

REFINITIV

DELTA REPORT

10-Q

VVX - V2X, INC.

10-Q - MARCH 29, 2024 COMPARED TO 10-Q - SEPTEMBER 29, 2023

The following comparison report has been automatically generated

TOTAL DELTAS 1647

■ CHANGES	268
■ DELETIONS	480
■ ADDITIONS	899

UNITED STATES SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

Form 10-Q

(Mark One)

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

For the quarterly period ended **September 29, 2023** **March 29, 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: 001-36341

V2X, Inc.

(Exact name of registrant as specified in its charter)

Indiana

38-3924636

(State or other jurisdiction of incorporation or organization)

(I.R.S. Employer Identification No.)

7901 Jones Branch Drive, Suite 700, McLean Virginia 22102

(Address of Principal Executive Offices) (Zip Code)

Registrant's telephone number, including area code:

(571) 481-2000

Securities Registered Under Section 12(b) of the Act:

Title of each class	Trading symbol(s)	Name of each exchange on which registered
Common Stock, Par Value \$0.01 Per Share	VVX	New York Stock Exchange

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

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

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

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

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

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act). Yes

No

V2X, INC.

QUARTERLY REPORT ON FORM 10-Q

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PART I. FINANCIAL INFORMATION

ITEM 1. FINANCIAL STATEMENTS

V2X, INC.
CONDENSED CONSOLIDATED STATEMENTS OF LOSS INCOME (LOSS) (UNAUDITED)

		Three Months Ended		Nine Months Ended	
		September 29,	September 30,	September 29,	September 30,
		Three Months Ended			
		Three Months Ended			
		Three Months Ended			
		March 29,			
		March 29,			
		March 29,			
(In thousands, except per share data)					
(In thousands, except per share data)					
(In thousands, except per share data)	(In thousands, except per share data)	2023	2022	2023	2022
Revenue	Revenue	\$ 1,001,507	\$ 958,156	\$ 2,922,819	\$ 1,912,693
Revenue					
Revenue					
Cost of revenue	Cost of revenue	930,828	861,073	2,685,910	1,733,654
Cost of revenue					
Cost of revenue					
Selling, general, and administrative expenses					
Selling, general, and administrative expenses					
Selling, general, and administrative expenses	Selling, general, and administrative expenses	49,640	92,596	151,021	154,295
Operating income	Operating income	21,039	4,487	85,888	24,744
Operating income					
Operating income					
Loss on extinguishment of debt					
Loss on extinguishment of debt					
Loss on extinguishment of debt	Loss on extinguishment of debt	—	—	(22,052)	—
Interest expense, net	Interest expense, net	(30,252)	(27,265)	(93,946)	(30,908)
Interest expense, net					
Interest expense, net					
Other expense, net	Other expense, net	(2,024)	—	(2,335)	—
Loss from operations before income taxes		(11,237)	(22,778)	(32,445)	(6,164)
Other expense, net					
Other expense, net					
Income (loss) from operations before income taxes					
Income (loss) from operations before income taxes					

Income (loss) from operations before income taxes									
Income tax benefit	Income tax benefit		(4,837)		(5,739)		(10,364)	(2,453)	
Net loss		\$	(6,400)	\$	(17,039)	\$	(22,081)	\$	(3,711)
Income tax benefit									
Income tax benefit									
Net income (loss)									
Net income (loss)									
Net income (loss)									
Loss per share									
Earnings (loss) per share									
Earnings (loss) per share									
Earnings (loss) per share									
Basic									
Basic									
Basic	Basic	\$	(0.21)	\$	(0.57)	\$	(0.71)	\$	(0.21)
Diluted	Diluted	\$	(0.21)	\$	(0.57)	\$	(0.71)	\$	(0.21)
Diluted									
Diluted									
Weighted average common shares outstanding - basic									
Weighted average common shares outstanding - basic									
Weighted average common shares outstanding - basic	Weighted average common shares outstanding - basic		31,179		29,830		31,048		17,806
Weighted average common shares outstanding - diluted	Weighted average common shares outstanding - diluted		31,179		29,830		31,048		17,806
Weighted average common shares outstanding - diluted									
Weighted average common shares outstanding - diluted									
Weighted average common shares outstanding - diluted									

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

V2X, INC.	
CONDENSED CONSOLIDATED STATEMENTS OF COMPREHENSIVE LOSS INCOME (LOSS) (UNAUDITED)	
Three Months Ended	
Three Months Ended	
Three Months Ended	
March 29,	
March 29,	
March 29,	
(in thousands)	
(in thousands)	
(in thousands)	
Net income (loss)	
Net income (loss)	
Net income (loss)	
Other comprehensive income (loss), net of tax	

Nine Months Ended					
Three Months Ended					
		September 29, 2023		September 30, 2022	
(in thousands)					
Net loss		\$	(6,400)	\$	(17,039)
Other comprehensive income (loss), net of tax					
Changes in derivative instruments:					
Net change in fair value of interest rate swaps					
Net change in fair value of interest rate swaps					
Net change in fair value of interest rate swaps					
Tax benefit					
Net loss		\$	(6,400)	\$	(17,039)
Other comprehensive income (loss), net of tax					
Changes in derivative instruments:					
Net change in fair value of interest rate swaps					
Net change in fair value of foreign currency forward contracts					
Tax (expense) benefit					
Tax benefit					
Tax benefit					
Net change in derivative instruments					
Net change in derivative instruments					
Net change in derivative instruments					
Net change in derivative instruments					
Net change in derivative instruments					
Foreign currency translation adjustments, net of tax					
Foreign currency translation adjustments, net of tax					
Foreign currency translation adjustments, net of tax					
Foreign currency translation adjustments, net of tax					
Other comprehensive income (loss), net of tax					
Total comprehensive loss		\$	(6,313)	\$	(19,175)
Other comprehensive income (loss), net of tax					
Other comprehensive income (loss), net of tax					
Total comprehensive income (loss)					
Total comprehensive income (loss)					
Total comprehensive income (loss)					

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

V2X, INC.

CONDENSED CONSOLIDATED BALANCE SHEETS (UNAUDITED)

	September 29,	December 31,		
	March 29,	March 29,	March 29,	December 31,
	(In thousands, except per share data)	(In thousands, except per share data)	(In thousands, except per share data)	2023
Assets	Assets			
Current assets	Current assets			
Current assets				
Current assets				
Cash, cash equivalents and restricted cash				
Cash, cash equivalents and restricted cash				
Cash, cash equivalents and restricted cash				
Cash, cash equivalents and restricted cash				
Cash, cash equivalents and restricted cash				
Cash, cash equivalents and restricted cash				
Receivables	Receivables	715,381	728,582	
Prepaid expenses		80,816	74,234	
Other current assets		19,623	13,049	
Receivables				
Receivables				
Prepaid expenses and other current assets				
Prepaid expenses and other current assets				
Prepaid expenses and other current assets				
Total current assets	Total current assets	894,079	931,932	
Property, plant, and equipment, net				
Property, plant, and equipment, net				
Property, plant, and equipment, net				
Goodwill	Goodwill	1,656,965	1,653,822	
Intangible assets, net	Intangible assets, net	430,133	497,951	
Right-of-use assets	Right-of-use assets	43,072	52,825	
Other non-current assets	Other non-current assets	19,343	17,858	
Total non-current assets	Total non-current assets	2,232,416	2,301,171	
Total Assets	Total Assets	\$3,126,495	\$3,233,103	

Liabilities and Shareholders' Equity		Liabilities and Shareholders' Equity	
Current liabilities	Current liabilities		
Current liabilities	Current liabilities		
Accounts payable	Accounts payable	\$ 437,563	\$ 406,706
Compensation and other employee benefits	Compensation and other employee benefits	139,401	168,038
Compensation and other employee benefits	Compensation and other employee benefits		
Short-term debt	Short-term debt		
Short-term debt	Short-term debt	15,500	11,850
Other accrued liabilities	Other accrued liabilities	237,890	196,538
Total current liabilities	Total current liabilities	830,354	783,132
Long-term debt, net			
Long-term debt, net			
Long-term debt, net	Long-term debt, net	1,153,082	1,262,811
Deferred tax liabilities	Deferred tax liabilities	9,090	15,813
Operating lease liabilities	Operating lease liabilities	35,113	41,083
Other non-current liabilities	Other non-current liabilities	109,765	133,185
Total non-current liabilities	Total non-current liabilities	1,307,050	1,452,892
Total liabilities	Total liabilities	2,137,404	2,236,024
Commitments and contingencies (Note 8)			
Commitments and contingencies (Note 7)		Commitments and contingencies (Note 7)	
Shareholders' Equity	Shareholders' Equity		

Preferred stock; \$0.01 par value; 10,000,000 shares authorized; No shares issued and outstanding	Preferred stock; \$0.01 par value; 10,000,000 shares authorized; No shares issued and outstanding	—	—
Common stock; \$0.01 par value; 100,000,000 shares authorized; 31,186,590 and 30,470,475 shares issued and outstanding as of September 29, 2023 and December 31, 2022, respectively	312	305	
Preferred stock; \$0.01 par value; 10,000,000 shares authorized; No shares issued and outstanding			
Preferred stock; \$0.01 par value; 10,000,000 shares authorized; No shares issued and outstanding			
Common stock; \$0.01 par value; 100,000,000 shares authorized; 31,452,806 and 31,191,628 shares issued and outstanding as of March 29, 2024 and December 31, 2023, respectively			
Additional paid in capital	Additional paid in capital	756,781	748,877
Retained earnings	Retained earnings	231,343	253,424
Accumulated other comprehensive income (loss)		655	(5,527)
Accumulated other comprehensive loss			
Total shareholders' equity	Total shareholders' equity	989,091	997,079
Total Liabilities and Shareholders' Equity	Total Liabilities and Shareholders' Equity	<u>\$3,126,495</u>	<u>\$3,233,103</u>

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

V2X, INC.

CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS (UNAUDITED)

		Three Months Ended
		Three Months Ended
		Three Months Ended
	March 29,	
	March 29,	
	March 29,	
(in thousands)		
(in thousands)		
(in thousands)		
Operating activities		
Operating activities		
Operating activities		
Net income (loss)		
Net income (loss)		
Net income (loss)		
Adjustments to reconcile net income (loss) to net cash used in operating activities:		
Adjustments to reconcile net income (loss) to net cash used in operating activities:		
Adjustments to reconcile net income (loss) to net cash used in operating activities:		
Depreciation expense		
Amortization of intangible assets		
Amortization of intangible assets		
Amortization of intangible assets		
Loss on disposal of property, plant, and equipment		
Loss on disposal of property, plant, and equipment		
Loss on disposal of property, plant, and equipment		
Stock-based compensation		
Stock-based compensation		
Stock-based compensation		
Deferred taxes		
Deferred taxes		
Deferred taxes		
Amortization of debt issuance costs		
Amortization of debt issuance costs		
Amortization of debt issuance costs		
Loss on extinguishment of debt		
Loss on extinguishment of debt		
Loss on extinguishment of debt		
Changes in assets and liabilities:		
Changes in assets and liabilities:		
Changes in assets and liabilities:		
Receivables		
Receivables		
Receivables		
Other assets		
Other assets		
Other assets		
Accounts payable		
Accounts payable		
Accounts payable		
Compensation and other employee benefits		
Compensation and other employee benefits		

Compensation and other employee benefits				
Other liabilities				
Other liabilities				
Other liabilities				
Net cash used in operating activities				
Net cash used in operating activities				
Net cash used in operating activities				
Investing activities				
Investing activities				
Investing activities				
Purchases of capital assets				
Purchases of capital assets				
Purchases of capital assets				
Proceeds from the disposition of assets				
Proceeds from the disposition of assets				
Proceeds from the disposition of assets				
Acquisitions of businesses				
Acquisitions of businesses				
Acquisitions of businesses				
				Nine Months Ended
Net cash used in investing activities				September 29, 2023
				September 30, 2022
(In thousands)				
Operating activities				
Net loss	\$	(22,081)	\$	(3,711)
Adjustments to reconcile net loss to net cash provided by operating activities:				
Depreciation expense		16,532		8,663
Amortization of intangible assets		67,818		28,597
Loss on disposal of property, plant, and equipment		625		59
Stock-based compensation		26,809		18,800
Amortization of debt issuance costs		6,875		3,903
Loss on extinguishment of debt		22,052		—
Changes in assets and liabilities:				
Receivables		9,647		(10,635)
Prepaid expenses		(5,067)		(4,142)
Other assets		13,196		215
Accounts payable		28,094		52,444
Deferred taxes		(9,887)		—
Compensation and other employee benefits		(28,620)		22,038
Other liabilities		9,182		(24,672)
Net cash provided by operating activities		135,175		91,559
Investing activities				
Purchases of capital assets		(16,559)		(8,231)
Proceeds from the disposition of assets		16		20
Acquisition of business, net of cash acquired		—		194,431
Distribution from joint venture		834		—
Net cash (used in) provided by investing activities		(15,709)		186,220
Net cash used in investing activities				
Net cash used in investing activities				
Financing activities				

Financing activities			
Financing activities	Financing activities		
Proceeds from issuance of long-term debt	Proceeds from issuance of long-term debt	250,000	—
Proceeds from issuance of long-term debt			
Proceeds from issuance of long-term debt			
Repayments of long-term debt	Repayments of long-term debt	(428,763)	(58,363)
Proceeds from revolver	Proceeds from revolver	719,750	392,000
Proceeds from revolver	Proceeds from revolver		
Repayments of revolver	Repayments of revolver	(669,750)	(495,000)
Proceeds from exercise of stock options		7	370
Repayments of revolver	Repayments of revolver		
Repayments of revolver	Repayments of revolver		
Proceeds from stock awards and stock options	Proceeds from stock awards and stock options		
Proceeds from stock awards and stock options	Proceeds from stock awards and stock options		
Payment of debt issuance costs	Payment of debt issuance costs	(7,507)	(2,324)
Payment of debt issuance costs	Payment of debt issuance costs		
Prepayment premium on early redemption of debt	Prepayment premium on early redemption of debt		
Prepayment premium on early redemption of debt	Prepayment premium on early redemption of debt		
Prepayment premium on early redemption of debt	Prepayment premium on early redemption of debt	(1,600)	—
Payments of employee withholding taxes on share-based compensation	Payments of employee withholding taxes on share-based compensation	(17,871)	(1,934)
Net cash used in financing activities		(155,734)	(165,251)
Payments of employee withholding taxes on share-based compensation	Payments of employee withholding taxes on share-based compensation		
Payments of employee withholding taxes on share-based compensation	Payments of employee withholding taxes on share-based compensation		
Net cash provided by (used in) financing activities			
Net cash provided by (used in) financing activities			
Net cash provided by (used in) financing activities			
Exchange rate effect on cash			
Exchange rate effect on cash			
Exchange rate effect on cash	Exchange rate effect on cash		
Net change in cash, cash equivalents and restricted cash	Net change in cash, cash equivalents and restricted cash	(1,540)	(3,668)
Net change in cash, cash equivalents and restricted cash	Net change in cash, cash equivalents and restricted cash	(37,808)	108,860
Cash and cash equivalents - beginning of period		116,067	38,513
Net change in cash, cash equivalents and restricted cash	Net change in cash, cash equivalents and restricted cash		

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

V2X, INC.

CONDENSED CONSOLIDATED STATEMENTS OF CHANGES TO SHAREHOLDERS' EQUITY (UNAUDITED)

(In thousands)	Common Stock Issued			Accumulated Other Comprehensive (Loss) Income			Total Shareholders' Equity	
	Shares	Amount	Additional Paid-in Capital	Retained Earnings				
Balance at December 31, 2021	11,738	\$ 117	\$ 88,116	\$ 267,754	\$ (5,900)	\$ 350,087		
Net income	—	—	—	2,855	—	—		2,855
Foreign currency translation adjustments	—	—	—	—	—	(616)		(616)
Unrealized gain on cash flow hedge	—	—	—	—	—	374		374
Employee stock awards and stock options	67	1	—	—	—	—		1
Taxes withheld on stock compensation awards	—	—	(1,626)	—	—	—		(1,626)
Stock-based compensation	—	—	3,100	—	—	—		3,100
Balance at April 1, 2022	11,805	\$ 118	\$ 89,590	\$ 270,609	\$ (6,142)	\$ 354,175		
Net income	—	—	—	10,472	—	—		10,472
Foreign currency translation adjustments	—	—	—	—	—	(3,637)		(3,637)
Unrealized gain on cash flow hedge	—	—	—	—	—	594		594
Employee stock awards and stock options	41	—	369	—	—	—		369

Taxes withheld on restricted stock unit compensation awards	—	—	(70)	—	—	(70)
Stock-based compensation	—	—	1,575	—	—	1,575
Balance at July 1, 2022	11,846	\$ 118	\$ 91,464	\$ 281,081	\$ (9,185)	\$ 363,478
Net income	—	—	—	(17,039)	—	(17,039)
Foreign currency translation adjustments	—	—	—	—	(2,136)	(2,136)
Employee stock awards and stock options	22	—	—	—	—	—
Issuance of common stock in connection with a business combination	18,592	187	630,449	—	—	630,636
Taxes withheld on restricted stock unit compensation awards	—	—	(237)	—	—	(237)
Stock-based compensation	—	—	13,681	—	—	13,681
Balance at September 30, 2022	30,460	\$ 305	\$ 735,357	\$ 264,042	\$ (11,321)	\$ 988,383

(in thousands)	Common Stock Issued			Retained Earnings	Accumulated Other Comprehensive (Loss) Income	Total Shareholders' Equity
	Shares	Amount	Additional Paid-in Capital			
Balance at December 31, 2022	30,470	\$ 305	\$ 748,877	\$ 253,424	\$ (5,527)	\$ 997,079
Net loss	—	—	—	(17,480)	—	(17,480)
Foreign currency translation adjustments	—	—	—	—	1,806	1,806
Unrealized loss on cash flow hedge	—	—	—	—	(2,199)	(2,199)
Employee stock awards and stock options	535	5	—	—	—	5
Taxes withheld on stock compensation awards	—	—	(12,806)	—	—	(12,806)
Stock-based compensation	—	—	12,066	—	—	12,066
Balance at March 31, 2023	31,005	\$ 310	\$ 748,137	\$ 235,944	\$ (5,920)	\$ 978,471

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

V2X, INC.

CONDENSED CONSOLIDATED STATEMENTS OF CHANGES TO SHAREHOLDERS' EQUITY (UNAUDITED)

(in thousands)	Common Stock Issued			Accumulated			Common Stock Issued	Additional Paid-in Capital	Accumulated Other Comprehensive (Loss) Income	Total Shareholders' Equity
	Common Stock Issued	Additional Paid-in Capital	Retained Earnings	Other Comprehensive (Loss) Income	Total Shareholders' Equity					
	(in thousands)	Shares	Amount	Additional Paid-in Capital	Retained Earnings	(in thousands)	Shares	Amount	Additional Paid-in Capital	Retained Earnings
Balance at December 31, 2022	30,470	\$ 305	\$ 253,424	\$ 748,877	\$ 253,424	\$ (17,480)	30,470	\$ 305	\$ 253,424	\$ 997,079
Net loss	—	—	—	(17,480)	—	(17,480)	—	—	—	—
Foreign currency translation adjustments	—	—	—	—	1,806	1,806	—	—	—	—
Unrealized loss on cash flow hedge	—	—	—	—	(2,199)	(2,199)	—	—	—	—
Employee stock awards and stock options	535	5	—	—	—	5	—	—	—	—
Taxes withheld on stock compensation awards	—	—	(12,806)	—	—	(12,806)	—	—	—	—
Stock-based compensation	—	—	12,066	—	—	12,066	—	—	—	—
Balance at March 31, 2023	31,005	\$ 310	\$ 748,137	\$ 235,944	\$ (5,920)	\$ 978,471	31,005	\$ 310	\$ 235,944	\$ (5,920)

Balance at December 31, 2023						
Balance at December 31, 2023						
Balance at December 31, 2023						
Net income	Net income	—	—	—	1,799	—
Foreign currency translation adjustments	Foreign currency translation adjustments	—	—	—	—	274
Unrealized gain on cash flow hedge	Unrealized gain on cash flow hedge	—	—	—	—	6,214
Employee stock awards and stock options	Employee stock awards and stock options	76	1	—	—	—
Taxes withheld on restricted stock unit compensation awards	Taxes withheld on restricted stock unit compensation awards	—	—	(1,812)	—	—
Stock-based compensation	Stock-based compensation	—	—	7,771	—	—
Balance at June 30, 2023	31,081	\$ 311	\$754,096	\$237,743	\$ 568	\$ 992,718
Net loss	Net loss	—	—	—	(6,400)	—
Foreign currency translation adjustments	Foreign currency translation adjustments	—	—	—	—	(2,176)
Unrealized loss on cash flow hedge	Unrealized loss on cash flow hedge	—	—	—	—	2,263
Employee stock awards and stock options	Employee stock awards and stock options	106	1	—	—	—
Taxes withheld on stock compensation awards	Taxes withheld on stock compensation awards	—	—	(3,254)	—	—
Stock-based compensation	Stock-based compensation	—	—	5,939	—	—
Balance at September 29, 2023	31,187	\$ 312	\$756,781	\$231,343	\$ 655	\$ 989,091
Balance at March 29, 2024						

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

NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (UNAUDITED)

NOTE 1

DESCRIPTION OF BUSINESS AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Business

V2X, Inc., an Indiana Corporation, formerly known as Vectrus, Inc. (Vectrus), is a leading provider of critical mission solutions and support to defense clients globally. The Company operates as one segment and delivers a comprehensive suite of integrated solutions and critical service offerings across the operations and logistics, aerospace, training and technology markets to national security, defense, civilian and international clients.

