effective tax rate | (0.01)% | 0.39 % |

The Company's effective tax rates for the years ended December 31, 2024 and 2023 were (0.01)% and 0.39%, respectively. For year ended December 31, 2024, our effective tax rate differed from the statutory rate of 21% 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. For the year ended December 31, 2023, our effective tax rate differed from the statutory rate of 21% primarily due to Intuitive Machines, LLC's status as a partnership for United States federal income tax purposes.

The significant components of the Company's deferred tax assets and liabilities are as follows (in thousands):

| | Year Ended December 31, | |
|---|---|---|
| | 2024 | 2023 |
| Deferred tax assets: | | |
| Net operating losses | $ 3,256 | $ 391 |
| Restricted stock options | 629 | 184 |
| Deferred revenue | 25 | 11 |
| Investment in Intuitive Machines, LLC | 334,982 | 70,280 |
| Other deferred tax assets | 664 | 1,103 |
| Total deferred tax assets | 339,556 | 71,969 |
| Valuation allowance | (339,543) | (71,948) |
| Net deferred tax assets | 13 | 21 |
| | | |
| Deferred tax liabilities: | | |
| Section 481(a) adjustment | (13) | (21) |
| Total deferred tax liabilities | (13) | (21) |
| Net deferred tax asset (liability) | $ — | $ — |

As a result of the Business Combination, the Company was appointed as the sole managing member of Intuitive Machines, LLC. Prior to the close of the Business Combination, the Company's financial reporting predecessor, Intuitive Machines, LLC, was treated as a pass-through entity for tax purposes and no provision, except for certain state taxes, was made in the

consolidated financial statements for income taxes. Any income tax items for the periods prior to the close of the Business Combination are related to Intuitive Machines, LLC.

The Company is a corporation and thus is subject to 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.

The Company accounts for income taxes using the asset and liability method, which requires the recognition of deferred tax assets and liabilities for the estimated future tax consequences attributable to temporary differences between the consolidated financial statement carrying amounts of existing assets and liabilities and their respective tax base. Deferred tax assets and liabilities are determined on the basis of the differences between the consolidated financial statements and tax basis of assets and liabilities using enacted tax rates in effect for the year in which the temporary differences are expected to be settled or recovered. Changes in deferred tax assets and liabilities are recorded in the provision for income taxes.

*Valuation Allowance*

The Company has established a valuation allowance related to its domestic and state net deferred tax assets. In assessing the realizability of deferred tax assets, the Company considers whether it is more likely than not that some portion or all of the deferred tax assets will be realized. The ultimate realization of deferred tax assets is dependent upon the generation of future taxable income during the periods in which those temporary differences become deductible. The Company considers the scheduled reversal of deferred tax liabilities, projected future income, and tax planning strategies in making this assessment. The Company continues to closely monitor and weigh all available evidence, including both positive and negative, in making its determination whether to maintain a valuation allowance.

*Tax Receivable Agreement*

In conjunction with the consummation of the Transactions, Intuitive Machines, Inc. entered into a related party transaction, Tax Receivable Agreement (the "TRA") with Intuitive Machines, LLC and certain Intuitive Machines, LLC members (the "TRA Holders"). Pursuant to the TRA, Intuitive Machines, Inc. is required to pay the TRA Holders 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 December 31, 2024, 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 December 31, 2024, management does not expect a TRA liability to be recorded. Subsequent remeasurement of the TRA liability on December 31, 2024, from September 30, 2024, resulted in recognition of other income of $0.5 million recognized in other income (expense), net in the consolidated statements of operations.

*Net Operating Loss*

As of December 31, 2024, the company had approximately $13.7 million of federal net operating loss carryforwards ("NOL carryforwards"), which do not have an expiration date. The Company's deferred tax assets, including these NOL

carryforwards have been reduced by a valuation allowance due to a determination made that it is more likely than not that some or all of the deferred assets will not be realized based on the weight of all available evidence.

*Uncertain Tax Positions*

For the periods ending December 31, 2024, and 2023, the Company has no reserves for uncertain tax positions.

The Company filed Form 3115, Application for Change in Accounting Method, with the Internal Revenue Service ("IRS") to request permission to change from its impermissible method of accounting for launch costs to a permissible method. The requested change is nonautomatic and as such requires advance consent from the IRS. On October 18, 2023, the Company received affirmative written consent from the IRS and subsequently reversed the uncertain tax position.

The Company files income tax returns in the U.S., including federal and various state filings. The number of years that are open under the statute of limitations and subject to audit varies depending on the tax jurisdiction. We remain subject to U.S. federal tax examinations for years after 2020.

Beginning in 2022, the Tax Cuts and Jobs Act of 2017 ("TCJA") eliminates the option to deduct research and development expenditures currently and requires taxpayers to capitalize and amortize them. Research and development expenses must be amortized over five years for research performed in the U.S. and fifteen years for research performed outside the U.S. Although Congress is considering legislation that would defer the amortization requirement to later years, it is not certain that the provision will be repealed or otherwise modified. In 2024, the Company has estimated $17.2 million of research and expenditures subject to capitalization and subsequent amortization for federal tax purposes.

## NOTE 8 - MEZZANINE EQUITY AND EQUITY

*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. See Note 9 for additional information on these warrants.

*Bridge Loan Conversion*

On January 28, 2024, the Company and the Guarantor entered into a letter agreement (the "Letter Agreement") pursuant to which, on January 29, 2024 the Guarantor contributed $10.0 million to the Company for purposes of repaying the principal amount owed to the lender under the Bridge Loan in exchange 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. Following the contribution, all amounts due to the Lender in satisfaction of the Bridge Loan were repaid in full.

*Public Offering and Private Offering*

On December 5, 2024, the Company completed an underwritten public offering of 10,952,381 shares of its Class A Common Stock at a price to the public of $10.50 per share (the "Public Offering"), which included the full exercise of the underwriters' option to purchase an additional 1,275,714 shares of Class A Common Stock from the Company and 152,857 shares of Class A Common Stock from a selling stockholder. On December 2, 2024, the Company entered into an agreement with an accredited investor, pursuant to which the Company sold to the investor 952,381 shares of its Class A Common Stock in a concurrent private placement at a purchase price per share equal to the Public Offering price per share of $10.50 (the "Private Offering" together with the Public Offering, the "2024 Offering"). The net proceeds to the Company from the 2024 Offering, after deducting transaction costs of $6.5 million, were approximately $116.9 million.

**Capital Stock**

The table below reflects share information about the Company's capital stock as of December 31, 2024.

| | Par Value | Authorized | Issued | Treasury Stock | Outstanding |
|---|---|---|---|---|---|
| Class A Common Stock | $ 0.0001 | 500,000,000 | 101,859,000 | (1,250,000) | 100,609,000 |
| Class B Common Stock | $ 0.0001 | 100,000,000 | — | — | — |
| Class C Common Stock | $ 0.0001 | 100,000,000 | 55,394,533 | — | 55,394,533 |
| Series A Preferred Stock | $ 0.0001 | 25,000,000 | 5,000 | — | 5,000 |
| Total shares | | 725,000,000 | 157,258,533 | (1,250,000) | 156,008,533 |

*Class A Common Stock*

Each holder of Class A Common Stock is entitled to one vote for each share of Class A Common Stock held of record in person or by proxy on all matters submitted to a vote of the holders of Class A Common Stock, whether voting separately as a class or otherwise. Class A Common Stock has rights to the economics of the Company and to receive dividend distributions, subject to applicable laws and the rights and preferences of holders of Series A Preferred Stock or any other series of stock having preference over or participation rights with Class A Common Stock. In the event of liquidation, dissolution or winding up of the affairs of Company, Class A Common Stock has rights to assets and funds of the Company available for distribution after making provisions for preferential and other amounts to the holders of Series A Preferred Stock or any other series of stock having preference over or participation rights with Class A Common Stock.

*Class B Common Stock*

Each holder of Class B Common Stock is entitled to one vote for each share of Class B Common Stock held of record in person or by proxy on all matters submitted to a vote of the holders of Class B Common Stock, whether voting separately as a class or otherwise. Class B Common Stock does not have rights to the economics of the Company nor to receive dividend distributions, except in limited circumstances. In the event of liquidation, dissolution or winding up of the affairs of the Company, Class B Common Stock holders are entitled to receive par value per share only. Class B Common Stock ownership is limited only to Intuitive Machines, LLC members in an amount not to exceed at any time the aggregate number of Intuitive Machines, LLC Common Units held of record by such member.

*Class C Common Stock*

Each holder of Class C Common Stock is entitled to three votes for each share of Class C Common Stock held of record in person or by proxy on all matters submitted to a vote of the holders of Class C Common Stock, whether voting separately as a class or otherwise. Class C Common Stock does not have rights to the economics of the Company nor to receive dividend distributions, except in limited circumstances. In the event of liquidation, dissolution or winding up of the affairs of the Company, Class C Common Stock holders are entitled to receive par value per share only. Class C Common Stock ownership is limited only to Intuitive Machines, LLC Founders in an amount not to exceed at any time the aggregate number of Intuitive Machines, LLC Founder Common Units held of record by such founder. The Intuitive Machines, LLC Founders are Dr. Kamal Ghaffarian, Stephen J. Altemus and Dr. Timothy Crain and their permitted transferees.

*Class B and C Common Stock Conversions to Class A Common Stock*

After the expiration of the applicable lock-up period on August 14, 2023, holders of certain Intuitive Machines, LLC Common Units were permitted to exchange their Intuitive Machines, LLC Common Units (along with the cancellation of the paired share of Class B Common Stock or share of Class C Common Stock) for shares of Class A Common Stock on a one-for-one basis (subject to customary conversion rate adjustments for stock splits, stock dividends and reclassifications) or at the Company's election (determined by a majority of our directors who are disinterested with respect to such determination), cash from a substantially concurrent public offering or private sale in an amount equal to the net amount, on a per share basis, of cash received as a result of such public offering or private sale.

During the third quarter of 2023, all of the previously issued shares of Class B Common Stock (and paired Intuitive Machines, LLC Common Units) were exchanged for shares of Class A Common Stock on a one-for-one basis. The Intuitive Machines, LLC Common Units and shares of Class B Common Stock were subsequently cancelled.

**Equity Facility**

On September 16, 2022, the Company entered into the Cantor Purchase Agreement with CFPI relating to an equity facility under which shares of newly issued Class A Common Stock may be sold to CFPI by Intuitive Machines, Inc. Pursuant to the terms of the Cantor Purchase Agreement, Intuitive Machines, Inc. had the right, but not the obligation, from time to time at its sole discretion, until the first day of the month following the 18-month period from and after the Commencement (as defined in the Cantor Purchase Agreement), to direct CFPI to purchase up to the lesser of (i) $50.0 million of newly issued shares of Class A Common Stock and (ii) the Exchange Cap, by delivering written notice to CFPI prior to the commencement of trading on any trading day, subject to certain customary conditions and limitations set forth in the Cantor Purchase Agreement. In connection with the execution of the Cantor Purchase Agreement, the Company agreed to issue 100,000 shares of Class A Common Stock to CFPI. The Company entered into a registration rights agreement with CFPI, pursuant to which it agreed to register for resale, pursuant to Rule 415 under the Securities Act, the shares of Class A Common Stock that are sold to CFPI under the equity facility and the Commitment Shares. During the second quarter of 2023, we recorded a recapitalization adjustment to increase other current liabilities and decrease to paid-in capital for $1.0 million to recognize the Commitment Share liability within our consolidated balance sheets which was not previously recognized in the balance sheet of IPAX prior to the closing of the Business Combination.

In June 2023, the Company issued 95,785 Commitment Shares to CFPI. Under the terms of the Cantor Purchase Agreement, to the extent after the resale of the Commitment Shares by CFPI is less than $1.0 million, the Company agreed to pay CFPI the difference between $1.0 million and the net proceeds of the resale of the Commitment Shares received by CFPI in cash. During the first quarter of 2024, CFPI sold the 95,785 Commitment Shares resulting in a reduction of the Commitment Share liability to approximately $771 thousand. Under a separate agreement in March 2024, CFPI agreed to proportionally reduce the liability to the extent CFPI earned commissions under the Controlled Equity Offering Sales Agreement discussed below. As a result of the Class A Common Stock sold under the Controlled Equity Offering Sales Agreement during the nine months ended September 30, 2024, the Commitment Share liability was reduced to zero and there is no remaining liability as of December 31, 2024. The Cantor Purchase Agreement contractually terminated on September 1, 2024 and no shares of Class A Common Stock were sold to CFPI under the Cantor Purchase Agreement.

**Controlled Equity Offering Sales Agreement**

On March 27, 2024, the Company entered into a Controlled Equity Offering Sales Agreement (the "Sales Agreement") with Cantor Fitzgerald & Co. ("Cantor" or "agent") to sell shares of the Class A Common Stock having an aggregate sale price of up to $100.0 million through our ATM Program under which Cantor acts as the sales agent. The sales of the shares made under the ATM Program may be made by any method permitted by law deemed to be an "at the market offering" as defined in Rule 415 promulgated under the Securities Act of 1933, as amended. The agent sells the Class A Common Stock based upon the Company's instructions (including any price, time or size limits or other customary parameters or conditions the Company may impose). Under the ATM Program, the agent is entitled to total compensation at a commission rate of up to 3.0% of the sales price per share sold.

As of the third quarter of 2024, the Company had sold and issued 16,521,612 shares of Class A Common Stock under the ATM Program and received cash proceeds of approximately $97.5 million, net of $2.5 million in transaction fees, thereby reaching the $100.0 million limit of aggregate Class A Common Stock sales under the ATM Program.

**Series A Preferred Stock** *(Mezzanine Equity)*

The Series A Preferred Stock votes together with the Company's Common Stock on an as-converted basis, except as required by law and under certain protective provisions. Each holder of Series A Preferred Stock shall be entitled to cast the number of votes equal to the number of whole shares of Class A Common Stock into which the shares of Series A Preferred Stock are convertible. The Series A Preferred Stock pays dividends, semi-annually at the rate of 10% of the original price per share, plus the amount of previously accrued, but unpaid dividends, compounded semi-annually, and participates with our Common Stock on all other dividends. Accrued dividends may be paid (i) in cash, (ii) subject to satisfaction of certain equity conditions, in shares of Class A Common Stock or (iii) accumulated, compounded and added to the liquidation preference described below.