On March 7, 2022, Vectrus entered into an Agreement and Plan of Merger (the Merger Agreement) with Vertex Aerospace Services Holding Corp., a Delaware corporation (Vertex), Andor Merger Sub Inc., a Delaware corporation (Merger Sub Inc.) and Andor Merger Sub LLC, a Delaware limited liability company (Merger Sub LLC). On July 5, 2022 (the Closing Date), Vectrus completed its merger (Merger) thereby forming V2X, Inc. For a description of the Merger, see Note 3, *Merger*.

Unless the context otherwise requires or unless stated otherwise, references in these notes to "V2X", "we," "us," "our," "combined company", "the Company" and "our Company" refer to V2X, Inc. and all of its consolidated subsidiaries, (including, subsequent to the Merger, Vertex and its consolidated subsidiaries), taken together as a whole.

Equity Investments

In 2011, the Company entered into a joint venture agreement with Shaw Environmental & Infrastructure, Inc., which is now APTIM Federal Services LLC. Pursuant to the joint venture agreement, High Desert Support Services, LLC (HDSS) was established to pursue and perform work on the Ft. Irwin Installation Support Services Contract, which was awarded to HDSS in October 2012. In 2018, the Company entered into a joint venture agreement with J&J Maintenance. Pursuant to the joint venture agreement, J&J Facilities Support, LLC (J&J) was established to pursue and perform work on various U.S. government contracts. In 2020, the Company entered into a joint venture agreement with Kuwait Resources House for Human Resources Management and Services Company. Pursuant to the joint venture agreement, ServCore Resources and Services Solutions, LLC (ServCore) was established to operate and manage labor and life support services outside of the continental United States at designated locations serviced by V2X and others around the world.

The Company accounts for its investments in HDSS, J&J, and ServCore under the equity method and has the ability to exercise significant influence but does not hold a controlling interest. The Company's proportionate 25%, 50%, and 40% shares, respectively, of income or losses from HDSS, J&J, and ServCore are recorded in selling, general and administrative expenses in the Condensed Consolidated Statements of Loss, Income (Loss). The Company's investment in these joint ventures is recorded in other non-current assets in the Condensed Consolidated Balance Sheets.

When cash distributions are received by the Company from its equity method investments, the cash distribution is compared to cumulative earnings and cumulative cash distributions. Cash distributions received are recorded as a return on investment in operating cash flows within the Condensed Consolidated Statements of Cash Flows to the extent cumulative cash distributions are less than cumulative earnings. Any cash distributions in excess of cumulative earnings are recorded as a return of investment in investing cash flows within the Condensed Consolidated Statements of Cash Flows. As of September 29, 2023 March 29, 2024 and December 31, 2022 December 31, 2023, the Company's joint venture combined investment balance was \$4.4 million \$4.8 million and \$7.0 million \$5.4 million, respectively. The Company's proportionate share of income (loss) from the HDSS, J&J, equity method investments was \$2.6 million and ServCore joint ventures was a loss of \$1.5 million and income of \$2.3 million \$1.8 million for the three and nine months ended September 29, 2023 March 29, 2024 and, respectively, and not material and \$1.4 million for the three and nine months ended September 30, 2022 March 31, 2023, respectively.

Basis of Presentation

The Company's quarterly financial periods end on the Friday closest to the last day of the calendar quarter (September (March 29, 2023) 2024 for the third first quarter of 2023 2024 and September 30, 2022 March 31, 2023 for the third first quarter of 2022 2023), except for the last quarter of the fiscal year, which ends on December 31. For ease of presentation, the quarterly financial statements included herein are described as three months ended.

The unaudited interim Condensed Consolidated Financial Statements of V2X have been prepared pursuant to the rules and regulations of the U.S. Securities and Exchange Commission (SEC). Accordingly, certain information and note disclosures normally included in annual financial statements prepared in accordance with generally accepted accounting principles (GAAP) in the U.S. (GAAP) have been omitted. These unaudited interim Condensed Consolidated Financial Statements should be read in conjunction with the audited Consolidated Financial Statements and notes thereto included in the Company's Annual Report on Form 10-K for the year ended December 31, 2022 December 31, 2023.

It is management's opinion that these financial statements include all normal and recurring adjustments necessary for a fair presentation of the Company's financial position and operating results. Revenue and net income for any interim period are not necessarily indicative of future or annual results.

Certain prior year amounts have been reclassified to conform to the current year presentation. These reclassifications had no material impact on the results of operations, financial position, or changes in shareholders' equity.

Restricted Cash

As of September 29, 2023 March 29, 2024, the Company had total cash, cash equivalents, and restricted cash of \$78.3 million \$35.7 million which included \$2.0 million \$2.1 million of restricted cash. The Company's restricted cash was not material \$2.0 million as of December 31, 2022 December 31, 2023.

Related Party Transactions

During the three months ended March 29, 2024 and March 31, 2023, the Company recorded income of \$0.5 million and \$0.7 million, respectively, related to a Transition Services Agreement with Crestview Aerospace LLC (Crestview). The income was recorded as a reduction in cost of sales. Crestview is a subsidiary of American Industrial Partners Capital Fund VI, L.P. (AIP), an affiliate of the majority shareholder of the Company.

NOTE 2

RECENT ACCOUNTING STANDARDS UPDATE

There have been no accounting standards in November 2023, the Financial Accounting Standards Board (FASB) issued or adopted during Accounting Standards Update (ASU) No. 2023-07, Segment Reporting (Topic 280), to improve reportable segment disclosure requirements, primarily through enhanced disclosures about significant segment expenses. Amongst other amendments, the first three quarters standard requires annual and interim disclosures of 2023 significant segment expenses that are expected regularly provided to have the chief operating decision maker (CODM), and interim disclosures about a material reportable segment's profit or loss and assets that are currently required annually. This standard does not change how an entity identifies its operating segments, aggregates those operating segments, or applies the quantitative thresholds to determine its reportable segments. The standard is effective for fiscal years beginning after December 15, 2023, and interim periods within fiscal years beginning after December 15, 2024. Early adoption is permitted. The Company is currently evaluating the impact of adoption of this standard on its consolidated financial statements.

In December 2023, the Company's FASB issued ASU No. 2023-09 Income Taxes (Topic 740) to improve income tax disclosures primarily related to the rate reconciliation and income taxes paid information. The amendments in this ASU are effective for fiscal years beginning after December 15, 2024. Early adoption is permitted. The Company is currently evaluating the impact of adoption of this standard on its consolidated financial statements.

NOTE 3

MERGER

In accordance with Accounting Standards Codification (ASC) Topic 805, *Business Combinations*, the Company accounted for the below transaction using the acquisition method. The Company conducted valuations of certain acquired assets and liabilities for inclusion in its Condensed Consolidated Balance Sheets as of the date of the Merger. Assets that normally would not be recorded in ordinary operations, such as intangibles related to contractual relationships, were recorded at their estimated fair values. The excess purchase price over the estimated fair value of the net assets acquired was recorded as goodwill.

On the Closing Date, Vectrus completed its previously announced Merger with Vertex, forming V2X by acquiring all the outstanding shares of Vertex. On the Closing Date, Vertex and its consolidated subsidiaries became wholly-owned subsidiaries of the Company.

The combined V2X entity from the Merger is a larger and more diversified Company with the ability to compete for more integrated business opportunities and generate revenue across geographies, clients, and contract types in supporting the mission of its customers.

Purchase Price Allocation

The Merger is accounted for as a business combination. As such, the assets acquired and liabilities assumed are accounted for at fair value, with the excess of the purchase price over the fair value of the net identifiable assets acquired and liabilities assumed recorded as goodwill.

The Closing Date fair value of the consideration transferred totaled \$634.0 million, which was comprised of the following:

(In thousands, except share and per share amounts)	Purchase Price
Shares of V2X common stock issued	\$ 18,591,866
Market price per share of V2X as of Closing Date	\$ 33.92
Fair value of common shares issued	\$ 630,636
Fair value of cash consideration	\$ 3,315
Total consideration transferred	\$ 633,951

The following table summarizes the final fair values of the assets acquired and liabilities assumed in the Merger as of the Closing Date. As of June 30, 2023, the Company considered these amounts to be final.

(In thousands)	Fair Value
Cash and cash equivalents	\$ 196,993
Receivables	\$ 331,300
Prepaid expenses	\$ 50,838
Property, plant, and equipment	\$ 55,678
Intangible assets	\$ 480,000
Other non-current assets	\$ 17,104
Right-of-use assets	\$ 21,062
Accounts payable	\$ (121,515)
Debt	\$ (1,352,303)
Compensation and other employee benefits	\$ (45,968)
Other current and non-current liabilities	\$ (334,469)
Total identifiable net assets	\$ (701,280)
Goodwill	\$ 1,335,231
Total purchase consideration	\$ 633,951

As a result of the Merger, the Company recognized \$1,335.2 million of goodwill. The goodwill recognized is attributable to operational and general and administrative cost synergies, expanded market opportunities and other benefits that do not qualify for separate recognition. None of the goodwill is expected to be deductible for tax purposes. Intangible assets related to backlog and customer contracts arising from the Merger were also recognized. The fair value of backlog was \$316.0 million, and the fair value of the customer contracts was \$164.0 million with amortization periods of 4.5 years and 14.0 years, respectively. The receivables of \$331.3 million represent fair value and are considered fully collectible.

As part of the Merger, V2X acquired certain contracts, including a Transition Services Agreement (TSA) with Crestview Aerospace LLC (Crestview), which was previously divested to American Industrial Partners Capital Fund VI, L.P. (AIP). For the three and nine months ended September 29, 2023, the Company recorded \$0.7 million and \$2.1 million of income related to the TSA with Crestview, respectively, which was recorded as a reduction in cost of revenue. AIP indirectly held approximately 59.3% of V2X common stock through Vertex Aerospace Holdco LLC as of September 29, 2023.

The following unaudited information shows the combined actual results of operations for the three and nine months ended September 29, 2023 and pro forma results for the three and nine months ended September 30, 2022 as if the Merger had occurred on January 1, 2021. The unaudited pro forma information reflects the effects of applying the Company's accounting policies and certain pro forma adjustments to the combined historical financial information of Vertex. The pro forma adjustments include: a) incremental amortization expense associated with identified intangible assets; b) incremental interest expense resulting from fair value adjustments applied to the Vertex debt that was assumed; and c) a reduction of revenues and operating expenses associated with fair value adjustments made to acquire assets and assumed liabilities, such as contract assets and contract liabilities.

This unaudited pro forma information is presented for informational purposes only and may not necessarily reflect the actual results of operations that would have been achieved, nor are they necessarily indicative of future results of operations.

(Unaudited, in thousands)	Three Months Ended		Nine Months Ended	
	September 29, 2023	September 30, 2022	September 29, 2023	September 30, 2022
	Actual	Pro forma	Actual	Pro forma
Revenue	\$ 1,001,507	\$ 961,281	\$ 2,922,819	\$ 2,691,399
Net (loss) income	\$ (6,400)	\$ 9,576	\$ (22,081)	\$ 5,583

NOTE 4

REVENUE

Remaining Performance Obligations

Performance Remaining performance obligations represent firm orders by the customer and excludes potential orders under indefinite delivery and indefinite quantity (IDIQ) contracts, unexercised contract options and contracts awarded to us that are being protested by competitors with the U.S. Government Accountability Office (GAO) or in the U.S. Court of Federal Claims (COFC). The level of order activity related to programs can be affected by the timing of government funding authorizations and their project evaluation cycles. Year-over-year comparisons could, at times, be impacted by these factors, among others.

Contracts are often modified to account for changes in contract specifications and requirements. If the modification either creates new enforceable rights and obligations or changes the existing enforceable rights and obligations, the modification will be treated as a separate contract. Contract modifications, except for those to exercise option years, have historically not been distinct from the existing contract and have been accounted for as if they were part of that existing contract.

The Company's performance obligations are satisfied over time as services are provided throughout the contract term. Revenue is recognized over time using the input method (e.g., costs incurred to date relative to total estimated costs at completion) to measure progress. Over-time recognition is reinforced by the fact that the Company's customers simultaneously receive and consume the benefits of its services as they are performed. For most U.S. government contracts, this continuous transfer of control to the customer is supported by contract terms that allow the customer to unilaterally terminate the contract for convenience, pay us for costs incurred plus a reasonable profit and take control of any work in process. This continuous transfer of control requires that progress towards completion of performance obligations is tracked to measure and recognize revenue.

The Company's contracts are multi-year contracts and typically include an initial period of one year or less with annual one year (or less) option periods. The number of option periods varies by contract, and there is no guarantee that an option period will be exercised. The right to exercise an option period is at the sole discretion of the U.S. government when the Company is the prime contractor or of the prime contractor when the Company is a subcontractor. The Company expects to recognize a substantial portion of its performance obligations as revenue within the next 12 months. However, the U.S. government or the prime contractor may cancel any contract at any time through a termination for convenience or for cause. Substantially all the Company's contracts have terms that would permit recovery of all or a portion of the Company's incurred costs and fees for work performed in the event of a termination for convenience.

Performance Remaining performance obligations are presented in the following table:

(In millions)	September December		(In millions)
	29, 2023	31, 2022	
Performance Obligations	\$ 3,463	\$ 2,997	\$ 3,463
			December 31,

As of September 29, 2023 March 29, 2024, the Company expects to recognize approximately 10% 63% and 90% 37% of these remaining performance obligations as revenue in 2023 2024 and 2024, 2025, respectively.

Contract Estimates

The impact of adjustments in contract estimates on the Company's operating income can be reflected in either revenue or cost of revenue. Cumulative catch-up adjustments for the three and nine months ended September 29, 2023 increased operating income March 29, 2024 and March 31, 2023 were favorable by \$5.0 million \$0.5 million and \$27.2 million, respectively. For the three and nine months ended September 30, 2022, the adjustments decreased operating income by \$1.5 million and increased operating income by \$5.9 million \$13.1 million, respectively.

For the three and nine months ended September 29, 2023 March 29, 2024 and March 31, 2023, the cumulative catch-up net adjustments to operating income increased revenue by \$10.3 million \$3.4 million and \$33.8 million \$13.9 million, respectively. For the three and nine months ended September 30, 2022, the cumulative catch-up adjustments to operating income decreased revenue by \$1.7 million and increased revenue by \$6.1 million, respectively.

Revenue by Category

Generally, the sales price elements for the Company's contracts are cost-plus, cost-reimbursable, or firm-fixed-price and time-and-materials, all of which are commonly identified with a single contract. On a cost-plus contract, the Company is paid allowable incurred costs plus a profit, which can be fixed or variable depending on the contract's fee arrangement, up to funding levels predetermined by the Company's customers.

On cost-plus contracts, the Company does not bear the risks of unexpected cost overruns, provided that incurred costs do not exceed the predetermined funded amounts. Most of the Company's cost-plus contracts also contain a firm-fixed-price element. Cost-plus contracts with award and incentive fee provisions are primarily variable contract fee arrangements. Award fees provide for a fee based on actual performance relative to contractually specified performance criteria. Incentive fees are based on the relationship between total allowable and target cost.

Most of the Company's contracts include a cost-reimbursable element to capture costs of consumable materials required for the program. Typically, these costs do not bear fees.

On a time-and-materials contract, the Company is reimbursed for labor at fixed hourly rates and generally reimbursed separately for allowable materials, costs and expenses at cost. For this contract type, the Company bears the risk that labor costs and allocable indirect expenses are greater than the fixed hourly rate defined within the contract.

On a firm-fixed-price contract, the Company agrees to perform the contractual statement of work for a predetermined contract price. A firm-fixed-price contract typically offers higher profit margin potential than a cost-plus contract, which is commensurate with the greater levels of risk assumed on a firm-fixed-price contract. Although a firm-fixed-price contract generally permits retention of profits if the total actual contract costs are less than the estimated contract costs, the Company bears the risk that increased or unexpected costs may reduce profit or cause the Company to sustain losses on the contract. Although the overall scope of work required under the contract may not change, profit may be adjusted as experience is gained and as efficiencies are realized or costs are incurred.

On a time-and-materials contract, the Company is reimbursed for labor at fixed hourly rates and generally reimbursed separately for allowable materials, costs and expenses at cost. For this contract type, the Company bears the risk that labor costs and allocable indirect expenses are greater than the fixed hourly rate defined within the contract.

The following tables present various revenue disaggregations.

Revenue by contract type is as follows:

		Three Months Ended			Nine Months Ended		
		September 29,	September 30,	%	September 29,	September 30,	%
Three Months Ended							
Three Months Ended							
Three Months Ended							
March 29,							
March 29,							
March 29,							
(In thousands)							
(In thousands)							
(In thousands)	(In thousands)	2023	2022	Change	2023	2022	Change
Cost-plus and cost-reimbursable	Cost-plus and cost-reimbursable	\$ 570,402	\$ 505,743	12.8 %	\$ 1,589,619	\$ 1,172,397	35.6 %
Cost-plus and cost-reimbursable							
Cost-plus and cost-reimbursable							
Firm-fixed-price							
Firm-fixed-price							
Firm-fixed-price	Firm-fixed-price	402,219	416,618	(3.5) %	1,237,110	672,970	83.8 %
Time-and-materials	Time-and-materials	28,886	35,795	(19.3) %	96,090	67,326	42.7 %
Time-and-materials							
Time-and-materials							
Total revenue	Total revenue	\$ 1,001,507	\$ 958,156		\$ 2,922,819	\$ 1,912,693	
Total revenue							
Total revenue							

Revenue by geographic region in which the contract is performed is as follows:

		Three Months Ended			Nine Months Ended		
		September 29,	September 30,	%	September 29,	September 30,	%
Three Months Ended							
Three Months Ended							
Three Months Ended							

			Three Months Ended					
			Three Months Ended					
			Three Months Ended					
			March 29,					
			March 29,					
			March 29,					
(in thousands)								
(in thousands)								
(in thousands)	(in thousands)	2023	2022	Change		2023	2022	Change
United States	United States	\$ 571,405	\$ 582,817	(2.0) %		\$ 1,698,689	\$ 908,271	87.0 %
United States								
United States								
Middle East								
Middle East								
Middle East	Middle East	305,918	261,997	16.8 %		866,122	747,310	15.9 %
Asia	Asia	63,259	50,673	24.8 %		193,109	113,265	70.5 %
Asia								
Asia								
Europe								
Europe	Europe	60,925	62,669	(2.8) %		164,899	143,847	14.6 %
Total revenue	Total revenue	\$ 1,001,507	\$ 958,156			\$ 2,922,819	\$ 1,912,693	
Total revenue								
Total revenue								

Revenue by contract relationship is as follows:

			Three Months Ended				Nine Months Ended	
			September 29,	September 30,	%		September 29,	September 30,
			Three Months Ended					
			Three Months Ended					
			Three Months Ended					
			March 29,					
			March 29,					
			March 29,					
(in thousands)								
(in thousands)								
(in thousands)	(in thousands)	2023	2022	Change		2023	2022	Change
Prime contractor	Prime contractor	\$ 945,669	\$ 886,415	6.7 %		\$ 2,740,908	\$ 1,781,961	53.8 %
Prime contractor								
Prime contractor								
Subcontractor								
Subcontractor								
Subcontractor	Subcontractor	55,838	71,741	(22.2) %		181,911	130,732	39.1 %
Total revenue	Total revenue	\$ 1,001,507	\$ 958,156			\$ 2,922,819	\$ 1,912,693	
Total revenue								
Total revenue								

Revenue by customer is as follows:

		Three Months Ended			Nine Months Ended		
		September 29,	September 30,	%	September 29,	September 30,	%
		Three Months Ended					
		Three Months Ended					
		Three Months Ended					
		March 29,					
		March 29,					
		March 29,					
(In thousands)							
(In thousands)							
(In thousands)	(In thousands)	2023	2022	Change	2023	2022	Change
Army	Army	\$ 412,841	\$ 352,923	17.0 %	\$ 1,196,843	\$ 959,792	24.7 %
Army							
Army							
Navy							
Navy	Navy	311,088	270,071	15.2 %	896,976	410,173	118.7 %
Air Force	Air Force	134,728	165,085	(18.4) %	418,710	295,015	41.9 %
Air Force							
Air Force							
Other							
Other	Other	142,850	170,077	(16.0) %	410,290	247,713	65.6 %
Total revenue	Total revenue	\$ 1,001,507	\$ 958,156		\$ 2,922,819	\$ 1,912,693	
Total revenue							
Total revenue							

Contract Balances

The timing of revenue recognition, billings, and cash collections results in billed and unbilled accounts receivable (contract assets) and customer advances and deposits (contract liabilities) on the Condensed Consolidated Balance Sheets. Amounts are billed as work progresses in accordance with agreed-upon contractual terms at periodic intervals (e.g., biweekly or monthly). Generally, billing occurs subsequent to revenue recognition, resulting in contract assets. However, the Company may receive advances or deposits from its customers before revenue is recognized, resulting in contract liabilities. These advance billings and payments are not considered significant financing components because they are frequently intended to ensure that both parties are in conformance with the primary contract terms. These assets and liabilities are reported on the Condensed Consolidated Balance Sheets on a contract-by-contract basis at the end of each reporting period.