Upon any liquidation or deemed liquidation event, the holders of Series A Preferred Stock will be entitled to receive out of the available proceeds, before any distribution is made to holders of Common Stock or any other junior securities, an amount per share equal to the greater of (i) 100% of the Accrued Value (as defined in the Certificate of Designation) or (ii) such amount per share as would have been payable had all shares of Series A Preferred Stock been converted into Class A Common Stock immediately prior to the liquidation event.

Each share of Series A Preferred Stock will be convertible at the holder's option into shares of Class A Common Stock at an initial conversion ratio determined by dividing the Accrued Value (as defined in the Certificate of Designation) of such shares of Series A Preferred Stock by the conversion price of $12.00 per share subject to adjustment in accordance with the

terms of the Certificate of Designation. As a result of the Private Placement on September 5, 2023 as discussed above and in accordance with the terms of the Certificate of Designation, the Series A Preferred Stock conversion price was reduced 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.

In a series of notifications to the Company during February 2024, the registered holder of 21,000 shares of Series A Preferred Stock elected to convert all of its Series A Preferred Stock holdings into Class A Common Stock at a conversion price of $3.00 per share. The Company issued 7,738,743 shares of Class A Common Stock as a result of the conversion and recorded an increase to equity of approximately $23.1 million and a corresponding decrease to Series A Preferred Stock in the consolidated balance sheets.

The Series A Preferred Stock shall be redeemable at the option of the holder commencing any time after the 5th year anniversary of the Closing Date at a price equal to the 100% of the sum of (i) original purchase price plus (ii) all accrued/ declared but unpaid dividends.

The Series A Preferred Stock shall be redeemable at the Company's option commencing any time (A) after the 3rd year anniversary of the Closing Date at a price equal to the 115% of the Accrued Value, (B) after the 4th anniversary of the Closing Date at a price equal to the 110% of the Accrued Value and (C) after the 5th anniversary of the Closing Date at a price equal to the 100% of the Accrued Value.

**Redeemable Noncontrolling Interests** *(Mezzanine Equity)*

As of December 31, 2024, the prior investors of Intuitive Machines, LLC owns 35.5% of the 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, which as of December 31, 2024, is controlled by the prior investors. 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.

During the years ended December 31, 2024 and 2023, Warrants of 431 and 1,402,106, respectively, were exercised resulting in the issuance of an equal number of shares of Class A Common Stock. See Note 17 - Subsequent Events for information related to the subsequent exercises and redemption of the outstanding Warrants.

**Series A Preferred 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 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' 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 Series A Preferred 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 Series A Preferred Warrants was proportionally increased to 706,522.

As of December 31, 2024, there have been no exercises of the Preferred Investor Warrants.

**Warrant Exercise Agreement and Warrant Exercises**

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 a warrant to purchase up to an aggregate 4,705,883 shares of Class A Common Stock (the "Initial Series B Warrant"). 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 a warrant to purchase up to 4,705,883 shares of Class A Common Stock (the "Initial Series A Warrant") 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 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 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 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 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.

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 consolidated statement of operations. As of December 31, 2024, the fair value of the Conversion Series A Warrant increased to approximately $68.8 million, resulting in a loss of approximately $58.8 million recognized as change in fair value of warrant liabilities in our 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, cash proceeds to the Company of $0.8 million, and recording a gain on issuance of securities of approximately $0.6 million. As of the exercise dates, the Company recognized an unfavorable change in fair value of the warrant liabilities of $0.8 million in our consolidated statement of operations.

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, cash proceeds to the Company of $9.9 million, and recording a loss on issuance of securities of approximately $25.0 million. As of the exercise dates, the Company recognized an unfavorable change in fair value of the warrant liabilities of $16.9 million in our consolidated statement of operations.

**NOTE 10 - SHARE-BASED COMPENSATION AND RETIREMENT BENEFITS**

**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 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 new 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 December 31, 2024, Intuitive Machines, LLC was authorized to issue a total of 989,423 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 year ended December 31, 2024:

| | Number of Options | Weighted Average Exercise Price | Weighted Average Remaining Contractual Term (Years) | Aggregate Intrinsic Value (in thousands) |
|---|---|---|---|---|
| Outstanding as of December 31, 2023 | 1,325,354 | $ 3.15 | 7.41 | $ — |
| Granted | — | — | | — |
| Exercised | (322,721) | 1.80 | | 5,280 |
| Forfeited / Cancelled | (13,210) | 7.55 | | — |
| Balance as of December 31, 2024 | 989,423 | $ 3.54 | 6.74 | $ 14,470 |
| Exercisable as of December 31, 2024 | 543,961 | $ 3.06 | 6.67 | $ 8,212 |

The aggregate intrinsic value of an exercised option represents the difference between the exercise price of the underlying option and the fair value of the Company's Class A Common Stock at the time of the exercise. The aggregate intrinsic value at December 31, 2024 represents the difference between the exercise price and the fair value of the Company's Class A Common Stock as of December 31, 2024 or the last trading day prior to December 31, 2024.

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, 2023 | $ 1.80 |
| Granted | — |
| Vested | 1.26 |
| Forfeited | 4.72 |
| Non-vested as of December 31, 2024 | $ 2.23 |

The weighted average grant-date fair value per share of options granted to employees was zero for fiscal years 2024 and 2023. Following the consummation of the Business Combination, no new awards were granted under the 2021 Plan. Share-based compensation expense related to options was $362 thousand and $787 thousand for the years ended December 31, 2024 and 2023, respectively, and was classified in the consolidated statement of operations under general and administrative expense. As of December 31, 2024, the Company had $336 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 2.49 years.

**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 December 31, 2024, the Company has issued restricted stock units ("RSUs") and performance stock units ("PSUs") as outlined in the following disclosure. No other awards have been granted under the 2023 Plan. As of December 31, 2024, approximately 8,060,355 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 vests 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][2] | Weighted Average Grant Date Fair Value |
|---|---|---|
| Outstanding as of December 31, 2023 | 1,826,946 | $ 7.01 |
| Granted | 3,661,962 | 3.70 |
| Vested | (1,764,465) | 5.08 |
| Forfeited | (417,404) | 7.56 |
| Balance as of December 31, 2024 | 3,307,039 | $ 4.31 |

(1) PSU grants of 919,007 were included at the 100% attainment level which were based on several performance goals related to our mission which successfully completed in February 2024 of which all 919,007 PSU grants fully vested in April 11, 2024.

(2) PSU grants of 53,333 were included 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.

The weighted average grant-date fair value per share of RSUs and PSUs granted to employees was $3.70 and $7.02 for fiscal years 2024 and 2023, respectively. Share-based compensation expense related to RSUs was $5.1 million and $3.5 million for years ended December 31, 2024 and 2023, respectively. Share-based compensation expense related to PSUs was $3.3 million and zero for years ended December 31, 2024 and 2023, respectively. Share-based compensation expense for RSUs and PSUs are classified in the consolidated statement of operations under general and administrative expense. As of December 31, 2024, the estimated unrecognized share-based compensation costs related to unvested RSUs and PSUs were $10.3 million and $0.3 million, respectively, and is expected to be recognized over a weighted average period of 2.69 years and 0.67 years, respectively.

***Defined Contribution Retirement Plan***

We have an elective defined contribution plan for our employees that provides retirement benefits in return for services rendered. This plan provides an individual account for each participant and has terms that specify how contributions to the participant's account are to be determined. Contributions to this plan are based on pretax income discretionary amounts determined on an annual basis. Our expense for the defined contribution plan totaled approximately $2.1 million and $0.9 million for the years ended December 31, 2024 and 2023, respectively.

## NOTE 11 - FAIR VALUE MEASUREMENTS

The following tables summarize the fair value of assets and liabilities that are recorded in the Company's consolidated balance sheets as of December 31, 2024 and 2023 at fair value on a recurring basis (in thousands).

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

| | December 31, 2023 | | | | |
|---|---|---|---|---|---|
| | Frequency of Measurement | Total | Level 1 | Level 2 | Level 3 |
| **Liabilities** | | | | | |
| Earn-out liabilities | Recurring | $ 14,032 | $ — | $ — | $ 14,032 |
| | | | | | |
| Warrant liabilities - Series A | Recurring | 8,612 | — | — | 8,612 |
| Warrant liabilities - Series B | Recurring | 2,682 | — | — | 2,682 |
| Warrant liabilities | | 11,294 | — | — | 11,294 |
| | | | | | |
| **Total liabilities measured at fair value** | | $ 25,326 | $ — | $ — | $ 25,326 |

The following table provides a roll-forward of the Company's Level 3 liabilities (in thousands):

| | Earn-out liabilities | Warrant liabilities - Series A | Warrant liabilities - Series B | Total Warrant liabilities | SAFE Agreement liabilities |
|---|---|---|---|---|---|
| Balance, December 31, 2022 | $ — | $ — | $ — | $ — | $ 18,314 |
| Additions | 99,659 | 17,459 | 9,270 | 26,729 | — |
| Change in fair value | (66,252) | (8,847) | (6,588) | (15,435) | 2,353 |
| Converted to equity | (19,375) | — | — | — | (20,667) |
| Balance, December 31, 2023 | 14,032 | 8,612 | 2,682 | 11,294 | — |
| Additions | — | 20,827 | 11,262 | 32,089 | — |
| Change in fair value | 120,124 | 59,810 | 17,841 | 77,651 | — |
| Converted to equity | — | (20,471) | (31,785) | (52,256) | — |
| Balance, December 31, 2024 | $ 134,156 | $ 68,778 | $ — | $ 68,778 | $ — |

**Earn-out Liabilities**

The fair value of the earn-out liabilities was estimated using a Monte Carlo simulation approach that modeled the triggering events including the simulated stock price of the Company over the maturity dates. As of December 31, 2024, the significant assumptions utilized in estimating the fair value of the earn-out liabilities include: (i) Intuitive Machines stock price of $18.16; (ii) a dividend yield of 0.0%; (iii) a risk-free rate of 4.19%; and (iv) expected volatility of 85%. As of , the significant assumptions utilized in estimating the fair value of the earn-out liabilities include: (i) Intuitive Machines stock price of $2.56; (ii) a dividend yield of 0.0%; (iii) a risk-free rate of 3.84%; and (iv) expected volatility of 105%.

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 for the year ended December 31, 2023. For the year ended December 31, 2024, there were no vestings of Earn Out Units. See Note 17 for information related to subsequent earn out events.

**Warrant Liabilities**

*Initial Warrants*

Pursuant to the Warrant Exercise Agreement on January 10, 2024 (as further described in Note 9 and discussed below), the terms of the Initial Warrants were modified, and the Initial Series B Warrant was exercised in full and converted to equity. The pre-modification fair value of the Initial Warrant liabilities was estimated using a Black-Scholes-Merton model. The significant assumptions utilized in estimating the pre-modification fair value of the Series A Warrant liabilities include: (i) a per share price of the Class A Common Stock of $2.83; (ii) a dividend yield of 0.0%; (iii) a risk-free rate of 3.99%; and (iv) expected volatility of 104%. The significant assumptions utilized in estimating the pre-modification fair value of the

Series B Warrant liabilities include: (i) a per share price of the Class A Common Stock of $2.83; (ii) a dividend yield of 0.0%; (iii) a risk-free rate of 4.75%; and (iv) expected volatility of 85%.

During February 2024, the investor also fully exercised and converted to equity the Initial Series A Warrant. Refer to Note 9 for more information on the warrant exercises.

*New Warrants*

Pursuant to the Warrant Exercise Agreement on January 10, 2024 as described further in Note 9, the fair values of the New Series A Warrant and the New Series B Warrant liabilities were estimated at $10.8 million and $5.7 million, respectively, utilizing the Black-Scholes-Merton model. The significant assumptions utilized in estimating the fair value of the New Series A Warrant liabilities include: (i) a per share price of the Class A Common Stock of $2.83; (ii) a dividend yield of 0.0%; (iii) a risk-free rate of 4.00%; and (iv) expected volatility of 105%. The significant assumptions utilized in estimating the fair value of the New Series B Warrant liabilities include: (i) a per share price of the Class A Common Stock of $2.83; (ii) a dividend yield of 0.0%; (iii) a risk-free rate of 4.55%; and (iv) expected volatility of 83%.

During February 2024, the investor fully exercised and converted to equity the New Warrants. Refer to Note 9 for more information on the warrant exercises.

*Conversion Warrants*

Pursuant to the Letter Agreement and the issuance of warrants on January 29, 2024 as described further in Notes 6 and 9, the fair values of the Conversion Series A Warrant and the Conversion Series B Warrant liabilities were estimated at $10.0 million and $5.1 million, respectively, utilizing the 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 $3.05; (ii) a dividend yield of 0.0%; (iii) a risk-free rate of 3.97%; and (iv) expected volatility of 102%. The significant assumptions utilized in estimating the fair value of the Conversion Series B Warrant liabilities include: (i) a per share price of the Class A Common Stock of $3.05; (ii) a dividend yield of 0.0%; (iii) a risk-free rate of 4.53%; and (iv) expected volatility of 76%.

The fair value of the Conversion Series A Warrant liabilities as of December 31, 2024 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 $18.16; (ii) a dividend yield of 0.0%; (iii) a risk-free rate of 4.33%; and (iv) expected volatility of 93%.

During June 2024 and November 2024, the investor fully exercised and converted to equity the Conversion Series B Warrants. Refer to Note 9 for more information on the warrant exercises.

**SAFE Agreements**

Prior to the Business Combination described in Note 1, the fair value of the SAFE Agreements under the equity financing scenario were estimated using a Monte Carlo simulation approach. The fair value of the SAFE Agreements under the liquidity event and dissolution event scenarios were estimated based on the present value of the purchase amount.

The unobservable inputs used in the fair value measurement of the Company's SAFE Agreements are the probabilities of future scenarios, volatility, discount rate and risk-free rate.

As of December 31, 2022, the probability of an equity financing was 0%, the probability of a liquidity event was 95% and the probability of a dissolution event was 5%. The value under the liquidity event and dissolution event scenarios is based on the present value of the purchase amount. The present value factors are estimated based on a 16.4% discount rate based on venture capital rates of return for December 31, 2022. The periods in which the scenarios are expected to occur for the liquidity event and dissolution events are 0.25 year and 1 year, respectively, as of December 31, 2022.