As of **September 29, 2023** and **December 31, 2022** **January 1, 2023**, the Company had contract assets of **\$570.9 million** **\$487.8 million**. As of **March 29, 2024** and **\$487.8 million** **December 31, 2023**, the Company had contract assets of **\$658.9 million** and **\$561.9 million**, respectively. Contract assets primarily consist of unbilled receivables which represent rights to consideration for work completed but not billed as of the reporting date. The balance of unbilled receivables consists of costs and fees that are: (i) billable immediately; (ii) billable on contract completion; or (iii) billable upon other specified events, such as the resolution of a request for equitable adjustment. Refer to Note **5.4**, **Receivables** for additional information regarding the composition of the Company's receivable balances. As of **September 29, 2023** **January 1, 2023**, the Company had contract liabilities of **\$76.4 million**. As of **March 29, 2024** and **December 31, 2022** **December 31, 2023**, contract liabilities, included in other accrued liabilities in the Condensed Consolidated Balance Sheets, were **\$62.0 million** **\$142.0 million** and **\$76.4 million** **\$109.6 million**, respectively.

NOTE 5.4

RECEIVABLES

Receivables were comprised of the following:

		September 29,	December 31,				
		March 29,					
		March 29,					
		March 29,					
		March 29,					
(In thousands)	(In thousands)	2023	2022	(In thousands)	2024	2023	December 31,
Billed receivables	Billed receivables	\$ 137,008	\$ 227,718				

Unbilled receivables	Unbilled receivables	
(contract assets)	(contract assets)	
Other	Other	
Total receivables	Total receivables	
		\$ 715,381
		\$ 728,582

As of **September 29, 2023** **March 29, 2024** and **December 31, 2022** **December 31, 2023**, substantially all billed receivables are due from the U.S. government, either directly as prime contractor to the U.S. government or as subcontractor to another prime contractor to the U.S. government. Because the Company's billed receivables are with the U.S. government, the Company does not believe it has a material credit risk exposure.

Unbilled receivables are contract assets that represent revenue recognized on long-term contracts in excess of amounts billed as of the balance sheet date. The Company expects to bill customers for most of the **September 29, 2023** **March 29, 2024** contract assets during **2023, 2024**. Changes in the balance of **unbilled receivables** are primarily due to the timing differences between performance and customers' payments.

NOTE 65

DEBT

Senior Secured Credit Facilities

In September 2014, Vectrus and its wholly-owned subsidiary, Vectrus Systems Corporation (VSC), entered into a senior secured credit agreement. The credit agreement was subsequently amended on December 24, 2020 and January 24, 2022 and is collectively referred to as the Prior Credit Agreement. The credit agreement consisted of a term loan (Amended Term Loan) and a \$270.0 million revolving credit facility (Amended Revolver).

On the Closing Date, the outstanding debt from the Amended Term Loan and the Amended Revolver, \$50.2 million and \$40.0 million, respectively, was repaid and related guarantees and liens were discharged and released. Repayment was made using proceeds from the Vertex First Lien Credit Agreement described below.

On the Closing Date, certain of the Company's subsidiaries, including VSC (and together with VSC, the Company Guarantor Subsidiaries), that became direct or indirect subsidiaries of Vertex Aerospace Service Corp., a Delaware corporation and wholly-owned indirect subsidiary of Vertex (Vertex Borrower), have provided guarantees of the indebtedness under each of:

- i. the First Lien Credit Agreement, dated as of December 6, 2021 (as amended by the Amendment No. 1 to First Lien Credit Agreement, dated as of the Closing Date, and as further amended, restated, amended and restated, supplemented and otherwise modified from time to time, the Vertex First Lien Credit Agreement), by and among Vertex Borrower, as borrower, Vertex Aerospace Intermediate LLC, a Delaware limited liability company, direct parent entity of Vertex Borrower and wholly-owned indirect subsidiary of Vertex (Vertex Holdings), the lenders from time to time party thereto and Royal Bank of Canada, as administrative agent;
- ii. the Second Lien Credit Agreement, dated as of December 6, 2021 (as amended, restated, amended and restated, supplemented and otherwise modified from time to time, the Vertex Second Lien Credit Agreement), Vertex Borrower, as borrower, Vertex Holdings, the lenders from time to time party thereto and Royal Bank of Canada, as administrative agent; and
- iii. the ABL Credit Agreement, dated as of June 29, 2018 (as amended by the First Amendment to ABL Credit Agreement, dated as of May 17, 2019, as further amended by the Second Amendment to ABL Credit Agreement, dated as of May 17, 2021, and as further amended by the Third Amendment to ABL Credit Agreement, dated as of December 6, 2021, as further amended by the Fourth Amendment to ABL Credit Agreement, dated as of the Closing Date, and as further amended, restated, amended and restated, supplemented and otherwise modified from time to time, the Vertex ABL Credit Agreement), by and among Vertex Borrower, Vertex Holdings, certain other subsidiaries of Vertex Borrower from time to time party thereto as co-borrowers, the lenders from time to time party thereto and Ally Bank, as administrative agent (in such capacity, the ABL Agent).

On February 28, 2023, Vertex Borrower entered into a credit agreement (the 2023 Credit Agreement) among the lenders identified therein and Bank of America, N.A., as administrative agent, collateral agent, swingline lender and letter of credit issuer. The 2023 Credit Agreement provides for \$750.0 million in senior secured financing, with a first lien on substantially all the Borrower's assets, consisting of a \$500.0 million five-year Revolving Credit Facility (2023 Revolver) and a five-year \$250.0 million Term Loan. The proceeds of these Credit Facilities were used to, among other things, (i) repay the First Lien Incremental Term Tranche (as defined below), (ii) repay the entire outstanding amount of the Second Lien Credit Agreement, and (iii) repay the entire outstanding ABL Credit Facility.

Vertex First Lien Credit Agreement

The Vertex First Lien Credit Agreement provides for senior secured first lien a tranche of term loans in an aggregate original principal amount of \$1,185.0 million, consisting of a \$925.0 million term loan "B" tranche, (the First Lien Initial Term Tranche) and a \$260.0 million incremental term loan "B" tranche (the First Lien Incremental Term Tranche and, together with the First Lien Initial Term Tranche, collectively, the First Lien Term Facility). \$911.1 million. The entire amount of the proceeds from the (i) First Lien Initial Term Tranche were previously used to finance the acquisition of certain subsidiaries of Raytheon Company, a Delaware corporation, and related transaction costs (the Sky Acquisition in December 2021). As provided in the Merger Agreement, the proceeds of the First Incremental Term Tranche were used by the Vertex Borrower to redeem all of the shares of previously issued preferred stock on the Closing Date (but prior to the Merger). The remaining First Lien Incremental Term Tranche proceeds were used to repay in full all outstanding indebtedness under the Prior Credit Agreement, and other transaction costs. Approximately \$54.0 million of cash remained after funding the preferred stock redemption, repayment of the Prior Credit Agreement and other transaction costs.

On February 28, 2023, the outstanding balance of the First Incremental Term Tranche of \$258.7 million was repaid. The balance of unamortized deferred financing costs related to the First Incremental Term Tranche of \$11.9 million was recorded as a loss on extinguishment of debt in the Condensed Consolidated Statements of (Loss) Income for the

three months ended March 31, 2023.

The remaining loans under the First Lien Term Facility (consisting solely of the Initial Term Loan Tranche) Credit Agreement amortize in an amount equal to approximately \$2.3 million per quarter for the fiscal quarters ending September 29, 2023, through September 30, 2028, with the balance of \$864.9 \$865.6 million due on December 6, 2028.

The Vertex Borrower's Aerospace Services LLC (Vertex Borrower) obligations under the First Lien Term Facility, which were assumed in the Merger, Credit Agreement are guaranteed by Vertex Holdings Intermediate LLC and Vertex Borrower's wholly-owned domestic subsidiaries (including the Company Guarantor Subsidiaries, collectively, (collectively, the Guarantors), subject to customary exceptions and limitations. The Vertex Borrower's obligations under the First Lien Term Facility Credit Agreement and the Guarantors' obligations under the related guarantees are secured by a first-lien first priority-lien on substantially all the Vertex Borrower's and the Guarantors' assets which exists on a *pari passu* basis with the lien held by the 2023 Credit Agreement lenders.

The borrowings under the First Lien Initial Term Tranche Credit Agreement bear interest at rates that, at the Vertex Borrower's option, can be either a base rate, determined by reference to the greater of (a) the federal funds rate plus 0.50%, (b) the prime lending rate, or (c) an adjusted Eurodollar Secured Overnight Financing Rate (SOFR) rate plus 1.00%, plus a margin of 2.50% to 2.75% 2.25% per annum, or a Eurodollar rate, determined by reference to SOFR, plus a margin of 3.50% to 3.75% 3.25% per annum, in each case, depending on the consolidated first lien net leverage ratio of the Vertex Borrower and its subsidiaries, annum. As of September 29, 2023 March 29, 2024, the effective interest rate for the First Lien Initial Term Tranche Credit Agreement was 9.69% 9.48%.

The Vertex First Lien Credit Agreement contains customary representations and warranties and affirmative covenants. The Vertex First Lien Credit Agreement also includes negative covenants that limit, among other things, additional indebtedness, additional liens, sales of assets, dividends, investments and advances, prepayments of debt and mergers and acquisitions.

The Vertex First Lien Credit Agreement contains customary events of default, including, but not limited to, payment defaults, breaches of representations and warranties, covenant defaults, events of bankruptcy and insolvency, failure of any guaranty or security document supporting the First Lien Term Facility Credit Agreement to be in full force and effect, and a change of control. If an event of default occurs and is continuing, the Vertex Borrower may be required immediately to repay all amounts outstanding under the Vertex First Lien Credit Agreement.

As of September 29, 2023 March 29, 2024, the carrying value of the First Lien Credit Agreement was \$911.1 million \$906.6 million, excluding deferred discount and unamortized deferred financing costs of \$37.2 million \$34.7 million. The estimated fair value of the First Lien Credit Agreement as of September 29, 2023 March 29, 2024 was \$910.0 million \$908.8 million. The fair value is based on observable inputs of interest rates that are currently available to us for debt with similar terms and maturities for non-public debt (Level 2).

Vertex Second Lien Credit Agreement

The Vertex Second Lien Credit Agreement provided for senior secured second lien term loans in an aggregate principal amount of \$185.0 million (the Second Lien Term Facility). The entire amount of the proceeds from the Second Lien Term Facility were previously used to finance the Sky Acquisition in December 2021. The Company voluntarily prepaid \$25.0 million of the Second Lien Term Facility on December 30, 2022 (the Voluntary Prepayment). On February 28, 2023, the remaining Second Lien Term Facility balance of \$160.0 million was repaid (the 2023 Payoff) and related guarantees and liens were discharged and released. The balance of unamortized deferred financing costs related to the Second Lien Term Facility of \$7.1 million was recorded as a loss on extinguishment of debt in the Condensed Consolidated Statements of (Loss) Income for the three months ended March 31, 2023.

Under the terms of the Vertex Second Lien Credit Agreement, the Vertex Borrower was required to remit a prepayment premium of \$1.6 million with the 2023 Payoff which was recorded as a loss on extinguishment of debt in the Condensed Consolidated Statements of (Loss) Income for the three months ended March 31, 2023.

Vertex ABL Credit Agreement

The Vertex ABL Credit Agreement provided for a senior secured revolving loan facility (the ABL Facility) of up to an aggregate amount of \$200.0 million (the loans thereunder, the ABL Loans). The Vertex ABL Credit Agreement also provided for (i) a \$30.0 million sublimit of availability for letters of credit, and (ii) a \$10.0 million sublimit for short-term borrowings on a swingline basis. On February 28, 2023, the outstanding ABL Facility borrowings of \$67.5 million were repaid and related guarantees and liens were discharged and released. The balance of unamortized deferred financing costs related to the Vertex ABL Credit Agreement of \$1.5 million was recorded as a loss on extinguishment of debt in the Condensed Consolidated Statements of (Loss) Income for the three months ended March 31, 2023.

2023 Credit Agreement

The 2023 Credit Agreement provides for \$750.0 million in senior secured financing, with a first lien on substantially all the Vertex Borrower's assets and consists of (a) the 2023 Revolver a \$500.0 million five-year revolving credit facility (2023 Revolver) (which includes (i) a \$50.0 million sublimit of availability for letters of credit, and (ii) a \$50.0 million sublimit for short-term borrowings on a swingline basis) and (b) a five-year \$250.0 million term loan (2023 Term Loan).

The 2023 Term Loan portion of the 2023 Credit Agreement amortizes at approximately \$1.6 million per quarter for the fiscal quarters ending June 30, 2023 through March 31, 2025, increasing to \$3.1 million per quarter for the fiscal quarters ending June 30, 2025 through December 31, 2027, with the balance of \$203.1 million due on February 28, 2028.

The Vertex Borrower's obligations under the 2023 Credit Agreement are guaranteed by the Guarantors, subject to customary exceptions and limitations. The Vertex Borrower's obligations under the 2023 Credit Agreement and the Guarantors' obligations under the related guarantees are secured by a first priority-lien on substantially all of the Vertex Borrower's and the Guarantors' assets (subject to customary exceptions and limitations) which exists on a *pari passu* basis with the lien held by the First Lien Credit Agreement lenders.

The borrowings under the 2023 Credit Agreement bear interest at rates that, at the Vertex Borrower's option, can be either a base rate, determined by reference to the greater of (a) the federal funds rate plus 0.50%, (b) the prime lending rate, or (c) an adjusted Eurodollar SOFR rate plus 1.00%, plus a margin of 1.00% to 2.25% per annum, or a Eurodollar rate, determined by reference to SOFR, plus a margin of 2.00% to 3.25% per annum, in each case, depending on the consolidated total net leverage ratio of the Vertex

Borrower and its subsidiaries. As of **September 29, 2023** **March 29, 2024**, the effective interest rates for the 2023 Revolver and Term Loan portion of the 2023 Credit Agreement were **8.18%** **9.14%** and **8.37%** **8.38%**, respectively.

Unutilized commitments under the 2023 Revolver are subject to a per annum fee ranging from 0.25% to 0.50% depending on the consolidated total net leverage ratio of the Vertex Borrower and its subsidiaries.

The Vertex Borrower is also required to pay a letter of credit fronting fee to each letter of credit issuer equal to 0.125% per annum of the amount available to be drawn under each such letter of credit (or such other amount as may be mutually agreed by the Vertex Borrowers and the applicable letter of credit issuer), as well as a fee to all lenders equal to the applicable margin to SOFR of **Revolving Credit** **revolving credit** loans times the average daily amount available to be drawn under all outstanding letters of credit.

The 2023 Credit Agreement contains customary representations and warranties, which must be accurate for the Vertex Borrower to borrow under the 2023 Credit Agreement, and affirmative covenants. The 2023 Credit Agreement also includes negative covenants that limit, among other things, additional indebtedness, transactions with affiliates, additional liens, sales of assets, dividends, investments and advances, prepayments of debt, mergers and acquisitions.

The 2023 Credit Agreement contains financial covenants requiring (a) the consolidated total net leverage ratio not to exceed 5.00 to 1.00 for the reporting periods ending on or after June 30, 2023, and on or prior to June 30, 2024, with further step downs thereafter, and (b) the consolidated interest coverage ratio be at least 2.00 to 1.00 commencing with the reporting period ending on June 30, 2023.

The 2023 Credit Agreement contains customary events of default, including, but not limited to, payment defaults, breaches of representations and warranties, covenant defaults, events of bankruptcy and insolvency, failure of any guaranty or security document supporting the 2023 Credit Agreement to be in full force and effect, and a change of control. If an event of default occurs and is continuing, the Borrowers may be required immediately to repay all amounts outstanding under the 2023 Credit Agreement.

As of **September 29, 2023** **March 29, 2024**, there were **\$50.0 million** **\$56.0 million** of outstanding borrowings and **\$15.9 million** **\$17.2 million** of outstanding letters of credit under the 2023 Revolver. Availability under the 2023 Revolver was **\$434.1 million** **\$426.8 million** as of **September 29, 2023** **March 29, 2024**. Unamortized deferred financing costs related to the 2023 Revolver of **\$4.4 million** **\$3.9 million** are included in other non-current assets in the Condensed Consolidated Balance Sheets. As of **September 29, 2023** **March 29, 2024**, the fair value of the 2023 Revolver approximated the carrying value because the debt bears a floating interest rate.

As of **September 29, 2023** **March 29, 2024**, the carrying value of the **2023 Term Loan** **portion of the 2023 Credit Agreement** was **\$246.9 million** **\$243.8 million**, excluding unamortized deferred financing costs of **\$2.2 million** **\$2.0 million**. The estimated fair value of the **2023 Term Loan** **portion of the 2023 Credit Agreement** as of **September 29, 2023** **March 29, 2024** was **\$246.9 million** **\$244.1 million**. The fair value is based on observable inputs of interest rates that are currently available to us for debt with similar terms and maturities for non-public debt (Level 2).

The aggregate scheduled maturities of the First Lien Credit Agreement and 2023 Credit Agreement as of **September 29, 2023** **March 29, 2024** are as follows:

(in thousands)	(in thousands)	Payments due
2023 (remainder of the year)		\$ 3,875
2024		15,500
(in thousands)		
2024 (remainder of the year)		
2024 (remainder of the year)		
2024 (remainder of the year)		
2025		
2025		
2025	2025	20,188
2026	2026	21,750
2026		
2026		
2027	2027	21,750
After 2027		1,124,937
2027		
2027		
2028		
2028		
2028		
Total	Total	\$ 1,208,000
Total		
Total		

As of **September 29, 2023** **March 29, 2024**, the Company was in compliance with all covenants related to the First Lien Credit Agreement and the 2023 Credit Agreement.

NOTE 76**DERIVATIVE INSTRUMENTS**

During the periods covered by this report, the Company has made no changes to its policies or strategies for the use of derivative instruments and there has been no change in related accounting methods. **Derivative For the Company's derivative instruments**, which are designated as cash flow hedges, gains and losses are initially reported as a component of accumulated other comprehensive income (loss) and subsequently recognized in earnings with the corresponding hedged item.

Interest Rate Derivative Instruments

The Company is exposed to the risk that the earnings and cash flows could be adversely impacted due to fluctuations in interest rates. To mitigate this risk, the Company entered into \$350.0 million of interest rate swap contracts during the first six months of 2023. **These As of March 29, 2024 and December 31, 2023, these contracts had a notional value values of \$346.9 million as of September 29, 2023, \$343.8 million and \$345.3 million, respectively.** These contracts are designated and qualify as effective cash flow hedges.

The following table summarizes the amount at fair value and location of the derivative instruments for interest rate hedges in the Condensed Consolidated Balance Sheets as of **September 29, 2023** **March 29, 2024**:

(in thousands)	Fair Value (level 2)	
	Balance sheet caption	Amount
Interest rate swap designated as cash flow hedge	Other Prepaid expenses and other current assets	\$5,240 4,095
Interest rate swap designated as cash flow hedge	Other non-current assets	\$4,241 1,201
Interest rate swap designated as cash flow hedge	Accumulated other comprehensive income	\$9,481 5,296

There were no interest rate swaps designated as cash flow hedges for the period ended December 31, 2022.

The Company regularly assesses the creditworthiness of the counterparty. As of **September 29, 2023** **March 29, 2024**, the counterparty to the interest rate swaps had performed in accordance with its contractual obligations. Both the counterparty credit risk and the Company's credit risk were considered in the fair value determination.

Net interest rate derivative gains of **\$1.4 million** **\$1.5 million** and **\$2.6 million** a nominal amount were recognized in interest expense, net, in the Condensed Consolidated Statements of **Loss** **Income (Loss)** during the three and nine months ended **September 29, 2023** **March 29, 2024** and **March 31, 2023**, respectively. **Net interest rate derivative losses of \$0.4 million were recognized in the Condensed Consolidated Statements of Loss during the first nine months of 2022.** The Company expects **\$5.6 million** **\$4.3 million** of existing interest rate swap gains reported in accumulated other comprehensive income as of **September 29, 2023** **March 29, 2024** to be recognized in earnings within the next 12 months.

NOTE 87**COMMITMENTS AND CONTINGENCIES****General**

From time to time, the Company is involved in various investigations, lawsuits, **arbitration, arbitrations**, claims, enforcement actions and other legal proceedings, including government investigations and claims, which are incidental to the operation of its business. Some of these proceedings seek remedies relating to employment matters, **matters relating to injuries to people or property damage**, matters in connection with the Company's contracts and matters arising under laws relating to the protection of the environment. Additionally, U.S. government customers periodically advise the Company of claims and penalties concerning certain potential disallowed costs. When such findings are presented, V2X and the U.S. government representatives engage in discussions to enable V2X to evaluate the merits of these claims as well as to assess the amounts being claimed.

Where appropriate, provisions are made to reflect probable losses related to the matters raised by U.S. government representatives. Such assessments, along with any assessments regarding provisions for other legal proceedings, are reviewed on a quarterly basis for sufficiency based on the latest information available to us.

The Company estimated and accrued **\$19.4 million** **\$12.4 million** and **\$27.6 million** **\$12.1 million** as of **September 29, 2023** **March 29, 2024** and **December 31, 2022** **December 31, 2023**, respectively, in other accrued liabilities in the Condensed Consolidated Balance Sheets for legal proceedings and for claims with respect to its U.S. government contracts as discussed below, including years where the U.S. government has not completed its incurred cost audits. Although the ultimate outcome of any legal matter or claim cannot be predicted with certainty, based on present information, including the assessment of the merits of a particular claim, the Company does not expect that any asserted or unasserted legal or contractual claims or proceedings, individually or in the aggregate, **including the lawsuit discussed below**, will have a material adverse effect on its cash flows, results of operations or financial condition.

U.S. Government Contracts, Investigations and Claims

The Company has U.S. government contracts that are funded incrementally on a year-to-year basis. Changes in government policies, priorities or funding levels through agency or program budget reductions by the U.S. Congress or executive agencies could have a material adverse effect on the Company's financial condition or results of operations. Furthermore, **the Company's** contracts with the U.S. government may be terminated or suspended by the U.S. government at any time, with or without cause. Such contract suspensions or terminations could result in non-reimbursable expenses or charges or otherwise adversely affecting the Company's financial condition and results of operations.

Departments and agencies of the U.S. government have the authority to investigate various transactions and operations of the Company, and the results of such investigations may lead to administrative, civil or criminal proceedings, the ultimate outcome of which could be fines, penalties, repayments or compensatory or treble damages. U.S. government regulations provide that certain findings against a contractor may lead to suspension or debarment from future U.S. government contracts or the loss of export privileges for a company or an operating division or subdivision. Suspension or debarment could have a material adverse effect on the Company because of its reliance on U.S. government contracts.

U.S. government agencies, including the Defense Contract Audit Agency, the Defense Contract Management Agency and others, routinely audit and review the Company's performance on government contracts, indirect rates and pricing practices, and compliance with applicable contracting and procurement laws, regulations and standards. Accordingly, costs billed or billable to U.S. government customers are subject to potential adjustment upon audit by such agencies. The U.S. government agencies also review the adequacy of compliance with government standards for business systems, including accounting, earned value management, estimating, materials management and accounting, purchasing, and property management systems. A finding by a U.S. government agency that the Company's business systems are not adequate could adversely affect the Company's financial condition and results of operations.

In the performance of its contracts, the Company routinely requests contract modifications that require additional funding from U.S. government customers. Most often, these requests are due to customer-directed changes in the scope of work. While the Company is entitled to recovery of these costs under its contracts, the administrative process with the U.S. government customer may be protracted. Based on the circumstances, the Company periodically files requests for equitable adjustments (REAs) that are sometimes converted into claims. In some cases, these requests are disputed by the U.S. government customer. The Company believes its outstanding modifications, REAs and other claims will be resolved without material adverse impact to its results of operations, financial condition or cash flows.

NOTE 98

STOCK-BASED COMPENSATION

The Company maintains an equity incentive plan, the 2014 Omnibus Incentive Plan, as amended and restated effective as of October 27, 2022 (the 2014 Omnibus Plan), to govern awards granted to V2X employees and directors, including nonqualified stock options (NQOs), restricted stock units (RSUs), total shareholder return (TSR) awards, performance share units (PSUs) and other awards. The Company accounts for NQOs, stock-settled RSUs and PSUs as equity-based compensation awards. TSR awards, described below, are accounted for as liability-based compensation awards. Liability-based awards are revalued at the end of each reporting period to reflect changes in fair value.

Stock-based compensation expense and the associated tax benefits impacting the Company's Condensed Consolidated Statements of **Loss** **Income** (**Loss**) were as follows:

(In thousands)	Three Months Ended		Nine Months Ended	
	September 29, 2023	September 30, 2022	September 29, 2023	September 30, 2022
	2023	2022	2023	2022
Compensation costs for equity-based awards	\$ 5,939	\$ 13,681	\$ 25,775	\$ 18,357
Compensation costs for liability-based awards	424	393	1,033	443
Total compensation costs, pre-tax	<u>\$ 6,363</u>	<u>\$ 14,074</u>	<u>\$ 26,808</u>	<u>\$ 18,800</u>
Future tax benefit	<u>\$ 1,688</u>	<u>\$ 3,029</u>	<u>\$ 7,112</u>	<u>\$ 4,046</u>

Compensation costs for equity-based awards for the nine months ended September 29, 2023, included \$13.3 million related to RSUs issued in connection with the Merger.

(In thousands)	Three Months Ended	
	March 29, 2024	March 31, 2023
	2024	2023
Compensation costs for equity-based awards	\$ 4,983	\$ 12,066
Compensation costs for liability-based awards	166	806
Total compensation costs, pre-tax	<u>\$ 5,149</u>	<u>\$ 12,872</u>
Future tax benefit	<u>\$ 1,065</u>	<u>\$ 2,971</u>

As of **September 29, 2023** **March 29, 2024**, total unrecognized compensation costs related to equity-based awards and liability-based awards were **\$22.1 million** **\$26.6 million** and **\$1.0 million** **\$0.5 million**, respectively, which are expected to be recognized ratably over a weighted average period of **1.57** **1.85** years and **1.17** **0.76** years, respectively. Total unrecognized compensation costs included \$7.8 million of expense related to RSUs granted in connection with the Merger.

The following table provides a summary of the activities for NQOs, RSUs and PSUs for the **nine** **three** months ended **September 29, 2023** **March 29, 2024**:

(In thousands, except per share data)	NQOs			RSUs			PSUs			(In thousands, except per share data)	
	NQOs			RSUs			PSUs				
	Shares	Weighted Average Exercise Price Per Share	Shares	Weighted Average Grant Date Fair Value Per Share	Shares	Weighted Average Grant Date Fair Value Per Share	Shares	Weighted Average Grant Date Fair Value Per Share	Shares		
Outstanding at January 1, 2023	42	\$ 22.86	1,628	\$ 35.47	—	\$ —	—	\$ —	—		
Outstanding at January 1, 2024	—	—	—	—	—	—	—	—	—		
Granted	—	\$ —	301	\$ 39.70	265	\$ 35.66	—	\$ —	—		
Exercised	(1)	\$ 20.62	—	\$ —	—	\$ —	—	\$ —	—		

Vested	Vested	—	\$	—	(1,128)	\$	43.02	—	\$	—
Forfeited	Forfeited	—	\$	—	(1,128)	\$	43.02	—	\$	—
or expired	or expired	—	\$	—	(9)	\$	42.35	(12)	\$	28.98
Outstanding at September 29, 2023										
41										
Forfeited or expired										
Forfeited or expired										
Outstanding										
at March 29, 2024										

Restricted Stock Units

On July 5, 2022, pursuant to the terms of the Merger Agreement, the Company issued an additional 1,346,089 RSUs, with a grant date fair value of \$33.92 per share, to certain employees of Vertex. The RSUs have been or will be settled in shares of the Company's common stock, with 517,918 RSUs vesting on the six-month anniversary following the grant date and a quarter of the remaining 828,171 RSUs vesting or having vested on each of four six-month anniversary dates following the grant date. The fair value of each RSU grant to employees and directors was determined based on the closing price of V2X common stock on the date of grant. Stock compensation expense will be recognized ratably over the vesting period of the awards.

RSUs awarded to employees **excluding the RSU awards awarded under the Merger Agreement, discussed above**, vest in one-third increments on each of the three anniversary dates following the grant date subject to continued employment. Director employment as described in the RSU award agreement. RSUs **issued to directors** are typically granted **on the date of an annual meeting of shareholders annually** and vest **on the business day immediately prior to the next annual meeting or the one-year anniversary of approximately one year after the grant date, if earlier.** The fair value of each RSU grant was determined based on the closing price of V2X common stock on the date of grant. Stock compensation expense will be recognized ratably over the requisite service period of the RSU awards.

As of **September 29, 2023** **March 29, 2024**, there was **\$16.8 million** **\$18.5 million** of unrecognized RSU related compensation expense.

Total Shareholder Return Awards

TSR awards are performance-based cash awards that are subject to a three-year performance period. Any payments earned are made in cash following completion of the performance period according to the achievement of specified performance goals. **As a result of the Merger and pursuant to the terms of the TSR awards, performance achievement fair value was measured at July 4, 2022 at \$4.6 million and the aggregate future award payouts were fixed at that value.** There were no cash-based TSR awards granted in the first or second quarters quarter of 2023.

2024. As of **September 29, 2023** **March 29, 2024**, there was **\$1.0 million** **\$0.5 million** of unrecognized TSR related compensation expense.

Performance Share Units

During the first **and second quarters** **quarter of 2023** **2024**, the Company granted **two types of** performance-based awards with market conditions. The **first award** **awards** will vest and the stock will be issued at the end of a three-year period based on the attainment of certain total shareholder return performance measures **relative as compared to Aerospace and Defense peer group companies, in the S&P 1500 Index** and the employee's continued service through the vesting date. The number of shares ultimately awarded, if any, can range up to 200% of the specified target awards. If performance is below the threshold level of performance, no shares will be issued.

The second award will vest and stock will be issued at the end of a three-year period based on achievement of certain stock price targets, shareholder return performance measures relative to certain Aerospace and Defense companies in the S&P 1500 Index and the employee's continued service through the vest date. The numbers of shares ultimately awarded, if any, can range up to the specified target awards.

As of **September 29, 2023** **March 29, 2024**, there was **\$5.3 million** **\$8.1 million** of unrecognized PSU related compensation expense.

NOTE 109

INCOME TAXES

Effective Tax Rate

Income tax expense during interim periods is based on an estimated annual effective income tax rate, plus discrete items that may occur in any given interim periods. The computation of the estimated effective income tax rate at each interim period requires certain estimates and judgment including, but not limited to, forecasted operating income for the year, projections of the income earned and taxed in various jurisdictions, newly enacted tax rate and legislative changes, permanent and temporary differences, and the likelihood of recovering deferred tax assets generated in the current year.

For the three months ended **September 29, 2023** **March 29, 2024** and **September 30, 2022** **March 31, 2023**, the Company recorded income tax benefits of **\$4.8 million** which were not material and **\$5.7 million**, respectively, representing respectively. The Company's effective income tax rates of **43.0%** and **25.2%**, respectively. For the **nine** three months ended **September 29, 2023** **March 29, 2024** and **September 30, 2022**, the Company recorded income tax benefits of **\$10.4 million** **March 31, 2023** were **(1.8)%** and **\$2.5 million**, respectively, representing effective income tax rates of **31.9%** and **39.8%** **24.7%**, respectively. The effective income tax rates vary from the federal statutory rate of 21.0% mainly due to state and foreign taxes, disallowed compensation deduction under Internal Revenue Code Section 162(m), offset by available deductions not reflected in book income and income tax credits.

Uncertain Tax Positions

As of **September 29, 2023** **March 29, 2024** and **December 31, 2022** **December 31, 2023**, unrecognized tax benefits from uncertain tax positions were **\$8.4 million** **\$6.6 million** and **\$8.6 million** **\$6.6 million**, respectively. The decrease in uncertain tax positions was principally the result of the release of a position for lapse of statute of limitation.

NOTE 11.10**(LOSS) EARNINGS PER SHARE**

Basic earnings per share (EPS) is computed by dividing net income, or loss, by the weighted average number of common shares outstanding for the period. Diluted EPS reflects potential dilution that could occur if securities to issue common stock were exercised or converted into common stock. Diluted EPS includes the dilutive effect of stock-based compensation outstanding after application of the treasury stock method.

		Three Months Ended		Three Months Ended		Three Months Ended	
		March 29,		March 29,		March 29,	
(In thousands, except per share data)							
(In thousands, except per share data)							
(In thousands, except per share data)							
Net income (loss)							
Net income (loss)							
Net income (loss)							
		Three Months Ended		Three Months Ended		Nine Months Ended	
Weighted average common shares outstanding		September 29, 2023		September 30, 2022		September 29, 2023	
(In thousands, except per share data)		\$ (6,400)		\$ (17,039)		\$ (22,081)	
Net loss		\$ (6,400)		\$ (17,039)		\$ (22,081)	
Weighted average common shares outstanding		31,179		29,830		31,048	
Add: Dilutive impact of stock options		—		—		—	
Add: Dilutive impact of stock options		—		—		—	
Add: Dilutive impact of restricted stock units		—		—		—	
Add: Dilutive impact of restricted stock units		—		—		—	
Add: Dilutive impact of restricted stock units		—		—		—	
Diluted weighted average common shares outstanding		31,179		29,830		31,048	
Diluted weighted average common shares outstanding		31,179		29,830		31,048	
Loss per share		—		—		—	

Earnings (loss) per share									
Earnings (loss) per share									
Earnings (loss) per share									
Basic									
Basic									
Basic	Basic	\$	(0.21)	\$	(0.57)	\$	(0.71)	\$	(0.21)
Diluted	Diluted	\$	(0.21)	\$	(0.57)	\$	(0.71)	\$	(0.21)
Diluted									
Diluted									

The following table summarizes the weighted average of anti-dilutive securities excluded from the diluted EPS calculation.

		Three Months Ended		Nine Months Ended	
		September 29,	September 30,	September 29,	September 30,
		Three Months Ended			
		Three Months Ended			
		Three Months Ended			
		March 29,			
		March 29,			
		March 29,			
(In thousands)					
(In thousands)					
(In thousands)	(In thousands)	2023	2022	2023	2022
Anti-dilutive stock options	Anti-dilutive stock options	—	—	—	—
Anti-dilutive stock options					
Anti-dilutive stock options					
Anti-dilutive restricted stock units					
Anti-dilutive restricted stock units					
Anti-dilutive restricted stock units	Anti-dilutive restricted stock units	—	14	1	17
Total	Total	—	14	1	17
Total					
Total					

NOTE 12 11

POST-EMPLOYMENT BENEFIT PLANS

Deferred Employee Compensation

The Company sponsors two non-qualified deferred compensation plans. Under these plans, participants are eligible to defer a portion of their compensation on a tax deferred basis. Plan investments and obligations were recorded in other non-current assets and other non-current liabilities, respectively, in the Condensed Consolidated Balance Sheets, representing the fair value related to the deferred compensation plans. Adjustments to the fair value of the plan investments and obligations are recorded in selling, general, and administrative expenses. The plans assets and liabilities were \$2.7 million \$4.2 million and \$1.5 million \$3.2 million as of September 29, 2023 March 29, 2024 and December 31, 2022 December 31, 2023, respectively.

Multi-Employer Pension Plans

Certain Company employees who perform work on contracts within the continental United States participate in multi-employer pension plans of which the Company is not the sponsor. Company expenses related to these plans were \$2.9 million \$5.0 million and \$11.1 million \$3.3 million for the three and nine months ended September 29, 2023, respectively, March 29, 2024 and \$2.3 million and \$2.8 million for the three and nine months ended September 30, 2022 March 31, 2023, respectively.

NOTE 13 12

SALE OF RECEIVABLES

On June 27, 2023, the Company entered into a Master Accounts Receivable Purchase Agreement (MARPA Facility) with MUFG Bank, Ltd. (MUFG) for the sale of certain designated eligible receivables up to a maximum amount of \$150.0 \$200.0 million with the U.S. government. The maximum amount was increased to \$200.0 million effective

September 28, 2023. The receivables Receivables sold under the MARPA Facility are without recourse for any U.S. government credit risk.

The Company accounts for these receivable transfers under the MARPA Facility as sales under ASC Topic 860, *Transfers and Servicing*, and removes the sold receivables from its balance sheet. The fair value of the sold receivables approximated their book value due to their short-term nature.

		As of and for the	
		Nine Three Months	
		Ended	
		September March	
		29,	
(in thousands)		2023	2024
Beginning balance:	\$	72,715	
Sale of receivables	705,205	621,920	
Cash collections	(617,340)	(588,266)	
Outstanding balance sold to MUFG ⁽¹⁾	87,865	106,369	
Cash collected, not remitted to MUFG ⁽²⁾	(66,999)	(24,167)	
Remaining sold receivables	\$	20,866	82,202

(1)

1 For the nine three months ended September 29, 2023 March 29, 2024, the Company recorded a net cash inflow from sale of receivables of \$87.9 million \$33.7 million from operating activities.

(2) Includes the cash collected on behalf of, but not yet remitted to, MUFG as of September 29, 2023 March 29, 2024. This balance is included in other accrued liabilities as of the balance sheet date.

During the three and nine months ended September 29, 2023 March 29, 2024, the Company incurred purchase discount fees, net of servicing fees, of \$2.0 million and \$2.1 million \$1.6 million, respectively, which are presented in other expense, net on the Condensed Consolidated Statements of Loss Income (Loss) and are reflected as cash flows from operating activities on the Condensed Consolidated Statements of Cash Flows.

The Company does not retain an ongoing financial interest in the transferred receivables other than cash collection and administrative services. The Company estimated that its servicing fee was at fair value and therefore has not recognized a servicing asset or liability as of September 29, 2023 March 29, 2024. Proceeds from the sale of receivables are reflected as cash flows from operating activities on the Condensed Consolidated Statements of Cash Flows.

NOTE 14

SUBSEQUENT EVENTS

DEBT

First Lien Credit Agreement

On October 3, 2023, Vertex Aerospace Intermediate LLC, a Delaware limited liability company, and Vertex Aerospace Services Corp., a Delaware corporation and an indirect, wholly owned subsidiary of V2X, Inc., entered into Amendment No. 3 to the First Lien Initial Term Tranche, dated as of October 3, 2023 (the "Amendment"), with Royal Bank of Canada.

The Amendment provides for a new tranche of term loans under the First Lien Initial Term Tranche in an aggregate original principal amount of \$911.1 million (the "New Term Loans"), in which the New Term Loans replace or refinance in full all the existing term loans outstanding under the First Lien Initial Term Tranche and these loans mature on December 6, 2028.