In conjunction with the closing of the Business Combination on February 13, 2023 (as further discussed in Note 1), the SAFE Agreements liability was eliminated and converted into shares of our Class A Common Stock. The fair value of the SAFE Agreements was estimated at $20.7 million using the 2,066,667 shares of Class A Common Stock issued to the SAFE investors at the Closing Date at the issuance price of $10.00 per share.

## NOTE 12 - NET INCOME (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 year ended December 31, 2024, and the period from February 13, 2023, or the Closing Date, to December 31, 2023 December 31, 2024 by the weighted-average number of shares of Class A common stock outstanding for the same periods.

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

| | Year Ended December 31, | |
|---|---|---|
| | 2024 | 2023 |
| **Numerator** | | |
| Net income (loss) (post Business Combination) | $ (346,922) | $ 16,621 |
| Less: Net loss attributable to redeemable noncontrolling interest | (67,004) | (45,141) |
| Less: Net income attributable to noncontrolling interest | 3,495 | — |
| Net income (loss) attributable to the Company | (283,413) | 61,762 |
| Less: Cumulative preferred dividends | (896) | (2,343) |
| Net income (loss) attributable to the Company | $ (284,309) | $ 59,419 |
| **Denominator** | | |
| Basic weighted-average shares of Class A common stock outstanding | 61,410,250 | 17,648,050 |
| RSUs and Options | — | 1,112,364 |
| Series A Preferred Stock | — | 3,719,506 |
| Warrants | — | 3,084,393 |
| Diluted weighted-average shares of Class A common stock outstanding | 61,410,250 | 25,564,313 |
| | | |
| Net income (loss) per share of Class A common stock - basic | $ (4.63) | $ 3.37 |
| Net income (loss) per share of Class A common stock - diluted | $ (4.63) | $ 2.42 |

The following table presents potentially dilutive securities, as of the end of the periods, excluded from the computation of diluted net income (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.

| | Year Ended December 31, | |
|---|---|---|
| | 2024 | 2023 |
| RSUs and PSUs[1] | 3,307,039 | 1,832,918 |
| Options[1][4] | 989,423 | 261,432 |
| Series A Preferred Stock[2] | 1,893,830 | — |
| Warrants (*publicly issued*), Initial Warrants, Conversion Warrants, and Series A Preferred Warrants [1][4] | 26,787,265 | 32,048,682 |
| Earn Out Units[3] | 7,500,000 | 7,500,000 |

(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.

(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.

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

(4) Options and warrants with exercises prices greater than the average market price of our Class A common stock are excluded from the computation of diluted net income (loss) per share because they are out-of-the-money. The out-of-the-money instruments included in the table above were as follows: options of — and 261,432 for the year ended December 31, 2024 and 2023, respectively, and warrants of 22,636,485 and 32,048,682 for the year ended December 31, 2024 and 2023, respectively.

See Note 17 - Subsequent Events for additional information related to changes to our capital structure during the first quarter of 2025 resulting from 15,358,229 of Class A Common Stock issued for Warrants exercised, redemption of 6,571,724 outstanding Warrants, 941,080 repurchase of our Class A Common Stock, and 7,500,000 of Class C Common Stock issued in connection with vested Earn Out Units.

## 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 December 31, 2024, the aggregate amount accrued was approximately $2.1 million. The amounts accrued as of December 31, 2023 for legal matters were not material. 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. As of December 31, 2024, we had remaining purchase obligations under non-cancelable commitments with ten vendors totaling $97.1 million of which approximately $39.0 million due in 2025, $37.8 million due in 2026, and the remaining $20.3 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.

**Axiom Space, Inc.**

The Company recognized revenue from Axiom Space, Inc. ("Axiom") related to space infrastructure development activities of $50 thousand and $153 thousand for the years ended December 31, 2024 and 2023, respectively. As of December 31, 2024 and 2023, there were no affiliate accounts receivable related to Axiom. Kamal Ghaffarian, the Chairman of the Board and one of the co-founders of Intuitive Machines, is a co-founder, CEO, 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.

**IBX, LLC and PTX, LLC**

The Company incurred expenses with IBX, LLC and PTX, LLC ("IBX/PTX") of $54 thousand and $1.5 million for the years ended December 31, 2024 and 2023, respectively. As of December 31, 2024 and 2023, there was approximately zero million and $2.7 million, respectively, of affiliate accounts payable related to IBX/PTX expenses. IBX/PTX is an innovation and investment firm committed to advancing the state of humanity and human knowledge. We rely on 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. 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.

**KBR, Inc.**

On November 12, 2020, KBR, Inc. ("KBR"), a U.S.-based firm operating in the science, technology and engineering industries, made an initial investment in our operating subsidiary, Space Network Solutions ("SNS") resulting in a 10% ownership by KBR of Space Network Solutions as of the date of such investment. The Company recognized affiliate revenue from KBR related to engineering services of $2.1 million and $3.1 million for the years ended December 31, 2024 and 2023, respectively. As of December 31, 2024 and 2023, there were $0.4 million and $0.5 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 $34.9 million and $2.9 million for years ended December 31, 2024 and 2023, respectively. See Note 15 for more information on the OMES III contract with KBR.

Revenue 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 $0.7 million and $1.1 million for the years ended December 31, 2024 and 2023, respectively. As of December 31, 2024 and 2023, there was $0.1 million of affiliate accounts receivable related to ASES revenue. ASES is a joint venture between Aerodyne Industries, LLC and KBR. Kamal Ghaffarian, the Chairman of the Board and one of the co-founders of Intuitive Machines, is a current member of management at Aerodyne Industries, LLC. Revenue 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 $0.3 million for the year ended December 31, 2024 and incurred no expenses for the year ended December 31, 2023. As of December 31, 2024 and 2023, 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, is the Executive Chairman of X-Energy Reactor Company, LLC, which is the parent company of X-Energy.

**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.

*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.

Provided below is the summarized financial information for our consolidated VIEs (in thousands).

| Balance Sheet | SNS | | IX, LLC | |
|---|---|---|---|---|
| | December 31, 2024 | December 31, 2023 | December 31, 2024 | December 31, 2023 |
| Cash and cash equivalents | $ 4,248 | $ 1,187 | $ — | $ — |
| Trade accounts receivable, net | 8,639 | 12,501 | 490 | — |
| Prepaid and other current assets | 26 | — | — | — |
| **Total current assets** | 12,914 | 13,688 | 490 | — |
| | | | | |
| **Total assets** | $ 12,914 | $ 13,688 | $ 490 | $ — |
| | | | | |
| Accounts payable and accrued expenses | $ 5,290 | $ 9,093 | $ — | $ — |
| Accounts payable - affiliated companies | 3,913 | 2,949 | 490 | — |
| **Total current liabilities** | 9,203 | 12,042 | 490 | — |
| | | | | |
| **Total liabilities** | $ 9,203 | $ 12,042 | $ 490 | $ — |

| Statements of Operations | SNS | | IX, LLC | |
|---|---|---|---|---|
| | Year Ended December 31, | | Year Ended December 31, | |
| | 2024 | 2023 | 2024 | 2023 |
| **Revenue** | $ 145,033 | $ 12,502 | $ 980 | $ 4,290 |
| **Operating expenses:** | | | | |
| Cost of revenue (excluding depreciation) | 138,349 | 11,997 | 980 | 4,290 |
| General and administrative expense (excluding depreciation) | 345 | 259 | — | — |
| **Total operating expenses** | 138,694 | 12,256 | 980 | 4,290 |
| | | | | |
| **Operating income** | 6,339 | 246 | — | — |
| | | | | |
| **Net income** | $ 6,339 | $ 246 | $ — | $ — |

## 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 not material for the years ended December 31, 2024 and 2023. Refer to Note 2 for information regarding our major customer 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 years ended December 31, 2024 and 2023 (in thousands):

| | Year Ended December 31, | |
|---|---|---|
| | 2024 | 2023 |
| Revenue | $ 228,000 | $ 79,551 |
| Less: | | |
| Cost of revenue (excluding depreciation)[1] | 225,231 | 103,993 |
| Depreciation | 1,859 | 1,376 |
| Impairment of property and equipment | 5,044 | 964 |
| General and administrative expense (excluding depreciation): | | |
| Sales and marketing expense[2] | 3,122 | 5,389 |
| Other general and administrative expense[3] | 50,140 | 28,948 |
| Total general and administrative expense (excluding depreciation) | 53,262 | 34,337 |
| Operating loss | (57,396) | (61,119) |
| Interest income (expense), net | 180 | (823) |
| Change in fair value of earn-out liabilities | (120,124) | 66,252 |
| Change in fair value of warrant liabilities | (77,651) | 15,435 |
| Change in fair value of SAFE Agreements | — | (2,353) |
| Loss on issuance of securities | (93,136) | (6,729) |
| Other income (expense), net | 1,242 | (483) |
| Income tax expense | (37) | (40) |
| **Net income (loss)** | (346,922) | 10,140 |

(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 $1.7 million and $4.4 million and research and development costs were $1.4 million and $1.0 million for the years ended December 31, 2024 and 2023, 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

*Warrant Redemption*

On February 4, 2025, the Company announced the redemption of all of its outstanding warrants (the Public Warrants and Private Warrants as defined in Note 9, collectively the "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. During the period from January 1, 2025 to March 6, 2025, 15,358,229 of the Warrants were exercised resulting in gross proceeds of $176.6 million. On the Redemption Date, a total of 6,571,724 Warrants remained unexercised as of 5:00 p.m. New York City time, and the Company redeemed those Warrants for an aggregate redemption price of $66 thousand. As such, the Warrants ceased trading on the Nasdaq and were delisted, with the suspension of trading effective before the market opened on March 6, 2025. In connection with the Warrant Redemption, 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.

*Earn Out Units*

On February 4, 2025, the Company issued an aggregate of 7,500,000 shares of Intuitive Machines' Class C Common Stock in connection with meeting the conditions of the following milestones, Triggering Events II-A and III (as defined in Note 2), resulting in the vesting of Earn Out Units of 5,000,000 and 2,500,000, respectively. Refer to Note 2 for additional information on the Earn Out Units.

*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 will 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%. 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 the date of this filing, the revolving credit facility remains unborrowed.

**Item 9. Changes in and Disagreement with Accountants on Accounting and Financial Disclosures**

None.

**Item 9A. Controls and Procedures**

***Evaluation of Disclosure Controls and Procedures***

We maintain "disclosure controls and procedures," as defined in Rules 13a-15(e) and 15d-15(e) under the Exchange Act that are designed to ensure that information required to be disclosed in the reports that we file or submit under the Exchange Act is (1) recorded, processed, summarized and reported within the time periods specified in the Securities and Exchange Commission's ("SEC") rules and forms and (2) accumulated and communicated to our management, including our principal executive and principal financial officer, as appropriate to allow timely decisions regarding required disclosure.

As required by paragraph (b) of Rules 13a-15 and 15d-15 under the Exchange Act, our management, with the participation of our principal executive officer and principal financial officer, evaluated the effectiveness of our disclosure controls and procedures as of the end of the period covered by this Annual Report on Form 10-K. Based upon such evaluation, our principal executive officer and principal financial officer have concluded that our disclosure controls and procedures were effective as of December 31, 2024.

***Management's Report on Internal Control Over Financial Reporting***

Our management is responsible for establishing and maintaining adequate internal control over financial reporting (as defined in Rule 13a-15(f) and 15d-15(f) under the Exchange Act). Our management, including our principal executive officer and our principal financial officer, assessed the effectiveness of our internal control over financial reporting using the criteria set forth by Internal Control—Integrated Framework (2013) issued by the Committee of Sponsoring Organizations of the Treadway Commission ("COSO").

Based on that assessment, our management concluded that our internal control over financial reporting was effective as of December 31, 2024.

***Limitations on the Effectiveness of Controls***

Management recognizes that any controls and procedures, no matter how well-designed and operated, can provide only reasonable assurance of achieving their objectives, and management necessarily applies its judgment in evaluating the benefits of possible controls and procedures relative to their costs. Because of these inherent limitations, our disclosure and internal controls may not prevent or detect all instances of fraud, misstatements or other control issues. In addition, projections of any evaluation of the effectiveness of disclosure or internal controls to future periods are subject to risks, including, among others, that controls may become inadequate because of changes in conditions or that the degree of compliance with policies or procedures may deteriorate.

***Changes in Internal Control over Financial Reporting***

We assessed, with the participation of our Chief Executive Officer and Chief Financial Officer, any change in our internal control over financial reporting as of the end of the fiscal quarter covered by this Annual Report on Form 10-K. There have been no changes in our internal control over financial reporting during the quarter ended December 31, 2024 covered by this Annual Report on Form 10-K that has materially affected, or is reasonably likely to materially affect, our internal control over financial reporting.

**Item 9B. Other Information**

*Securities Trading Plans*

During the three months ended December 31, 2024, 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 |
|---|---|---|---|---|
| Stephen Altemus | Chief Executive Officer, President and Director | December 18, 2024 | March 24, 2026 | the sale of up to 3,000,000 shares and contains pricing conditions that preclude or limit the sale of shares below predetermined minimum pricing |
| Peter McGrath | Chief Financial Officer and Senior Vice President | December 12, 2024 | December 10, 2025 | the sale of up to 134,668 shares and contains pricing conditions that preclude or limit the sale of shares below predetermined minimum pricing |
| Annachiara Jones | General Counsel and Corporate Secretary | December 13, 2024 | December 12, 2025 | the sale of up to 41,536 shares and contains pricing conditions that preclude or limit the sale of shares below predetermined minimum pricing |
| Kamal Ghaffarian | Chairman of the Board | December 18, 2024 | October 3, 2025 | the sale of up to 1,690,706 shares and contains pricing conditions that preclude or limit the sale of shares below predetermined minimum pricing |
| Michael Blitzer | Director | December 16, 2024 | March 24, 2026 | the sale of up to 500,000 shares and contains pricing conditions that preclude or limit the sale of shares below predetermined minimum pricing |