ITEM 2. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

The following discussion of the Company's financial condition and results of operations should be read in conjunction with the unaudited Condensed Consolidated Financial Statements and notes thereto included in this Quarterly Report on Form 10-Q as well as the audited Consolidated Financial Statements and notes thereto and the information under the heading "Management's Discussion and Analysis of Financial Condition and Results of Operations" included in the Company's Annual Report on Form 10-K for the year ended December 31, 2022 December 31, 2023. This Quarterly Report provides additional information regarding the Company, its services, industry outlook and forward-looking statements that involve risks and uncertainties, including those related to economic conditions such as inflation and interest rates, and the impact on the Company, its operations or future financial or operational results, uncertainties. The forward-looking statements are not historical facts, but rather are based on current expectations, estimates, assumptions and projections about the Company's industry, business and future financial results. Actual Our actual results could differ materially from the results contemplated by these forward-looking statements. Refer to See "Forward-Looking Statement Information" for further information regarding forward-looking statements. Information. Amounts presented in and throughout this Item 2 are rounded and, as such, any rounding differences could occur in period over period changes and percentages reported.

Overview

V2X is a leading provider of critical mission solutions primarily to defense clients globally. The Company operates as one segment and provides a comprehensive suite of integrated solutions and critical service offerings across the operations and logistics, aerospace, training and technology markets to national security, defense, civilian and international clients.

The Company's Our primary customer is the U.S. Department of Defense (DoD). For the nine three months ended September 29, 2023 March 29, 2024 and September 30, 2022 March 31, 2023, the Company had total revenue of \$2,922.8 million \$1.0 billion and \$1,912.7 million \$0.9 billion, respectively, substantially all the substantial majority of which was derived from U.S. government customers. For the nine three months ended September 29, 2023 March 29, 2024 and September 30, 2022 March 31, 2023, the Company we generated approximately 41% 43% and 50% 41%, respectively, of its our total revenue from the U.S. Army.

Executive Summary

Revenue Our revenue increased \$43.4 million \$67.1 million, or 4.5% 7.1%, for the three months ended September 29, 2023 March 29, 2024 as compared to the three months ended September 30, 2022 March 31, 2023. Revenue increased primarily due to organic growth for legacy programs. Revenue from our programs in the Middle East, Europe and Asia increased by \$43.9 62.1 million, from programs in the Middle East and \$12.6 million from programs in Asia, \$4.6 million, \$4.5 million, respectively, partially offset by decreases of \$11.4 million and \$1.7 million a decrease in revenue from our programs in the U.S. and Europe, respectively.

Operating income for the three months ended September 29, 2023, was \$21.0 million, an increase of \$16.6 million, or 368.9%, compared to the three months ended September 30, 2022 \$4.0 million. The increase was due to the improved performance of legacy programs.

During the performance of long-term contracts, estimated final contract prices and costs are reviewed periodically, and revisions are made as required, which are recorded as changes in revenue and cost of revenue in the periods in which they are determined. Additionally, the fees under certain contracts may be increased or decreased in accordance with cost or performance incentive provisions which measure actual performance against established targets or other criteria. These incentive fees or penalties are included in revenue when there is sufficient information to reasonably assess anticipated contract performance. Amounts representing contract change orders or limitations in funding on contracts are recorded only if it is probable a claim will result in additional contract revenue and the amounts can be reliably estimated. Changes in estimated revenue, cost of revenue and the related effect to operating income are recognized using cumulative adjustments, which recognize in the current period the cumulative effect of the changes on current and prior periods based on a contract's percentage of completion. Cumulative adjustments are driven by changes in contract terms, program performance, customer scope changes and changes to estimates in the reported period. These changes can increase or decrease operating income depending on the dynamics of each contract.

Further details related to consolidated financial results for the three and nine months ended September 29, 2023 March 29, 2024, compared to the three and nine months ended September 30, 2022 March 31, 2023, are contained in the "Discussion of Financial Results" section.

Significant Contracts

The following table reflects contracts that accounted for more than 10% of total revenue:

Contract Name	March 29, 2024	March 29, 2023	March 29, 2022
Contract Name			
Contract Name			
Logistics Civil Augmentation Program (LOGCAP) V - Kuwait Task Order			
Logistics Civil Augmentation Program (LOGCAP) V - Kuwait Task Order			
Logistics Civil Augmentation Program (LOGCAP) V - Kuwait Task Order			
Contract Name	March 29, 2024	March 29, 2023	March 29, 2022
Contract Name	September 29, 2023	September 30, 2022	
Logistics Civil Augmentation Program (LOGCAP) V - Kuwait Task Order	12.3%	17.5%	
Logistics Civil Augmentation Program (LOGCAP) V - Iraq Task Order	7.7%	11.0%	

Revenue associated with a contract will fluctuate based on increases or decreases in the work being performed on the contract, award fee payment assumptions, and other contract modifications within the term of the contract resulting in changes to the total contract value.

The LOGCAP V - Kuwait Task Order is currently exercised through June 30, 2024, with two additional twelve-month options and one six-month option through December 31, 2026. The task order provides services to support the Geographical Combatant Commands and Army Service Component Commands throughout the full range of military operations in the Kuwait region. The LOGCAP V - Kuwait Task Order contributed \$360.5 million \$110.7 million and \$334.0 million \$127.9 million of revenue for the nine three months ended September 29, 2023 March 29, 2024 and September 30, 2022 March 31, 2023, respectively.

The LOGCAP V - Iraq Task Order is currently exercised through June 21, 2024, with two additional twelve-month options and one six-month option through December 21, 2026. The task order provides services to support the Geographical Combatant Commands and Army Service Component Commands throughout the full range of military operations in the Iraq region. The LOGCAP V - Iraq Task Order contributed \$224.0 million and \$209.6 million of revenue for the nine months ended September 29, 2023 and September 30, 2022, respectively.

Backlog

Total backlog includes remaining performance obligations, consisting of both funded backlog (firm orders for which funding is contractually authorized and appropriated by the customer) and unfunded backlog (firm orders for which funding is not currently contractually obligated by the customer and unexercised contract options). Total backlog excludes potential orders under IDIQ contracts and contracts awarded to us that are being protested by competitors with the GAO or in the COFC. The value of the backlog is based on anticipated revenue levels over the anticipated life of the contract. Actual values may be greater or less than anticipated. Total backlog is converted into revenue as work is performed. The level of order activity related to programs can be affected by the timing of U.S. government funding authorizations and their project evaluation cycles. Year-over-year comparisons could, at times, be impacted by these factors, among others.

The Company's Our contracts are multi-year contracts and typically include an initial period of one year or less with annual one-year or less option periods for the remaining contract period. The number of option periods vary by contract, and there is no guarantee that an option period will be exercised. The right to exercise an option period is at the sole discretion of the U.S. government when **The Company is we are** the prime contractor or of the prime contractor when **The Company is we are** a subcontractor. The U.S. government may also extend the term of a program by issuing extensions or bridge contracts, typically for periods of one year or less.

The Company expects We expect to recognize a substantial portion of **its our** funded backlog as revenue within the next 12 months. However, the U.S. government or the prime contractor may cancel any contract at any time through a termination for convenience. **Substantially all the Company's** **Most of our** contracts have terms that would permit recovery of all or a portion of **our** incurred costs and fees for work performed in the event of a termination for convenience.

The following is a summary of funded and unfunded backlog:

		September 29,	December 31,		
		March 29,	March 29,	March 29,	December 31,
(In millions)	(In millions)	2023	2022	(In millions)	2023
Funded backlog	Funded backlog	\$ 3,151	\$ 2,567		
Unfunded backlog	Unfunded backlog	10,113	9,695		
Total backlog	Total backlog	\$ 13,264	\$ 12,262		

Funded orders (different from funded backlog) represent orders for which funding was received during the period. **The Company** We received funded orders of \$3.5 billion \$860.4 million during the nine three months ended September 29, 2023 March 29, 2024, which was an increase a decrease of \$1.5 billion \$121.6 million compared to the nine three months ended September 30, 2022 March 31, 2023.

Economic Opportunities, Challenges and Risks

The U.S. government's investment in services and capabilities in response to changing security challenges creates a complex and fluid business environment for V2X and other firms in this market. However, the U.S. continues to face substantial fiscal and economic challenges in addition to a varying political environment which could affect funding. The pace and depth of U.S. government acquisition reform and cost savings initiatives, combined with increased industry competitiveness to win long-term positions on key programs, could add pressure to revenue levels and profit margins. However, the Company expects the U.S. government will continue to place a high priority on national security and will continue to invest in affordable solutions. V2X believes that its capabilities, particularly in operations and logistics, aerospace, training and technology, should help its clients increase efficiency, reduce costs, improve readiness, and strengthen national security and, as a result, continue to allow for long-term profitable growth in the business. Further, the DoD budget remains the largest in the world and management believes the Company's addressable portion of the DoD budget offers substantial opportunity for growth.

The U.S. government's Fiscal Year (FY) begins on October 1 and ends on September 30. On March 23, 2024, the President signed into law the Further Consolidated Appropriations Act for FY 2024, which provides \$825 billion in funding for the DoD, through September 30, 2024. The Fiscal 2024 2025 budget request was submitted to the U.S. Congress on March 9, 2023 March 11, 2024, and requested \$886 billion \$895 billion for National Defense, with \$842 billion \$850 billion of the total allocated to the Department of Defense. DoD.

In January 2023, the statutory debt ceiling limit of \$31.4 trillion was reached and on June 3, 2023, the President signed "The Fiscal Responsibility Act" (FRA) into law, which suspends the debt ceiling until January 1, 2025. The FRA places caps on defense and non-defense discretionary spending in FY 2024 and FY 2025. The FRA cap on discretionary spending for National Defense in FY 2024 and FY 2025 is \$886 billion and \$895 billion, respectively. Additionally, the FRA mandates cuts to discretionary spending by one percent below the current-year level if a continuing resolution (CR) is in place on January 1, 2024 or 2025.

On September 30, 2023, the President signed a CR which funds the U.S. government at FY 2023 levels through November 17, 2023, or until FY 2024 appropriations bills are passed. Under a CR, funding is generally consistent with FY 2023 appropriated levels, however, new program and contract starts are not authorized. If FY 2024 appropriations or an additional CR is not passed before November 17, 2023, the U.S. government is expected to enter a shutdown and cease certain non-essential operations. Depending on the length and nature of a potential shutdown, companies that are reliant on U.S. government funding, could be significantly impacted.

While it is difficult to predict the specific course of future defense budgets, V2X believes the core functions the Company performs are mission-essential and spending to maintain readiness, improve performance, increase service life, lower cost, and modernize digital and physical environments will continue to be a U.S. government priority. The Company's focus is on providing integrated solutions across the mission lifecycle that encompass (i) high consequence training; (ii) readiness/logistics/deployment; (iii) mission and infrastructure support, including rapid response contingency efforts; (iv) battlefield connectivity and communications; (v) maintenance, modification, repair, and overhaul of assets and aircraft; (vi) upgrades and modernization across digital and physical environments. The Company develops and inserts operational technologies across its solutions to improve efficiency and the outcomes of its clients' missions. The Company believes this aligns with its clients' intent to utilize and harden existing equipment, infrastructure, and assets rather than executing new purchases. While customers may reduce the level of services required from us, the Company does not currently anticipate the complete elimination of these services, and the Company continues to focus on contract expansion and capturing new business opportunities.

However, business conditions have become more challenging and uncertain due to macroeconomic conditions, including inflation and rising interest rates, as well as recent international events. For example, global hostilities including most recently in Israel and the Gaza Strip, could create additional demand for our products and services, however, any such demand, and the timing and extent of any incremental contract activity resulting from that demand, remains uncertain. Further, given the current level of inflation and geopolitical factors, the Company is monitoring the impact of rising costs on its active and future contracts and its financial results, and actively evaluating opportunities for cost reductions and deleveraging. For In recent quarters of 2023, the nine months ended September 30, 2023, as compared to the nine months ended September 30, 2022, our contract mix has changed with Company's cost-plus and cost-reimbursable contracts have been increasing sequentially as a percentage of the total mix, contract mix and revenue. The Company's earnings and profitability may vary materially depending on the total mix of contracts. To date, the Company has not experienced broad-based increases from inflation or geopolitical hostilities in the costs of its fixed-price and time and materials contracts that are material to the business. However, if the geopolitical conditions worsen or if the Company experiences greater than expected inflation in its supply chain and labor costs, then profit margins, and in particular, the profit margin from fixed-price and time and materials contracts, which represent a substantial portion of its contracts, could be adversely affected.

On August 16, 2022, the U.S. government enacted the Inflation Reduction Act of 2022, which includes, among other provisions, changes to the U.S. corporate income tax system. While the Company does not currently anticipate any impact on its business, evaluation of the Inflation Reduction Act of 2022 and its requirements continues, as well as any potential impact on its business in the future.

The information provided above does not represent a complete list of trends and uncertainties that could impact the Company's business in either the near or long-term and should be considered along with the risk factors identified under the caption "Risk Factors" identified in Part 1, Item 1A, "Item 1A. Risk Factors" in the Company's Annual Report on Form 10-K for the year ended December 31, 2022 December 31, 2023, and updated, as necessary, on subsequent quarterly reports Quarterly Reports on Form 10-Q, and the matters identified under the caption "Forward-Looking Statement Information" herein.

DISCUSSION OF FINANCIAL RESULTS

Three months ended September 29, 2023 March 29, 2024, compared to three months ended September 30, 2022 March 31, 2023

Selected financial highlights are presented in the following table:

	Three Months Ended			Change
	September 29,	September 30,		
	Three Months Ended			
	Three Months Ended			
	Three Months Ended			
	March 29,			
	March 29,			
	March 29,			
(In thousands, except for percentages)				
(In thousands, except for percentages)				
(In thousands, except for percentages)	(In thousands, except for percentages)			
Revenue	Revenue	\$ 1,001,507	\$ 958,156	\$ 43,351
Revenue				4.5 %

Revenue							
Cost of revenue							
Cost of revenue							
Cost of revenue	Cost of revenue	930,828		861,073		69,755	8.1 %
% of revenue	% of revenue	92.9	%	89.9	%		
% of revenue							
% of revenue							
Selling, general, and administrative expenses	Selling, general, and administrative expenses	49,640		92,596		(42,956)	(46.4) %
Selling, general, and administrative expenses							
Selling, general, and administrative expenses							
% of revenue							
% of revenue							
% of revenue	% of revenue	5.0	%	9.7	%		
Operating income	Operating income	21,039		4,487		16,552	368.9 %
Operating income							
Operating income							
Operating margin	Operating margin	2.1	%	0.5	%		
Operating margin							
Operating margin							
Loss on extinguishment of debt							
Loss on extinguishment of debt							
Loss on extinguishment of debt							
Interest expense, net							
Interest expense, net							
Interest expense, net	Interest expense, net	(30,252)		(27,265)		(2,987)	11.0 %
Other expense, net	Other expense, net	(2,024)		—		(2,024)	*
Loss from operations before income taxes		(11,237)		(22,778)		11,541	(50.7) %
Other expense, net							
Other expense, net							
Income (loss) from operations before income taxes							
Income (loss) from operations before income taxes							
Income (loss) from operations before income taxes							
% of revenue							
% of revenue							
% of revenue	% of revenue	(1.1)	%	(2.4)	%		
Income tax benefit	Income tax benefit	(4,837)		(5,739)		902	(15.7) %
Income tax benefit							
Income tax benefit							
Effective income tax rate	Effective income tax rate	43.0	%	25.2	%		
Net loss		\$ (6,400)		\$ (17,039)		\$ 10,639	(62.4) %
Effective income tax rate							
Effective income tax rate							
Net income (loss)							

Net income (loss)	
Net income (loss)	
*Percentage change is not meaningful.	*Percentage change is not meaningful.
*Percentage change is not meaningful.	
*Percentage change is not meaningful.	

Revenue

Revenue increased \$43.4 million \$67.1 million, or 4.5% 7.1%, for the three months ended September 29, 2023 March 29, 2024 as compared to the three months ended September 30, 2022 March 31, 2023. Revenue increased primarily due to organic growth for legacy programs. Revenue from our programs in the Middle East, Europe and Asia increased by \$43.9 62.1 million, from programs in the Middle East and \$12.6 million from programs in Asia, \$4.6 million, \$4.5 million, respectively, partially offset by decreases of \$11.4 million and \$1.7 million a decrease in revenue from our programs in the U.S. and Europe, respectively, of \$4.0 million.

Cost of Revenue

Cost of revenue increased \$69.8 million \$75.7 million, or 8.1% 8.8%, for the three months ended September 29, 2023 March 29, 2024 as compared to the three months ended September 30, 2022 March 31, 2023, primarily driven by increases in revenue. Cost of revenue as a percent of revenue increased to 92.9% for the three months ended September 29, 2023 as compared to 89.9% for the three months ended September 30, 2022, due to and changes in contract mix and recognition of non-recurring deliverables. mix.

Selling, General, & Administrative (SG&A) Expenses

SG&A expenses decreased \$43.0 million \$8.3 million, or 46.4% 17.2%, for the three months ended September 29, 2023 March 29, 2024 as compared to the three months ended September 30, 2022 March 31, 2023, primarily due to M&A cost optimization and integration costs of \$44.9 million incurred in connection with the Merger during the third quarter of 2022, lower merger and integration-related costs.

Operating Income

Operating income increased \$16.6 million decreased \$0.2 million, or 368.9% 0.8%, for the three months ended September 29, 2023 March 29, 2024 as compared to the three months ended September 30, 2022 March 31, 2023. Operating income as a percentage of revenue was 2.1% 3.0% for the three months ended September 29, 2023 March 29, 2024, compared to 0.5% 3.2% for the three months ended September 30, 2022. The increase was due to lower March 31, 2023 primarily driven by changes in contract mix offset by decreased SG&A spending.

expenses.

Aggregate cumulative catch-up adjustments increased operating income by \$5.0 million \$0.5 million and decreased operating income by \$1.5 million \$13.1 million for the three months ended September 29, 2023 March 29, 2024 and September 30, 2022 March 31, 2023, respectively. The aggregate cumulative catch-up adjustments for the three months ended September 29, 2023 March 29, 2024 and September 30, 2022 March 31, 2023 related to changes in contract terms, program performance, customer changes in scope of work and changes to estimates in the reported period. Operating income was also impacted by the mix of labor and cost differential between internal resources and subcontractors as well as the volume of other direct cost purchases.

Nine months ended September 29, 2023, compared to nine months ended September 30, 2022

Selected financial highlights are presented in the following table:

(in thousands, except for percentages)	Nine Months Ended		Change	
	September 29, 2023	September 30, 2022	\$	%
Revenue	\$ 2,922,819	\$ 1,912,693	\$ 1,010,126	52.8 %
Cost of revenue	2,685,910	1,733,654	952,256	54.9 %
% of revenue	91.9 %	90.6 %		
Selling, general, and administrative expenses	151,021	154,295	(3,274)	(2.1)%
% of revenue	5.2 %	8.1 %		
Operating income	85,888	24,744	61,144	247.1 %
Operating margin	2.9 %	1.3 %		
Loss on extinguishment of debt	(22,052)	—	(22,052)	*
Interest expense, net	(93,946)	(30,908)	(63,038)	204.0 %
Other expense, net	(2,335)	—	(2,335)	*
Loss from operations before income taxes	(32,445)	(6,164)	(26,281)	426.4 %
% of revenue	(1.1)%	(0.3)%		
Income tax benefit	(10,364)	(2,453)	(7,911)	322.5 %
Effective income tax rate	31.9 %	39.8 %		
Net loss	\$ (22,081)	\$ (3,711)	\$ (18,370)	495.0 %

*Percentage change is not meaningful.

Revenue

Revenue increased \$1,010.1 million, or 52.8%, for the nine months ended September 29, 2023 as compared to the nine months ended September 30, 2022. Revenue increased \$855.1 million due to the Merger and the remaining increase was from organic growth for legacy programs. Revenue from programs located in the U.S., Middle East, Asia and Europe increased by \$790.4 million, \$118.8 million, \$79.8 million and \$21.1 million, respectively.

Cost of Revenue

Cost of revenue increased \$952.3 million, or 54.9%, for the nine months ended September 29, 2023 as compared to the nine months ended September 30, 2022, primarily due to the increased revenue from the Merger and increased amortization of intangible assets.

Selling, General, & Administrative (SG&A) Expenses

SG&A expenses decreased \$3.3 million, or 2.1%, for the nine months ended September 29, 2023 as compared to the nine months ended September 30, 2022 primarily due to a decrease in M&A, integration and related expenses.

Operating Income

Operating income increased \$61.1 million, or 247.1%, for the nine months ended September 29, 2023 as compared to the nine months ended September 30, 2022. Operating income as a percentage of revenue was 2.9% for the nine months ended September 29, 2023, compared to 1.3% for the nine months ended September 30, 2022. The increase was due to the Merger and improved performance of legacy programs.

Aggregate cumulative catch-up adjustments increased operating income by \$27.2 million and \$5.9 million for the nine months ended September 29, 2023 and September 30, 2022, respectively. The aggregate cumulative catch-up adjustments for the nine months ended September 29, 2023 and September 30, 2022 related to changes in contract terms, program performance, customer changes in scope of work and changes to estimates in the reported period. Operating income was also impacted by the mix of labor and cost differential between internal resources and subcontractors as well as the volume of other direct cost purchases.

Loss on Extinguishment of Debt

The Company recorded Loss on extinguishment of debt decreased \$22.1 million for the three months ended March 29, 2024 as compared to the three months ended March 31, 2023 due to a \$22.1 million loss on extinguishment of debt recorded for the nine months ended September 29, 2023 March 31, 2023. For a discussion of the loss on extinguishment see Note 6, *Debt*, in the Notes to Condensed Consolidated Financial Statements.

Interest (Expense) Income, Net

Interest (expense) income, net for the three and nine months ended September 29, 2023 March 29, 2024 and September 30, 2022 March 31, 2023 was as follows:

		Three Months Ended		Change		Nine Months Ended		Change					
		September 29,	September 30,			September 29,	September 30,						
Interest (Expense) Income, Net													
Interest (expense) income, net for the three and nine months ended September 29, 2023 March 29, 2024 and September 30, 2022 March 31, 2023 was as follows:													
Interest Income													
Interest income for the three and nine months ended September 29, 2023 March 29, 2024 and September 30, 2022 March 31, 2023 was as follows:													
Interest expense													
Interest expense for the three and nine months ended September 29, 2023 March 29, 2024 and September 30, 2022 March 31, 2023 was as follows:													
(In thousands, except for percentages)	(In thousands, except for percentages)	2023	2022	\$	%	2023	2022	\$	%				
Interest income	Interest income	\$ 334	\$ 16	\$ 318	1,988 %	\$ 683	\$ 66	\$ 617	935 %				
Interest expense	Interest expense	(30,586)	(27,281)	(3,305)	12 %	(94,629)	(30,974)	(63,655)	206 %				
Interest expense, net	Interest expense, net	\$ (30,252)	\$ (27,265)	\$ (2,987)	11 %	\$ (93,946)	\$ (30,908)	\$ (63,038)	204 %				

Interest expense, net
Interest expense, net

Interest income is related to interest earned on cash and cash equivalents. Interest expense is related to borrowings under the Company's senior secured credit facilities, with the amortization of debt issuance costs, and derivative instruments used to hedge a portion of exposure to interest rate risk. Interest expense, net increased \$63.0 million decreased \$4.2 million for the nine three months ended September 29, 2023 March 29, 2024 compared to the nine three months ended September 30, 2022 March 31, 2023 due to increased both a decrease in our debt assumed with balance in the Merger, first quarter of 2024 compared to the first quarter of 2023, and our interest rate swap contracts, which we entered into at the end of the first quarter of 2023.

Other Expense, Net

During the three and nine months ended September 29, 2023 March 29, 2024, the Company we incurred purchase discount fees and other expenses of \$2.0 million and \$2.1 million \$1.6 million, respectively, related to the sale of accounts receivable through the MARPA Facility.

Income Tax (Benefit) Provision Benefit

The Company We recorded income tax benefits of \$4.8 million which were not material and \$5.7 million for the three months ended September 29, 2023 March 29, 2024 and September 30, 2022 March 31, 2023, respectively, representing respectively. Our effective income tax rates of 43.0% and 25.2%, respectively. For the nine three months ended September 29, 2023 March 29, 2024 and September 30, 2022 March 31, 2023, the Company recorded income tax benefits of \$10.4 million were (1.8)% and \$2.5 million, representing effective income tax rates of 31.9% and 39.8% 24.7%, respectively. The effective income tax rates vary from the federal statutory rate of 21.0% mainly due to state and foreign taxes, disallowed compensation deduction under Internal Revenue Code Section 162(m), offset by available deductions not reflected in book income, and income tax credits.

LIQUIDITY AND CAPITAL RESOURCES

Liquidity

The Company is We are not aware of any known trends, demands, commitments, events or uncertainties that will result in, or that are reasonably likely to result in, a material decrease in our liquidity. In addition, other than items discussed, there are no known material trends, favorable or unfavorable, in our capital resources and no expected material changes in the mix of such resources.

Our major source of funding for 2023 2024 and beyond will be our operating cash flow, our existing balances of cash and cash equivalents and proceeds from any issuances of debt. We believe we have sufficient liquidity to fund operations, acquisitions, capital expenditures and scheduled debt repayments. The Company expects We expect to fund its our ongoing working capital, capital expenditure and financing requirements and pursue additional growth through new business development and potential acquisition opportunities by using cash flows from operations, cash on hand, its credit facilities, and access to capital markets. When necessary, the 2023 Revolver and MARPA Facility are available to satisfy short-term working capital requirements.

If cash flows from operations are less than expected, the Company we may need to access the long-term or short-term capital markets. Although the Company believes its we believe our current financing arrangements will permit financing of its our operations on acceptable terms and conditions, access to and the availability of financing on acceptable terms and conditions in the future will be impacted by many factors, including: (i) its our credit ratings, (ii) the liquidity of the overall capital markets, and (iii) the

current state of the economy. The Company We cannot provide assurance that such financing will be available on acceptable terms or that such financing will be available at all.

As of September 29, 2023 March 29, 2024, there were \$50.0 million \$56.0 million of outstanding borrowings and \$15.9 million \$17.2 million of outstanding letters of credit under the 2023 Revolver. Unamortized deferred financing costs related to the 2023 Revolver of \$4.4 million \$3.9 million are included in other non-current assets in the Condensed Consolidated Balance Sheets. As of September 29, 2023 March 29, 2024, the fair value of the 2023 Revolver approximated the carrying value because the debt bears a floating interest rate.

As of September 29, 2023 March 29, 2024, the carrying value of the 2023 Term Loan portion of the 2023 Credit Agreement was \$246.9 million \$243.8 million, excluding unamortized deferred financing costs of \$2.2 million \$2.0 million. The estimated fair value of the 2023 Term Loan portion of the 2023 Credit Agreement as of September 29, 2023 March 29, 2024 was \$246.9 million \$244.1 million. The fair value is based on observable inputs of interest rates that are currently available to us for debt with similar terms and maturities for non-public debt.

The cash presented on the Condensed Consolidated Balance Sheets consists of U.S. and international cash from wholly owned subsidiaries. Approximately \$42.8 million \$34.4 million of the Company's \$78.3 million our \$35.7 million in cash, cash equivalents and restricted cash as of September 29, 2023 March 29, 2024 is held by foreign subsidiaries and is not available to fund U.S. operations unless repatriated. The Company does We do not currently expect to repatriate undistributed earnings of foreign subsidiaries. The Company expects its We expect our U.S. domestic cash resources will be sufficient to fund its our U.S. operating activities and cash commitments for financing activities.

Debt Refinancing

On October 3, 2023, Vertex Aerospace Intermediate LLC, a Delaware limited liability company, and Vertex Aerospace Services Corp., a Delaware corporation and an indirect, wholly owned subsidiary of V2X, Inc., entered into Amendment No. 3 to the First Lien Initial Term Tranche, dated as of October 3, 2023 (the "Amendment"), with Royal Bank of Canada.

The Amendment provides for a new tranche of term loans under the First Lien Initial Term Tranche in an aggregate original principal amount of \$911.1 million (the "New Term Loans"), in which the New Term Loans replace or refinance in full all the existing term loans outstanding under the First Lien Initial Term Tranche and these loans mature on December 6, 2028.

Dividends

The Company does not currently plan to pay a regular dividend on its common stock. The declaration of any future cash dividends and the amount of any such dividends, if declared, will depend upon the Company's financial condition, earnings, capital requirements, financial covenants and other contractual restrictions and the discretion of its Board of Directors. In deciding whether to pay future dividends on common stock, the Board of Directors may take into account such matters as general business conditions, industry practice, the Company's financial condition and performance, its future prospects, cash needs and capital investment plans, income tax consequences, applicable law and such other factors as the Board of Directors may deem relevant.

Sources and Uses of Liquidity

Cash, accounts receivable, unbilled receivables, and accounts payable are the principal components of the Company's working capital and are generally driven by revenue with other short-term fluctuations related to payment practices by customers, sales of accounts receivable through the MARPA Facility and the timing of billings. The Company's Our receivables reflect amounts billed to customers, as well as the revenue that was recognized in the preceding month, which is normally billed the month following each balance sheet date.

Accounts receivable balances can vary significantly over time and are impacted by revenue levels and the timing of payments received from customers. Days sales outstanding (DSO) is a metric used to monitor accounts receivable levels. The Company determines its We determine our DSO by calculating the number of days necessary to exhaust its our ending accounts receivable balance based on its our most recent historical revenue. DSO was 62 66 and 68 58 days as of September 29, 2023 March 29, 2024 and December 31, 2022 December 31, 2023, respectively.

The following table sets forth net cash (used in) provided by operating activities, investing activities and financing activities:

(in thousands)	Nine Months Ended	
	September 29, 2023	September 30, 2022
	\$	\$
Operating activities	\$ 135,175	\$ 91,559
Investing activities	(15,709)	186,220
Financing activities	(155,734)	(165,251)
Foreign exchange ¹	(1,540)	(3,668)
Net change in cash, cash equivalents and restricted cash	\$ (37,808)	\$ 108,860

¹ Impact on cash balances due to changes in foreign exchange rates.

(in thousands)	Three Months Ended	
	March 29, 2024	March 31, 2023
	\$	\$
Operating activities	\$ (57,226)	\$ (38,492)
Investing activities	(24,709)	(9,076)
Financing activities	46,461	(7,921)
Foreign exchange ¹	(1,519)	1,567
Net change in cash, cash equivalents and restricted cash	\$ (36,993)	\$ (53,922)

¹ Impact on cash balances due to changes in foreign exchange rates.

Net cash provided by used in operating activities for the nine three months ended September 29, 2023, March 29, 2024 primarily consisted of net cash outflows in working capital accounts of \$119.8 million and net cash outflows in other long-term assets and liabilities of \$8.0 million, partially offset by cash inflows from non-cash net income items of \$140.7 million \$35.8 million, cash inflows from the sale of receivables through the MARPA Facility of \$33.7 million and net income of \$1.1 million.

Net cash inflows used in operating activities for the three months ended March 31, 2023 primarily consisted of net cash outflows in working capital accounts of \$44.6 million \$68.7 million, other long-term assets and liabilities of \$17.8 million, and a net operating loss of \$17.5 million, partially offset by a liability of \$20.9 million for MARPA sales and a net loss of \$22.1 million.

Net cash provided by operating activities for the nine months ended September 30, 2022 consisted of cash inflows from non-cash net income items of \$60.0 million, a decrease in net working capital requirements of \$55.4 million, partially offset by cash outflows for other long-term assets and liabilities of \$11.9 million and a net loss of \$3.7 million \$65.5 million. The net working capital inflows were largely from increases in accounts payable and compensation and other employee benefits offset by increases in accounts receivable and decreases in prepaid expenses other accrued liabilities, which included an \$8.1 million payment of deferred CARES Act payroll taxes.

Net cash used in investing activities for the nine three months ended September 29, 2023 March 29, 2024 consisted of \$16.6 million \$16.9 million for the acquisition of businesses and \$7.8 million of capital expenditures for the purchase of software and hardware, vehicles and equipment related to ongoing operations.

Net cash provided by used in investing activities for the nine three months ended September 30, 2022 March 31, 2023 consisted of \$194.4 million of net cash acquired in the Merger. This was partially offset by \$8.2 million \$9.1 million of capital expenditures for the purchase of software and hardware, and vehicles and equipment related to ongoing operations.

Net cash used in provided by financing activities during the nine three months ended September 29, 2023 March 29, 2024 consisted of repayments proceeds from the revolver of long-term debt of \$428.8 million \$375.3 million, partially offset by revolver repayments of \$669.8 million \$319.3 million, payments for employee withholding taxes on share-based compensation of \$17.9 million \$5.7 million, and repayments of long-term debt of \$3.8 million.

Net cash used in financing activities during the three months ended March 31, 2023 consisted of repayments of long-term debt of \$421.0 million, revolver repayments of \$163.8 million, payments for employee withholding taxes on share-based compensation of \$12.8 million, and payments for debt issuance costs of \$7.5 million, partially offset by

proceeds from long term debt and the revolver of \$250.0 million and **\$719.8 million** \$348.7 million, respectively.

Net cash used in financing activities during the nine months ended September 30, 2022 consisted of repayments of long-term debt of \$58.4 million, payments of \$1.9 million for employee withholding taxes on share-based compensation and payments of \$2.3 million for debt issuance costs. During the nine months ended September 30, 2022, the Company borrowed and repaid \$392.0 million and \$495.0 million, respectively, on the Amended Revolver. These cash outflows were partially offset by \$0.4 million received from the exercise of stock options.

Capital Resources

As of **September 29, 2023** March 29, 2024, the Company we held cash, cash equivalents and restricted cash of **\$78.3 million** \$35.7 million, which included \$42.8 million \$34.4 million held by foreign subsidiaries, and had **\$434.1 million** \$426.8 million of available borrowing capacity under the 2023 Revolver, which expires on February 25, 2028. The Company believes We believe that its our cash, cash equivalents and restricted cash as of **September 29, 2023** March 29, 2024, as supplemented by cash flows from operations, the 2023 Revolver, and the MARPA Facility will be sufficient to fund its our anticipated operating costs, capital expenditures, and current debt repayment obligations for at least the next 12 months.

Contractual Obligations

As of **September 29, 2023** March 29, 2024, commitments to make future payments under long-term contractual obligations were as follows:

		Payments Due by Period							
		Less than 1 Year			More than 5 Years			Payments Due by Period	
		Less than 1 Year	Payments Due by Period		Less than 1 Year	1 - 3 Years	3 - 5 Years	More than 5 Years	
(In thousands)	(In thousands)	Total	Less than 1 Year		Less than 1 Year	1 - 3 Years	3 - 5 Years	More than 5 Years	
Operating leases									Less than 1 year
Operating leases									More than 5 Years
Operating leases	Operating leases	\$ 57,077	\$ 16,295	\$ 20,123	\$ 17,645	\$ 3,014			
Principal payments on Vertex First Lien Credit	Principal payments on Vertex First Lien Credit								
Agreement ¹	Agreement ¹	911,125	9,250	18,500	18,500	864,875			
Principal payments on 2023 Credit	Principal payments on 2023 Credit								
Agreement ¹	Agreement ¹	296,875	6,250	21,875	268,750	—			
Interest on Vertex First Lien and 2023 Credit	Interest on Vertex First Lien and 2023 Credit								
Agreements	Agreements	528,144	109,195	212,661	192,126	14,162			
Total	Total	\$1,793,221	\$ 140,990	\$273,159	\$497,021	\$882,051			

¹ Includes unused funds fee and is based on the September 29, 2023 interest rate and outstanding balance.

¹ Includes unused funds fee and is based on the March 29, 2024 interest rate and outstanding balance.

CRITICAL ACCOUNTING POLICIES, ESTIMATES AND JUDGMENTS

The preparation of financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the reporting periods.

Estimates are revised as additional information becomes available. Management believes that the accounting estimates employed, and the resulting balances, are reasonable; however, actual results in these areas could differ from management's estimates under different assumptions or conditions.

The Company believes We believe that the assumptions and estimates associated with revenue recognition, business combinations, goodwill and other intangible assets, and income taxes have the greatest potential impact on **its our** financial statements. Therefore, **the Company considers** we consider these to be **its our** critical accounting policies and estimates. There have been no material changes in the critical accounting policies and estimates from those discussed in **the Company's our** Annual Report on Form 10-K for the year ended **December 31, 2022** December 31, 2023.

New Accounting Pronouncements

Refer to Part I, Item 1, Note 2, *Recent Accounting Standards Update* in the Notes to Condensed Consolidated Financial Statements included in this Quarterly Report on Form 10-Q for information regarding accounting pronouncements and accounting standards updates.

FORWARD-LOOKING STATEMENT INFORMATION

This Quarterly Report on Form 10-Q and certain information incorporated herein by reference contain forward-looking statements within the meaning of Section 21E of the Securities Exchange Act of 1934, as amended (the Exchange Act), and Section 27A of the Securities Act of 1933, as amended (the Securities Act), and the Private Securities Litigation Reform Act of 1995 and, as such, may involve risks and uncertainties. All statements included or incorporated by reference in this report, other than statements that are purely historical, are forward-looking statements. Forward-looking statements generally can be identified by the use of forward-looking terminology such as "may," "will," "expect," "intend," "estimate," "anticipate," "believe," "could," "potential," "continue" or similar terminology. These statements are based on the beliefs and assumptions of **the our** management **of the Company** based on information currently available to management. Forward-looking statements are not guarantees of future performance and are subject to risks and uncertainties that could cause actual results to differ materially from the results contemplated by the forward-looking statements.

The **Company undertakes** forward-looking statements included or incorporated by reference in this report are subject to additional risks and uncertainties further identified and discussed in Part I, "Item 1A. Risk Factors" of our Annual Report on Form 10-K for the year ended December 31, 2023, and updated, as necessary, on subsequent quarterly reports on Form 10-Q and are based on information available to us on the filing date of this report. Readers are cautioned not to place undue reliance on forward-looking statements, which speak only as of the date of this report. New risks and uncertainties arise from time to time, and we cannot predict those events or how they may affect us.

We **undertake** no obligation to update any forward-looking statements, whether as a result of new information, future events or otherwise, except as required by law. In addition, forward-looking statements are subject to certain risks and uncertainties that could cause actual results to differ materially from the Company's historical experience and **its our** present expectations or projections. These risks and uncertainties include, but are not limited to: **the Company's our** ability to submit proposals for and/or win all potential opportunities in **the our** pipeline; **the Company's our** ability to retain and renew **our** existing contracts; **the Company's our** ability to compete with other companies in **the our** market; security breaches, cyber-attacks or cyber intrusions, and other disruptions to **our** information technology and operation; **the our** mix of cost-plus, cost-reimbursable, firm-fixed-price and firm-fixed-price time-and-materials contracts; maintaining **the Company's our** reputation and relationship with the U.S. government; protests of new awards; economic, political and social conditions in the countries in which **the Company conducts** we conduct **our** business; changes in U.S. or international government defense budgets; government regulations and compliance therewith, including changes to the DoD procurement process; changes in technology; **our ability to protect our intellectual property** **matters**; rights; governmental investigations, reviews, audits and cost adjustments; contingencies related to actual or alleged environmental contamination, claims and concerns; delays in completion of the U.S. government budget; **the Company's our** success in extending, deepening, and enhancing **its our** technical capabilities; **our** success in expanding **the Company's our** geographic footprint or broadening **its our** customer base; **the Company's our** ability to realize the full amounts reflected in **the Company's our** backlog; impairment of goodwill; misconduct of **our** employees, subcontractors, agents, prime contractors and business partners; **the Company's our** ability to control costs; **our** level of indebtedness; terms of **our** credit agreements; inflation and interest rate risk; geopolitical risk, including as a result of recent **international** events; subcontractor **global** hostilities; **our** subcontractors' performance; economic and capital markets conditions; **the Company's our** ability to maintain safe work sites and equipment; **the Company's our** ability to retain and recruit qualified personnel; **the Company's our** ability to maintain good relationships with employees and contractors; **our** workforce; **our** teaming relationships with other contractors; changes in **our** accounting estimates; the adequacy of **the Company's our** insurance coverage; volatility in **the Company's our** stock price; changes in **our** tax provisions or exposure to additional income tax liabilities; risks and uncertainties relating to **the Merger**; **integrating and refining internal control systems post-merger**; changes in **GAAP**; and other factors described in **Item 1A, "Risk Part I, "Item 1A. Risk Factors"** and elsewhere in **the Company's our** Annual Report on Form 10-K for the year ended **December 31, 2022** December 31, 2023 and described from time to time in **our** future reports filed with the SEC.

ITEM 3. QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK

Earnings, cash flows and financial position are exposed to market risks relating to fluctuations in interest rates and foreign currency exchange rates. All potential changes noted below are based on information available at **September 29, 2023** March 29, 2024.

Interest Rate Risk

Each one percentage point change associated with the variable rate Vertex First Lien Credit Agreement would result in a \$8.2 million change in the related annual cash interest expenses.

Assuming the 2023 Revolver was fully drawn to a principal amount equal to \$500.0 million, each one percentage point change in interest rates would result in a \$5.1 million change in annual cash interest expense.