*Change of Control Agreements*

On March 21, 2025, all executive officers of the Company entered into Severance and Change of Control Agreements with the Company. The term of each agreement is two years. Following the initial term, the Agreements continue for successive one-year terms unless canceled by either the Company or the applicable executive officer within 30 days. The severance benefits amounts without a "change of control" under the Severance and Change of Control Agreements only apply to our named executive officers and our SVP of Space Services. Severance benefits (without a "change of control" as defined in the Severance and Change of Control Agreements ) for the executives other than the CEO is an amount equal to the sum of .75 times the executive's base salary and executive's target annual bonus. In addition, the executive will receive a prorated the target bonus in the year of termination. Additionally, the executive is entitled to (i) COBRA for three months; (ii) outplacement services for 12 months; (iii) pay out of vacation and (iv) the vesting of equity as follows: (a) all time based equity will vest; (b) performance based equity will vest at 50% at target and (c) vested options will have 90 days for exercise. The severance benefit provided under the CEO's executive severance agreement is the same as for other executives, except that the CEO is eligible to receive 1.5 times his base salary and target bonus. The severance benefits under the executive Severance and Change of Control Agreements are triggered upon the applicable executive's involuntary termination of employment by the Company without "cause" (as defined in the applicable executive Severance and Change of Control Agreements) at any time outside of the 24-month period following a "change of control" (as defined in the applicable executive Severance and Change of Control Agreements).

If a "change of control" is triggered during the applicable 24-month period change of control severance benefits are applicable for all other executives other than the CEO in an amount equal to the sum of 1.5 times (NEOs and SVP Space Services) or 1.0 (other executives) the executive's base salary and executive's target annual bonus. In addition, the executive will receive a prorated the target bonus in the year of termination. Additionally, each executive is entitled to (i )COBRA for 18 months (NEOs and SVP Space Services) or 12 months (other executives); (ii) outplacement services for 12 months; (ii) pay out of vacation and (iv) the vesting of equity as follows: (a) all time based equity will vest; (b) performance based equity will vest at target and (c) vested options will have 90 days for exercise. The change of control severance benefit provided under the CEO's executive severance agreement is the same as for other executives, except that the CEO is eligible to receive 2.0 times his base salary and target bonus and COBRA for 24 months. The severance benefits under the executive Severance and Change of Control Agreements are triggered upon the applicable executive's

involuntary termination of employment by the Company without "cause" (as defined in the applicable executive Severance and Change of Control Agreements) at any during the 24-month period following a "change of control".

The benefits described above are not payable in the event of the applicable executive's termination for cause or a resignation by the executive without "good reason" (as defined in the applicable executive Severance and Change of Control Agreements). In the case of death or disability, only the accrued payment amount (as defined in the applicable executive Severance and Change of Control Agreements).

**Item 9C. Disclosure Regarding Foreign Jurisdictions that Prevent Inspections**

Not applicable.

# PART III

## Item 10. Directors, Executive Officers and Corporate Governance

We have adopted a code of business conduct and ethics that applies to our CEO, CFO and CAO as well as other officers, directors and employees of the Company. The code of business conduct and ethics, is available on-line at investors.intuitivemachines.com in the tab "Corporate Governance— Governance Documents "We intend to post any amendments to the code of business conduct and ethics that apply to our officers and directors, and any required disclosure of waivers from the code of business conduct and ethics, to the "Corporate Governance— Governance Documents" tab at investors.intuitivemachines.com.

We have adopted an Insider Trading Policy governing the purchase, sale and other disposition of Company securities by directors, officers, employees, contractors and consultants providing services to the Company, that we believe is reasonably designed to promote compliance with insider trading laws, rules and regulations and NASDAQ listing standards. The foregoing summary of the Insider Trading Policy does not purport to be complete and is qualified in its entirety by reference to the full text of the Insider Trading Policy filed as Exhibit 19.1 to this Annual Report.

All other information required by this item is incorporated herein by reference to our Proxy Statement for our 2025 Annual Meeting of Stockholders, to be filed with the SEC not later than 120 days after the close of our fiscal year ended December 31, 2024.

## Item 11. Executive Compensation

The information required by this item is incorporated herein by reference to our Proxy Statement for our 2025 Annual Meeting of Stockholders, to be filed with the SEC not later than 120 days after the close of our fiscal year ended December 31, 2024.

## Item 12. Security Ownership of Certain Beneficial Owners and Management and Related Shareholder Matters

The information required by this item is incorporated herein by reference to our Proxy Statement for our 2025 Annual Meeting of Stockholders, to be filed with the SEC not later than 120 days after the close of our fiscal year ended December 31, 2024.

## Item 13. Certain Relationships and Related Transactions and Director Independence

The information required by this item is incorporated herein by reference to our Proxy Statement for our 2025 Annual Meeting of Stockholders, to be filed with the SEC not later than 120 days after the close of our fiscal year ended December 31, 2024.

## Item 14. Principal Accountant Fees and Services

The information required by this item is incorporated herein by reference to our Proxy Statement for our 2025 Annual Meeting of Stockholders, to be filed with the SEC not later than 120 days after the close of our fiscal year ended December 31, 2024.

## PART IV

### Item 15. Exhibits and Financial Statement Schedules

(a) The following documents are filed as part of this report or incorporated by reference:

1. The index for the consolidated financial statements of Intuitive Machines is listed on page 52 of this Annual Report. The report of Intuitive Machines, Inc.'s independent registered accounting firm (PCAOB ID: 248) with respect to the above referenced financial statements are included in Item 8 and Item 9A of this Form 10-K. Their consent appears as Exhibit 23.1 of this Form 10-K.

2. The exhibits of Intuitive Machines are listed below under Item 15(b); all exhibits are incorporated herein by reference to a prior filing as indicated, unless noted as filed or furnished with this Annual Report.