As of **September 29, 2023** March 29, 2024, the notional value of the Company's interest rate swap agreements totaled \$346.9 million \$343.8 million. The difference to be paid or received under the terms of the interest rate swap agreements is accrued as interest rates change and recognized as an adjustment to interest expense for the related debt in the period incurred. Changes in the variable interest rates to be paid pursuant to the terms of the interest rate swap agreements will have a corresponding effect on future cash

flows. Refer to Note 7, *Derivative Instruments* in the Notes to Condensed Consolidated Financial Statements included in this Quarterly Report on Form 10-Q for additional information regarding the Company's interest rate swaps.

Foreign Currency Exchange Risk

The majority of the Company's business is conducted in U.S. dollars. However, the Company is required to transact in foreign currencies for some of its contracts, resulting in some assets and liabilities denominated in foreign currencies. As a result, earnings may experience volatility related to movements in foreign currency exchange rates. In the past, the Company entered into forward foreign exchange contracts to buy or sell various foreign currencies to selectively protect against volatility in the value of non-functional currency denominated monetary assets and liabilities. The impact of the related contracts on the Condensed Consolidated Statements of Loss and Condensed Consolidated Balance Sheets was not material and related hedging was discontinued. The Company's forward contracts expired in January 2022 and no such contracts are outstanding as of September 29, 2023.

ITEM 4. CONTROLS AND PROCEDURES

Evaluation of Disclosure Controls and Procedures

The Company's management, with the participation of the Company's Chief Executive Officer and Chief Financial Officer, evaluated the effectiveness of the Company's disclosure controls and procedures (as defined in Rules 13a-15(e) and 15d-15(e) under the Exchange Act) as of September 29, 2023 March 29, 2024. Based on such evaluation, the Chief Executive Officer and Chief Financial Officer concluded that, as of September 29, 2023 March 29, 2024, the Company's disclosure controls and procedures were not effective due to ensure the existence of a previously reported material weakness in internal control over financial reporting (ICFR) related to a subsidiary within Vertex Aerospace Services Holdings Corp (Vertex) which was acquired on July 5, 2022. The material weakness was identified and discussed in Part II, "Item 9A. Controls and Procedures" of our Annual Report on Form 10-K for the year ended December 31, 2023.

Notwithstanding the identified material weakness, management, including our CEO (principal executive officer) and CFO (principal financial officer), believes the consolidated financial statements included in this Form 10-Q fairly represent in all material respects our financial condition, results of operations and cash flows at and for the periods presented in accordance with GAAP.

Limitations on Effectiveness of Controls and Procedures

In designing and evaluating the disclosure controls and procedures, management recognizes that information required to be disclosed in reports the Company files or submits under the Exchange Act is (i) recorded, processed, summarized and reported within the time periods specified in SEC rules and forms, and (ii) accumulated and communicated to management to allow timely decisions regarding required disclosure. Any controls and procedures, no matter how well designed and operated, can provide only reasonable assurance of achieving the desired control objectives. In addition, the design of disclosure controls and procedures must reflect the fact that there may be resource constraints and that management is required to apply its judgment in evaluating the benefits of possible controls and procedures relative to their costs.

Remediation Efforts to Address the Material Weakness

The Company has implemented a plan to address the material weakness. Management has and will continue to enhance the risk assessment process and design of ICFR at this subsidiary. This includes enhancement and revision of the design of existing information technology general controls over user access, applications and procedures at this subsidiary. The material weakness will not be considered remediated until the applicable controls operate for a sufficient period of time and management has concluded, through testing, that these controls are operating effectively. We expect that the remediation of this material weakness will be completed prior to end of fiscal year 2024.

Changes in Internal Control over Financial Reporting

As discussed in Note 3, *Merger* in the Notes to Condensed Consolidated Financial Statements included in this Quarterly Report on Form 10-Q, the Company completed the Merger with Vertex on July 5, 2022. Since the date of Merger, Vertex's financial results are included in the Company's Consolidated Financial Statements. As part of the post-closing integration activities, the Company is engaged in assessing the internal controls. The Company has been integrating policies, processes, people, technology and operations for the post-acquisition combined company, and it will continue to evaluate the impact of any related changes to internal control over financial reporting (ICFR).

Other than with respect to the items discussed matter described above, there were no changes in the Company's ICFR that occurred during the nine months ended September 29, 2023, most recently completed fiscal quarter that materially affected or are reasonably likely to materially affect, its ICFR.

PART II. OTHER INFORMATION

ITEM 1. LEGAL PROCEEDINGS

From time to time, the Company is involved in legal proceedings that are incidental to the operation of its business. Some of these proceedings seek remedies relating to employment matters, matters relating to injuries to people or property damage, matters in connection with our contracts and matters arising under laws relating to the protection of the environment.

Although the ultimate outcome of any legal matter cannot be predicted with certainty, based on present information, including the Company's assessment of the merits of the particular claim, the Company does not expect that any asserted or unasserted legal claims or proceedings, individually or in the aggregate, will have a material adverse effect on its cash flows, our results of operations, financial condition or financial condition cash flows.

Refer to Note 8, *Commitments and Contingencies*, in the Notes to Condensed Consolidated Financial Statements included in this Quarterly Report on Form 10-Q for further information.

ITEM 1A. RISK FACTORS

None. There have been no material changes from the risk factors discussed in our Annual Report on Form 10-K for the year ended December 31, 2023.

ITEM 2. UNREGISTERED SALES OF EQUITY SECURITIES AND USE OF PROCEEDS

Not applicable.

ITEM 3. DEFAULTS UPON SENIOR SECURITIES

None.

ITEM 4. MINE SAFETY DISCLOSURES

None.

ITEM 5. OTHER INFORMATION

None.

ITEM 6. EXHIBITS

10.1 [Offer Letter, Separation Agreement and Release of Claims, dated September 28, 2023 January 12, 2024, by and between Shawn Mural William W. Beard and the Company \(incorporated by reference to Exhibit 10.1 to V2X, Inc.'s Current Report on Form 8-K filed on October 2, 2023\).*](#)

10.2 [Amendment No. 3 to First Lien Credit Agreement, dated as of October 3, 2023, by and among Vertex Aerospace Services Corp., a Delaware Corporation, Vertex Aerospace Intermediate LLC, a Delaware limited liability company, the other Loan Parties hereto, the Additional Lender and Royal Bank of Canada as Administrative Agent \(incorporated by reference to Exhibit 10.1 to V2X, Inc.'s Current Report on Second Amendment and Restatement of 2014 Omnibus Incentive Plan – Restricted Stock Unit Award Agreement \(Stock Settled\)\).*](#)

10.3 [Form 8-K filed on October 4, 2023\), of V2X, Inc. Second Amendment and Restatement of 2014 Omnibus Incentive Plan – Performance Stock Unit – 2024 TSR Award Agreement **](#)

31.1 [Chief Executive Officer Certification pursuant to Rule 13a-14\(a\)/15d-14\(a\) of the Securities Exchange Act of 1934, as adopted pursuant to Section 302 of the Sarbanes-Oxley Act of 2002, 2002. +](#)

31.2 [Chief Financial Officer Certification pursuant to Rule 13a-14\(a\)/15d-14\(a\) of the Securities Exchange Act of 1934, as adopted pursuant to Section 302 of the Sarbanes-Oxley Act of 2002, 2002. +](#)

32.1 [Chief Executive Officer Certification pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002. This Exhibit is intended to be furnished in accordance with Regulation S-K Item 601\(b\)\(32\)\(ii\) and shall not be deemed to be filed for purposes of Section 18 of the Securities Exchange Act of 1934 or incorporated by reference into any future filing under the Securities Act of 1933 or the Securities Exchange Act of 1934, except as shall be expressly set forth by specific reference. +](#)

32.2 [Chief Financial Officer Certification pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002. This Exhibit is intended to be furnished in accordance with Regulation S-K Item 601\(b\)\(32\)\(ii\) and shall not be deemed to be filed for purposes of Section 18 of the Securities Exchange Act of 1934 or incorporated by reference into any future filing under the Securities Act of 1933 or the Securities Exchange Act of 1934, except as shall be expressly set forth by specific reference. +](#)

101 The following materials from V2X, Inc.'s Quarterly Report on Form 10-Q for the quarter ended September 29, 2023 March 29, 2024, formatted in iXBRL (Inline Extensible Business Reporting Language): (i) Unaudited Condensed Consolidated Statements of Loss, Income (Loss), (ii) Unaudited Condensed Consolidated Statements of Comprehensive Loss, Income (Loss), (iii) Unaudited Condensed Consolidated Balance Sheets, (iv) Unaudited Condensed Consolidated Statements of Cash Flows, (v) Unaudited Condensed Consolidated Statements of Changes to Shareholders' Equity and (vi) Notes to Condensed Consolidated Financial Statements. #

104 Cover Page Interactive Data File (formatted as Inline XBRL and contained in Exhibit 101). #

* Indicates management contract or compensatory plan or arrangement.

+ Indicates this document is filed or furnished (as applicable) as an exhibit herewith.

Submitted electronically with this report.

The Company's Commission File Number for Reports on Form 10-K, Form 10-Q and Form 8-K is 001-36341.

SIGNATURES

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

V2X, INC.

/s/ William B. Noon

By: William B. Noon

Corporate Vice President and Chief Accounting Officer

(Principal Accounting Officer)

Date: November 6, 2023 May 7, 2024

January 12, 2024

SEPARATION AGREEMENT AND RELEASE OF CLAIMS

This Separation Agreement and Release of Claims ("Agreement") is made by and between William W. Beard ("Mr. Beard"), and V2X, Inc. ("V2X").

WHEREAS Mr. Beard and V2X mutually desire to end Mr. Beard's employment with V2X; and

WHEREAS Mr. Beard and V2X desire to settle fully and finally, without admission of liability, any and all claims that Mr. Beard could bring against V2X;

NOW, THEREFORE, in consideration of the mutual covenants and promises herein contained and to avoid the possibility unnecessary litigation, it is hereby agreed by and between the parties as follows:

1. End of Employment/Consideration. Mr. Beard and V2X agree that Mr. Beard's employment with, and service as the Senior Vice President, Aerospace and Defense Services of V2X ended effective January 12, 2024. Mr. Beard shall be deemed to have resigned from all other positions with V2X and/or any of its affiliated entities that he holds.

a. Moreover, in full consideration of Mr. Beard's execution of this Agreement and his agreement to be legally bound and abide by its terms, as well as his agreement to assist in any transition matters as requested by V2X, and subject to the terms below, V2X and Mr. Beard agree as follows:

i. V2X will pay to Mr. Beard the total sum of Four Hundred Eighty-Seven Thousand Five Hundred Dollars and Zero Cents (\$487,500.00) ("Severance Pay"), which consists of thirteen (13) months of base pay, less required deductions, and withholdings to be paid in equal periodic installments aligned to the normal V2X payroll cycle.

ii. Mr. Beard shall be eligible for participation in applicable V2X employee welfare benefit plans that Mr. Beard participated in immediately prior to the end of his employment, at the level he participated in at that time, in accordance with the provisions of such plans and to the extent required by the Consolidated Omnibus Budget Reconciliation Act ("COBRA"). The duration of this participation shall be thirteen (13) months from the date his employment with V2X ends. V2X shall pay its share of the monthly premium per the Company's contribution strategy for this coverage. Mr. Beard's participation in all other employee benefit plans will cease on January 12, 2024.

iii. Mr. Beard understands that V2X will deduct from the monies described in paragraph 1.a.i, above, all federal, state, and local withholding taxes and other deductions V2X is required by law to make from payments to employees. After the termination of his employment, Mr. Beard understands that he is not entitled to any compensation or

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benefits or any other payment from V2X, including but not limited to any severance pay, commissions, termination allowance, notice pay or similar pay or allowance, other than as specifically provided in this Agreement.

iv. V2X agrees to make to Mr. Beard a lump sum payment for any accrued, unused Paid Time Off ("PTO") in the form of a direct deposit on the first regular V2X payday, following the end of Mr. Beard's employment. Mr. Beard will not continue to accrue PTO after the termination date of January 12, 2024.

v. Mr. Beard has been awarded Restricted Stock Units ("RSUs") pursuant to the RSU Agreement dated July 5, 2022, of which 29,314 are currently outstanding. All 29,314 of these outstanding RSUs will vest as of the Effective Date. The terms and conditions of the Award Agreements pursuant to which the RSUs were awarded, including the restrictive covenants contained in the Appendices thereto, are incorporated herein by reference.

vi. Mr. Beard has been awarded 6,981 RSUs pursuant to an RSU Agreement dated March 10, 2023. These RSUs shall vest on a pro-rated basis as of the end of the performance period in accordance with the terms of the RSU Award Agreement. All unvested shares shall be forfeited as of the date of termination without the payment of any consideration.

vii. Mr. Beard has been awarded 6,981 Performance Stock Units ("PSUs") pursuant to a TSR Award Agreement dated March 10, 2023 (the "TSR Award Agreement"). These PSUs shall vest on a pro-rated basis as of the end of the performance period in accordance with the terms of the TSR Award Agreement. All unvested shares shall be forfeited as of the date of termination without the payment of any consideration.

viii. The 8,209 Special Performance Restricted Stock Units that were granted to Mr. Beard on March 10, 2023, shall be forfeited as of the date of termination without the payment of any consideration.

b. The payments and benefits provided in this Section are inclusive of all claims Mr. Beard had, has, or may have had through the date of this Agreement for any alleged damages against V2X, including, but not limited to, any alleged claims for back pay, lost benefits, liquidated damages, physical injuries, emotional distress, attorney's fees, and costs.

c. The payments provided above shall be governed by applicable federal, state, and local laws and regulations, including but not limited to all applicable tax laws, and Mr. Beard shall be solely responsible for the employee's portion of any taxes, and liens, interest, and penalties that he might owe with respect to such payments. Mr. Beard acknowledges that he has obtained no advice from V2X or its attorneys and that neither V2X nor its attorneys have made any representations regarding the tax or other financial consequences, if any, regarding the payments provided for above. Mr. Beard shall indemnify V2X and hold V2X harmless for the employee's portion of taxes, and all liens, penalties, interest, withholdings, amounts paid in settlement to any governmental authority, and expenses, including but not limited to, defense expenses and attorney fees, with regard to the payments.

d. Payment of the amounts described in paragraph 1.a shall not commence sooner than eight (8) days following Mr. Beard's execution of this Agreement, provided that Mr.

Beard has not revoked this Agreement pursuant to paragraph 18, below, and no later than thirty (30) days from the date of his execution; provided, however, that the benefits described in paragraphs 1.a.vi, vi and vii shall vest according to the terms of those paragraphs. Mr. Beard agrees that the payments and benefits described in paragraph 1.a.viii. are more than V2X is required to provide under its normal policies and procedures or by law.

2. Acknowledgments. By accepting the payments described in paragraph 1 of this Agreement, Mr. Beard acknowledges that he is agreeing to the terms set forth in this Agreement in return for V2X's promise to provide his with money and benefits which he would otherwise not be entitled to receive. Further, Mr. Beard is representing, warranting, and agreeing that the following statements are true and correct:

a. V2X has paid Mr. Beard through the date of his signature below all wages, bonuses and other forms of compensation due to his for work performed on behalf of V2X, this than as described in this Agreement, including any overtime wages due his;

b. Except as otherwise provided in this Agreement, Mr. Beard is not entitled to receive compensation, fringe benefits, severance benefits or any other employee benefits or payments of any kind from V2X or its parent or affiliated companies, subsidiaries, divisions, related business entities;

c. V2X has properly provided Mr. Beard with leave for his or his family members' health conditions and has not taken any adverse action against his as a result of his requesting or taking any such leave;

d. Mr. Beard has not suffered or incurred any workplace injury in the course of his employment with V2X on or before the date of his signature below, other than any injury that was made the subject of an injury report or workers' compensation claim on or prior to the date of his signature below;

e. Mr. Beard is not currently aware of, does not have, and has not filed any complaint, charge, lawsuit, or other legal action that is now pending against V2X, or any other released party described in Section 3; and

f. Mr. Beard has had the opportunity to provide V2X with written notice of any and all concerns regarding suspected ethical and compliance issues or violations on the part of V2X or any other released party, including but not limited to: (i) gross mismanagement, (ii) gross waste of funds, (iii) abuse of authority, (iv) danger to public health or safety, or (v) violation of any law or regulation related to any federal agency contract or grant, and acknowledges that he is not aware of any such concerns, issues or violations; and

g. Mr. Beard shall seek written approval from V2X prior to entering into any transaction involving V2X securities, including the purchase or sale of any stock. Mr. Beard will no longer be subject to the requirement for prior approval before the purchase or sale of any such stock after three months following the termination of his employment. Mr. Beard is also subject to the securities laws and V2X's "insider trading" policies in respect of any transaction Mr. Beard effects while in possession of material non-public information regarding such stock.

3. Release of Claims.

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a. Payment of the amounts described in paragraph 1.a to Mr. Beard is accepted by him in full and final release and settlement of any and all claims which he may have against V2X and each of its predecessors, subsidiaries, associates, affiliates and equity holders (including, for the avoidance of doubt, Vertex Aerospace Services Holding Corp., Andor Merger Sub, LLC and Vertex Aerospace Holdco LLC), and each of its and their respective former or current directors, managers, officers, employees, trustees, agents, attorneys, representatives, affiliates, subsidiaries, divisions, related business entities, general or limited partners, members, stockholders, equity holders, controlling persons, successors and assigns, or anyone employed by any of them or acting on any of their behalf, as well as insurers and reinsurers (collectively "Releasees"), relating to his employment and/or separation from employment with V2X and which arise on or before the date of his signature below; provided, however, that it does not include any claim for workers compensation. The claims which he hereby releases and settles include, but are not limited to:

i. any claim of alleged discrimination, harassment, retaliation or failure to accommodate, under Title VII of the Civil Rights Act of 1964, the Civil Rights Act of 1866, the Americans With Disabilities Act, the Age Discrimination in Employment Act ("ADEA"), the Equal Pay Act, the Rehabilitation Act, the Genetic Information Non Discrimination Act, any amendments to the foregoing, or any other federal, state, or local statute, regulation, or ordinance related to any aspect of employment;

ii. any claim of negligence, breach of an express or implied employment contract, violation of public policy, wrongful discharge, conspiracy, fraud, infliction of emotional distress, mental or physical injury, or defamation;

iii. any claim for benefits under any of V2X's employee benefits plans;

iv. any claim for wages, bonuses, commissions, vacation pay, sick pay, severance or compensation of any kind other than those specified in this Agreement, including any claim for amounts payable to Mr. Beard in respect of any bonus and/or incentive plan of V2X for the year of his termination from employment or any prior period;

v. any claim or violation under any other federal, state, or local statute or common law that may apply in the context of Mr. Beard's employment with V2X, including, but not limited to, the Family and Medical Leave Act, the Employee Retirement Income Security Act, and the federal Worker Adjustment and Retraining Notification Act (WARN Act) or any other or any similar state or local law governing plant closings or mass layoffs; and

vi. any claim for reinstatement, equitable relief, or damages of any kind whatsoever.

b. Mr. Beard also specifically understands that he is releasing any claim he might have under the Age Discrimination in Employment Act, 29 U.S.C. §621 *et seq.*, which prohibits discrimination on the basis of age forty or older.

c. Mr. Beard understands that he is releasing potentially unknown claims, and that he has limited knowledge with respect to some of the claims being released. Mr. Beard

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acknowledges that these is a risk that, after signing this Agreement, he may learn information that might have affected his decision to enter into this Agreement. Mr. Beard assumes this risk and all other risks of any mistake in entering into this Agreement. Mr. Beard agrees that this release is fairly and knowingly made.

d. The release of claims set forth above does not affect Mr. Beard's vested rights in and to any welfare or qualified retirement benefit plan to which he may be entitled. In addition, the release of claims set forth above does not apply to claims that cannot be released by private agreement; claims for worker's compensation or unemployment benefits; or claims that arise after the date on which he signs this Agreement.