| | | Incorporated by Reference | | | |
|---|---|---|---|---|---|
| Exhibit Number | Description of Exhibit | Form | File No. | Exhibit | Filing Date |
| 2.1 | Business Combination Agreement, dated as of September 16, 2022, by and between Inflection Point Acquisition Corp. and Intuitive Machines, LLC | S-4/A | 333-267846 | 4.5 | January 20, 2023 |
| 3.1 | Certificate of Incorporation of Intuitive Machines, Inc. | 8-K | 001-40823 | 3.1 | February 14, 2023 |
| 3.2 | By-Laws of Intuitive Machines, Inc. | 8-K | 001-40823 | 3.2 | February 14, 2023 |
| 3.3 | Certificate of Designation relating to the 10.0% Series A Cumulative Convertible Preferred Stock | 8-K | 001-40823 | 3.3 | February 14, 2023 |
| 4.1 | Warrant Agreement | 8-K | 001-40823 | 4.1 | September 24, 2021 |
| 4.2 | Specimen Class A Common Stock Certificate of Intuitive Machines, Inc. | S-4/A | 333-267846 | 4.5 | January 20, 2023 |
| 4.3 | Specimen Warrant Certificate of Intuitive Machines, Inc. | S-4/A | 333-267846 | 4.6 | January 20, 2023 |
| 4.4 | Form of Series A Common Stock Purchase Warrant, dated as of September 5, 2023 | 8-K | 001-40823 | 4.1 | September 6, 2023 |
| 4.5 | Form of Series B Common Stock Purchase Warrant, dated as of September 5, 2023 | 8-K | 001-40823 | 4.2 | September 6, 2023 |
| 4.6 | Form of Series A Common Stock Purchase Warrant, dated as of January 10, 2024 | 8-K | 001-40823 | 4.1 | January 11, 2024 |
| 4.7 | Form of Series B Common Stock Purchase Warrant, dated as of January 10, 2024 | 8-K | 001-40823 | 4.2 | January 11, 2024 |
| 4.8 | Form of Series A Common Stock Purchase Warrant, dated as of January 29, 2024 | 8-K | 001-40823 | 4.3 | January 30, 2024 |
| 4.9 | Form of Series B Common Stock Purchase Warrant, dated as of January 29, 2024 | 8-K | 001-40823 | 4.4 | January 30, 2024 |
| 4.10 | Description of Capital Stock | | | | |
| 10.1+ | Intuitive Machines, Inc. 2023 Long Term Omnibus Incentive Plan | S-8 | 001-40823 | 99.1 | May 9, 2023 |
| 10.2 | Tax Receivable Agreement, dated February 13, 2023, by and among Intuitive Machines, Inc., Intuitive Machines, LLC, the TRA Parties and other persons from time to time party thereto | 8-K | 001-40823 | 10.1 | February 14, 2023 |
| 10.3 | Second A&R Operating Agreement of Intuitive Machines, LLC, dated February 13, 2023 | 8-K | 001-40823 | 10.2 | February 14, 2023 |
| 10.4+ | Intuitive Machines, Inc. 2023 Long Term Omnibus Incentive Plan | 8-K | 001-40823 | 10.7 | February 14, 2023 |
| 10.5+ | Form of Director Restricted Stock Unit Award Agreement | 8-K | 001-40823 | 10.2 | June 23, 2023 |
| 10.6+ | Form Restricted Stock Unit Award Agreement (under Intuitive Machines, Inc. 2023 Long Term Omnibus Incentive Plan) | 8-K | 001-40823 | 10.8 | February 14, 2023 |
| 10.7+ | Amended and Restated Non-Employee Director Compensation Program | 10-Q | 001-40823 | 10.1 | May 14, 2024 |
| 10.85+ | Severance and Change of Control Agreement for Executives | | | | |

| Exhibit Number | Description of Exhibit | Incorporated by Reference | | | |
|---|---|---|---|---|---|
| | | Form | File No. | Exhibit | Filing Date |
| 10.86+ | Severance and Change of Control Agreement for Other Executives | | | | |
| 10.9 | Securities Purchase Agreement, dated as of August 30, 2023, by and among Intuitive Machines, Inc. and the Purchaser named therein | 8-K | 001-40823 | 10.1 | September 6, 2023 |
| 10.10 | Registration Rights Agreement, dated as of August 30, 2023, by and among Intuitive Machines, Inc. and the Purchaser named therein | 8-K | 001-40823 | 10.2 | September 6, 2023 |
| 10.11 | Subscription Agreement, dated as of September 6, 2023, by and among Intuitive Machines, Inc. and Ghaffarian Enterprises, LLC | 8-K | 001-40823 | 10.3 | September 6, 2023 |
| 10.12 | Subscription Agreement, dated as of September 6, 2023, by and among Intuitive Machines, Inc. and Ghaffarian Enterprises, LLC | 8-K | 001-40823 | 10.4 | September 6, 2023 |
| 10.13+ | Non-Employee Director Deferral Plan | 10-K | 001-40823 | 10.13 | March 25, 2024 |
| 10.14 | Form of Warrant Exercise Agreement, dated January 10, 2024, by and between Intuitive Machines, Inc. and the Investor | 8-K | 001-40823 | 10.1 | January 11, 2024 |
| 10.15 | Credit Agreement, dated as of January 10, 2024, by and between Intuitive Machines, LLC and Pershing LLC | 8-K | 001-40823 | 10.1 | January 16, 2024 |
| 10.16 | Letter Agreement, dated as of January 28, 2024, by and among Intuitive Machines, Inc., Intuitive Machines, LLC and Ghaffarian Enterprises, LLC | 8-K | 001-40823 | 10.1 | January 30, 2024 |
| 10.17 | Loan and Security Agreement, dated March 4, 2025 | 8-K | 001-40823 | 10.1 | March 10, 2025 |
| 19.1 | Insider Trading Policy | | | | |
| 21.1* | List of Subsidiaries | | | | |
| 23.1 | Consent of Independent Registered Public Accounting Firm | | | | |
| 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 | | | | |
| 97.1 | Policy for Recovery of Erroneously Awarded Compensation | 8-K | 001-40823 | 10.17 | March 5, 2025 |
| 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 | | | | |

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* Filed herewith.

** Furnished.

\+ Indicates management contract or compensatory plan.

**Item 16. Form 10-K Summary**

None.

## SIGNATURES

Pursuant to the requirements of Section 13 or 15(d) 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: March 25, 2025

By: /s/ Peter McGrath
**Peter McGrath**
**Chief Financial Officer and Senior Vice President**
*(Principal Financial Officer)*

Date: March 25, 2025

/s/ Steven Vontur
**Steven Vontur**
**Chief Accounting Officer and Controller**
*(Principal Accounting Officer)*

Pursuant to the requirements of the Securities Exchange Act of 1934, this Report has been signed below by the following persons on behalf of the Registrant in the capacities and on the dates indicated.

| Name | Title | Date |
|---|---|---|
| /s/ Stephen Altemus<br>**Stephen Altemus** | Chief Executive Officer, President and Director<br>*(Principal Executive Officer)* | March 25, 2025 |
| /s/ Peter McGrath<br>**Peter McGrath** | Chief Financial Officer and Senior Vice President<br>*(Principal Financial Officer)* | March 25, 2025 |
| /s/ Steven Vontur<br>**Steven Vontur** | Chief Accounting Officer and Controller<br>*(Principal Accounting Officer)* | March 25, 2025 |
| /s/ Dr. Kamal Ghaffarian<br>**Dr. Kamal Ghaffarian** | Chairman of the Board of Directors | March 25, 2025 |
| /s/ Michael Blitzer<br>**Michael Blitzer** | Director | March 25, 2025 |
| /s/ William Liquori<br>**William Liquori** | Director | March 25, 2025 |
| /s/ Robert Masson<br>**Robert Masson** | Director | March 25, 2025 |
| /s/ Nicole Seligman<br>**Nicole Seligman** | Director | March 25, 2025 |

# Corporate Information

### Corporate Headquarters
13467 Columbia Shuttle Street
Houston, Texas 77059

### Corporate Website
www.intuitivemachines.com

### Investor Relations Office
13467 Columbia Shuttle Street
Houston, Texas 77059

Stephen Zhang, Investor Relations
investors@intuitivemachines.com
1 (281) 520-3703

### Notice of Annual Meeting
The 2025 Annual Meeting of Shareholders will be held virtually on June 5, 2025, 9:00 a.m. Central Time.

### Stock Exchange Listing
The Nasdaq Stock Market LLC

### Common Stock Symbol
LUNR

### Stock Transfer Agent
Continental Stock Transfer & Trust Company
1 State Street, 30th Floor
New York, New York 10004

### Annual Report on Form 10-K
Additional copies of the Intuitive Machines 2024 Annual Report may be obtained by contacting Investor Relations at 13467 Columbia Shuttle Street, Houston, Texas 77059.

Stephen Zhang, Investor Relations
investors@intuitivemachines.com
1 (281) 520-3703