4. Covenant Not to Sue and Waiver of Additional Remedies. As further consideration for V2X's payment to Mr. Beard, he agrees that he will not institute any court proceeding in order to pursue any claim that he has released in paragraph 3 hereof. Nothing in this Agreement, including the provisions of paragraphs 3, 6, 7, and 8 hereof and any and all of his other covenants herein, shall be construed to prevent Mr. Beard, in good faith, from challenging the validity of this Agreement under the ADEA or the Older Worker Benefit Protection Act or from filing a lawsuit of discrimination with, reporting – without prior notice to or consent from – possible waste, fraud, abuse, occupational injury or illness, or violations of any law or regulation to, providing supporting information or documents to, and/or participating in an investigation or testifying in any proceeding conducted by, the Equal Employment Opportunity Commission, National Labor Relations Board, Securities and Exchange Commission, OSHA, and/or any other similar local, state, or federal administrative agency charged with the enforcement of any laws. Nothing in this Agreement precludes Mr. Beard from testifying in an administrative, legislative, or judicial proceeding concerning alleged criminal conduct or alleged unlawful employment practices regarding V2X, its agents, or employees, when Mr. Beard has been required or requested to do so pursuant to a court order, subpoena, or written request from an administrative agency or the legislature. However, in accordance with his release of claims in paragraph 3 of this Agreement, Mr. Beard waives his right to recover any individual relief (excluding the consideration provided to his under this Agreement, but including backpay, front pay, reinstatement, or other legal or equitable relief) in any lawsuit, complaint, or lawsuit or other proceeding brought by his or on his behalf by any third party, except where such a waiver of individual relief is prohibited by law and except for any right he may have to receive a bounty payment or other award from a government agency (and not V2X or any released parties) for information provided to the government agency. Further, Mr. Beard retains the right to challenge the knowing and voluntary nature of this Agreement under the Older Worker's Benefit Protection Act ("OWBPA") and the ADEA before a court, the EEOC, or any state or local agency permitted to enforce those laws, and this release does not impose any penalty or condition for doing so. Notwithstanding Mr. Beard's confidentiality and non-disclosure obligations in this Agreement, Mr. Beard understands that as provided by the Federal Defend Trade Secrets Act, he will not be held criminally or civilly liable under any federal or state trade secret law for the disclosure of a trade secret made: (1) in confidence to a federal, state, or local government official, either directly or indirectly, or to an attorney, and solely for the purpose of reporting or investigating a suspected violation of law; or (2) in a complaint or other document filed in a lawsuit or other proceeding, if such filing is made under seal.

5. Opportunity to Consider the Agreement and Consult an Attorney. Mr. Beard acknowledges that he has been and is in connection with this Agreement advised by V2X to consult his own attorney prior to deciding whether to accept this Agreement and that he was

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afforded a period of twenty-one (21) days to consider this Agreement and to decide whether to accept it. Mr. Beard further acknowledges that no representative of V2X ever stated or implied that he had less than twenty-one (21) days to consider this Agreement. Mr. Beard also acknowledges that, to the extent he decided to sign this Agreement prior to the expiration of the full twenty-one (21) day period, such decision was knowing and voluntary on his part and was in no way coerced by V2X. To the extent any changes were made in this Agreement as a result of discussions taking place after the date this Agreement was first provided to Mr. Beard, he and V2X agree that such changes, whether material or not, did not restart the running of the period of twenty-one (21) days to consider this Agreement.

6. Non-Disparagement.

a. Mr. Beard agrees not to make, now or at any time in the future, any disparaging statements concerning V2X, or any person associated with V2X that he is aware of, including any officer, partner, director, member, employee, expert, or legal representative of V2X, concerning their respective activities that he is aware of, or concerning their respective officers, trustees, directors, employees, representatives, products or services that he is aware of, to the press, to the respective present or former employees of V2X or any affiliate that he is aware of, or to any individual or entity with whom or which V2X has a working or business relationship that he is aware of, including, but not limited to, V2X's respective customers, clients, suppliers, and distributors, or to any other person or entity that he is aware of, where such comment or statement could affect adversely the conduct of V2X's or any affiliate's business or their respective reputations. This paragraph does not prohibit giving information to a government agency. In the event of a conflict between the provisions of this paragraph and those of Section 4, Section 4 shall govern.

7. Mutual Nondisclosure Obligation.

a. The Parties agree that the terms of this Agreement and the amounts paid pursuant to this Agreement are STRICTLY AND COMPLETELY CONFIDENTIAL and shall not be disclosed to any person or entity except as expressly permitted in this paragraph. The Parties shall make no reference to this Agreement or the termination of Mr. Beard's employment on social media. The Parties further represent that they have not, as of the date of this Agreement, disclosed the terms of this Agreement or the amount of the payments identified in this Agreement, except as would have been authorized by this Agreement.

b. Notwithstanding the foregoing provisions of this paragraph, the Parties shall be entitled to disclose the facts and terms of this Agreement: (i) to their respective attorneys, financial advisers, or accountants, and in the case of the V2X, to the members of the Board of Directors and/or any V2X employee who in his/his/their official capacity has reason to know about the Agreement; (ii) to a government agency and/or a verified contractor of a government agency and/or any applicable regulatory entities; (iii) in response to a valid and enforceable subpoena; (iv) as otherwise required by law; or (v) in connection with a dispute arising out of this Agreement. In addition, Mr. Beard may disclose the facts and/or terms of this Agreement to members of his family.

c. If Mr. Beard is required to disclose this Agreement, its terms or underlying facts pursuant to court order and/or subpoena, Mr. Beard shall notify V2X, in writing via

facsimile, email or overnight mail, within forty-eight (48) hours of his receipt of such court order or subpoena, and simultaneously provide V2X with a copy of such court order or subpoena. The notice shall be delivered to Jo Ann Bjornson, Chief Human Resources Officer, V2X, Inc., 7901 Jones Branch Drive, Suite 700, McLean, Virginia, 22102. Mr. Beard agrees to waive any objection to V2X's request that the document production or testimony be done *on camera* and under seal.

d. In the event there is any litigation to enforce this Agreement, the prevailing party in a court of competent jurisdiction will be awarded his/its costs, expenses and reasonable attorneys' fees in addition to any monetary recovery.

8. Confidentiality of Information. Mr. Beard acknowledges that, as an employee of V2X, he had access to and possesses confidential information and proprietary business information about V2X, and its respective clients, licensors, and suppliers (collectively "Confidential Information"), which information is the property of V2X and not generally known or available to the public. Confidential Information includes, without limitation, V2X's professional, technical and administrative manuals, associated forms, processes and computer systems (including hardware, software, database and information technology systems); marketing, sales and business development plans and strategies; client and prospect files, lists and materials; V2X's sales, costs, profits and other financial information; short- and long-term strategy information; and human resources strategies. Mr. Beard agrees that, except as otherwise may be required by law, and only as permitted by paragraphs 4 and 7 of this Agreement, he will not divulge, communicate, or in any way make use of any Confidential Information acquired in the performance of his duties for V2X and maintained as such by V2X. Nothing in this Agreement is intended to or will be used in any way to limit Mr. Beard's rights to make truthful statements or disclosures regarding unlawful employment practices.

9. Non-Competition and Non-Solicitation.

a. Noncompete. For a period of one year after the date Mr. Beard's employment with V2X ends, he will not provide services to a Competitor in any role or position (as an employee, consultant or otherwise) within or related to the Restricted Area that would involve Competitive Activity.

b. Customer Nonsolicit. For a period of one year after the date Mr. Beard's employment with V2X ends, he will not, directly or through assistance to others, participate in soliciting a Covered Customer for the benefit of a Competitor, or for the purpose of causing or encouraging the Covered Customer to cease or reduce the extent to which the customer does business with V2X.

c. Employee Nonsolicit. For a period of one year after the date Mr. Beard's employment with V2X ends, he will not, for the benefit of a Competitor, directly or through assistance to others, participate in soliciting a Covered Employee to leave the employment of V2X or assist a Competitor in efforts to hire a Covered Employee.

d. Definitions & Understandings. For purposes of the foregoing Restrictive Covenants, the following definitions and understandings will apply:

i. "Competitor" refers to a person or entity who is engaged in V2X's business and/or provides (or is planning to provide) Competitive Products in the markets where V2X does business.

ii. "Competitive Activity" means job duties or other business-related activities (as an employee, consultant, director, partner, owner or otherwise) that involve the performance of services that are the same as or similar in function or purpose to those Mr. Beard performed, supervised or managed for V2X in the Look Back Period.

iii. "Competitive Product" means goods or services of the type conducted, authorized, offered, or provided by V2X within two years prior to the termination of Mr. Beard's employment that V2X remains in the business of providing and that would displace business opportunities for V2X's goods or services (existing or under development) that Mr. Beard had involvement with.

iv. "Covered Customer" means a customer of V2X that Mr. Beard had material contact with or was provided Confidential Information about during the Look Back Period. Unless it would make the applicable restriction unenforceable, customers will be presumed to include active customer prospects as of the date Mr. Beard's employment with V2X ended that he had material contact with.

v. "Covered Employee" means an employee that Mr. Beard worked with, gained knowledge of, or was provided Confidential Information about as a result of his employment with V2X during the Look Back Period.

vi. "Look Back Period" means the last two (2) years of Mr. Beard's employment with V2X (including any period of employment with a predecessor entity acquired by V2X) or any lesser period of his employment if employed less than two years.

vii. "Restricted Area" is each geographic territory or region assigned to Mr. Beard in the Look Back Period, or if his area of responsibility was not limited to a specific assigned territory or region then each state (or state equivalent) and county (parish or other county equivalent) within the United States where V2X did business during the Look Back Period that Mr. Beard had any material involvement in or was provided Confidential Information about, or if this geography is not enforceable then such other geographic area as may be the maximum permissible geographic area of enforceability of the covenant to which the Restricted Area applies. Unless Mr. Beard can prove otherwise by clear and convincing evidence, a reasonable Restricted Area shall be presumed to include, at a minimum, the state(s) and county(s) within the United States that Mr. Beard actively worked in during such the Look Back Period, and the states and counties where the Covered Customers and Company both do business.

10. Return of Property. By signing this Agreement, Mr. Beard agrees and represents that he has either already returned to V2X, or will do so to the extent he has not already done so, all documents, equipment and other materials belonging to V2X, or otherwise containing Confidential Information, that is in his possession or under his control, including but not limited to any information in any tangible form (any documents, memoranda and/or files, faxes, and any means of data storage such as computer disks, CDROMS and the like, and all copies thereof), concerning V2X or its businesses, employees, clients and/or projects, and any keys, credit

cards, equipment, computers, portable telephones, identification cards, books, notes, and any other property of V2X. Mr. Beard agrees that all memoranda, notes, records, or other documents compiled by his or made available to his during the term of his employment with V2X concerning its businesses or customers is its property, whether or not confidential, and has been returned by Mr. Beard to V2X. Mr. Beard further agrees that he shall not be entitled to any payments pursuant to this Agreement until such equipment and materials have been returned to V2X.

11. Unemployment Insurance, Future Employment. V2X agrees that it will not oppose any application by Mr. Beard for unemployment benefits. Mr. Beard agrees that he will not now or at any time in the future seek employment with V2X, and if for some reason he does so, V2X is entitled to reject any such application without any recourse by Mr. Beard.

12. Disqualifying Conduct. If Mr. Beard, in any material way: (i) breaches the terms of this Agreement; (ii) fails to comply with V2X's Company Covenant Against Disclosure and Assignment of Rights to Intellectual Property executed by Mr. Beard or improperly utilizes V2X's confidential or proprietary information or breaches paragraph 8 of this Agreement; (iii) fails to comply with applicable provisions of the V2X Code of Corporate Conduct or applicable policies; (iv) breaches any provision of the applicable Award Agreements referred to in paragraph 1, above; or (v) engages in fraud, misfeasance or malfeasance, as determined in the sole discretion of V2X (collectively, "Disqualifying Conduct"), then the PSUs identified in paragraph 1.a.v shall be immediately forfeited. Because of certain language

in the OWBPA and associated regulations, and even though Mr. Beard is releasing claims under the ADEA and the OWBPA, this forfeiture does not apply to any challenge Mr. Beard may make to the knowing and voluntary nature of this Agreement under the ADEA and the OWBPA. Moreover, V2X will have no further obligation to make any other payments or benefits described in this Agreement, other than those to which Mr. Beard may be entitled. And, in the event that V2X has to file suit or take other action to recover any such payment, Mr. Beard will also be liable to V2X for the legal fees incurred by V2X.

13. Medicare Status and Satisfaction of Any Medicare Reimbursement Obligations

a. Mr. Beard represents and warrants that Mr. Beard is not enrolled in the Medicare program, was not enrolled in the Medicare program at the time of the Released Matters or anytime thereafter through the date of this Release, and has not received Medicare benefits for medical services or items related to the Released Matters. Mr. Beard understands that Releasees have requested certain personal information of Mr. Beard, including Mr. Beard's Social Security Number, to meet Releasees' reporting obligations under Section 111 of MMSEA. Mr. Beard has chosen not to provide such information to Releasees and agrees in paragraph 3 above to indemnify Releasees for any penalties or claims resulting from Releasees' inability to report this settlement as may be required by law.

b. Mr. Beard represents and warrants that Mr. Beard has not received any medical services or items related to, arising from, or in connection with the Released Matters.

c. Mr. Beard acknowledges and agrees that it is Mr. Beard's responsibility pursuant to this Release, and not the responsibility of Releasees, to reimburse Medicare for any Conditional Payments made by Medicare on behalf of Mr. Beard as of the date of this Agreement or in the future.

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14. No Admissions. Nothing contained herein shall be construed as an admission of wrongdoing, violation of any federal, state, or local law, or violation of any V2X policy or procedure by V2X or any of its divisions, affiliates or any of their respective officers, directors, employees or Mr. Beard.

15. Entire Agreement. This Agreement, along with the attachments and other V2X policies and agreements referred to herein, and any other agreement applicable to Mr. Beard, including but not limited to the Award Agreements referred to in paragraph 1a, above, sets forth the entire agreement between Mr. Beard and V2X relating to his employment with and separation from V2X; provided, however, that if there is a conflict between any of these other policies and/or agreements and this Agreement, the terms of this Agreement shall govern the parties. Mr. Beard acknowledges that in entering into this Agreement he has not relied upon any representation, oral or written, not set forth in this Agreement.

16. Severability. By signing this Agreement, Mr. Beard acknowledges that he understands that in the event that any provision contained herein, except paragraphs 3 and 4, becomes or is declared by a court or other tribunal of competent jurisdiction to be illegal, unenforceable, or void, this Agreement shall continue in full force and effect without said provision. In the event that paragraph 3 and/or paragraph 4 is declared by a court or other tribunal of competent jurisdiction to be illegal, unenforceable or void, then this Agreement shall be deemed null and void, and he agrees to re-pay to V2X the payment provided to him in this Agreement.

17. Cooperation. By signing this Agreement, Mr. Beard agrees to reasonably cooperate with V2X and its attorneys in the prosecution and/or defense of any legal action wherein V2X is a party and that involves any facts or circumstances arising during the course of his employment with V2X, including its subsidiaries and affiliated entities. Such cooperation includes, but is not limited to, meeting with V2X's attorneys at reasonable times and places to discuss his knowledge of pertinent facts, appearing as required at deposition, arbitration, trial, or other proceeding to testify as to those facts and testifying to the best of his abilities at any such proceeding. Mr. Beard will be reimbursed for all reasonable costs and expenses incurred during his cooperation. Mr. Beard also agrees that, for a period of six months after his employment with V2X ends, he will make herself reasonably available to V2X for any assistance with transition issues as is needed by V2X. Mr. Beard will not be compensated for any such time.

18. Right to Revoke Agreement. Mr. Beard understands and agrees that he: (a) has carefully read and fully understands all of the provisions of this Agreement; (b) has been given a full twenty-one (21) days within which to consider this Agreement before executing it; (c) is, through this Agreement, releasing V2X, and the parties identified in paragraph 3, from any and all claims he may have against them, to the maximum extent permitted by law; (d) knowingly and voluntarily agrees to all of the terms set forth in this Agreement; (e) knowingly and voluntarily intends to be legally bound by this Agreement; (f) had the opportunity to consult with an attorney before executing this Agreement; (g) had a full seven (7) calendar days following his execution of this Agreement to revoke this Agreement; (h) understands that rights or claims under the ADEA that may arise after the effective date of this Agreement are not waived; and (i) understands that this Agreement shall not become effective or enforceable until the Effective Date, which is the first calendar day after the expiration of the seven-day revocation period described above. No money and/or benefits payable solely by virtue of this Agreement shall be

made during the seven-day revocation period. In order to revoke this Agreement, Mr. Beard must deliver or cause to be delivered to Jo Ann Bjornson, at the address identified in paragraph 7(c), above, an express written revocation, no later than 11:59 p.m. EDT on the seventh calendar day following the date Mr. Beard signs this Agreement.

19. **No Reliance.** Mr. Beard acknowledges that he has had the opportunity to conduct an investigation into the facts and evidence relevant to his decision to sign this Agreement. Mr. Beard acknowledges that, in deciding to enter into this Agreement, he has not relied on any promise, representation, or other information not contained in this Agreement, and also has not relied on any expectation that V2X has disclosed all material facts to his. By entering into this Agreement, Mr. Beard is assuming all risks that he may be mistaken as to the true facts, that may have been led to an incorrect understanding of the true facts, or that facts material to his decision to sign this Agreement may have been withheld from him. Mr. Beard will have no claim to rescind this Agreement on the basis of any alleged mistake, misrepresentation, or failure to disclose any fact. None of the foregoing, however, will affect his right to challenge the validity of this Agreement under the Older Worker Benefit Protection Act.

20. **Authority.**

a. Mr. Beard represents and warrants that he has all necessary authority to enter into this Agreement (including, if he is married or in a domestic partnership, on behalf of his marital community or domestic partnership community) and that he has not transferred any interest in any claims to his spouse or domestic partner or to any other third party.

b. This Agreement shall be binding upon and inure to the benefit of Mr. Beard and V2X and their respective heirs, executors, successors, representatives, and agents.

21. **Choice of Law.** This Agreement shall be governed and interpreted by the laws of the Commonwealth of Virginia, without regard to any conflict of laws principles that would apply another jurisdiction's laws. The parties also agree that any action to enforce this Agreement shall be brought exclusively in a court located in Virginia encompassing the geographic area of V2X's headquarters office. The parties consent to the personal jurisdiction of any such court, and waive any objections to lack of personal jurisdiction or inconvenience of this forum.

22. **Compliance with IRC 409A.** This Agreement is intended to comply with I.R.C. Section 409A and will be interpreted in a manner intended to comply with Section 409A. Each payment made under this Agreement shall be designated as a "separate payment" within the meaning of Section 409A. If, as of the last day worked by Mr. Beard, he is a "specified employee" as defined in Section 409A and the deferral of any other payment or commencement of any other payments or benefits otherwise payable by V2X to Mr. Beard as a result of Mr. Beard's separation of service is necessary in order to prevent any accelerated or additional tax under Section 409A, then V2X will defer the commencement of the payment of any such payments or benefits until the date that is six months following his last day of employment.

23. **Effective Date.** This Agreement shall be effective on the first day after the expiration of the seven-day expiration period described above (the "Effective Date").

24. **Counterparts and Signatures.** This Agreement may be signed in counterparts, each of which shall be deemed an original, but all of which, taken together, shall constitute the

same instrument. A signature made on a faxed or electronic copy of the Agreement or a signature transmitted by facsimile or email shall have the same effect as an original signature.

**PLEASE READ CAREFULLY. THIS AGREEMENT CONTAINS
A RELEASE OF KNOWN AND UNKNOWN CLAIMS.**

V2X, Inc. William W. Beard

/s/ Jo Ann Bjornson/s/ William W. Beard
Jo Ann Bjornson

1/23/24 1/12/24
Date Date

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Exhibit 10.2

V2X, INC.
Second Amendment and Restatement of the V2X, Inc. 2014 Omnibus Incentive Plan, as amended and restated
as of October 27, 2022

RESTRICTED STOCK UNIT AWARD AGREEMENT
(Stock Settled)

THIS AGREEMENT (the "Agreement"), effective as of **###GRANT_DATE###**, by and between V2X, Inc. (the "Company") and **###PARTICIPANT_NAME###** (the "Grantee"), WITNESSETH:

WHEREAS, the Grantee is now employed by the Company or an Affiliate (as defined in the Second Amendment and Restatement of the V2X, Inc. 2014 Omnibus Incentive Plan, as amended and restated as of October 27, 2022, (the "Plan")) as an employee, and in recognition of the Grantee's valued services, the Company, through the Compensation and Personnel Committee of its Board of Directors (the "Committee"), desires to provide an inducement to remain in service of the Company and as an incentive for increased efforts during such service pursuant to the provisions of the Plan and this Agreement.

NOW, THEREFORE, in consideration of the terms and conditions set forth in this Agreement and the provisions of the Plan, a copy of which is attached hereto and incorporated herein as part of this Agreement, and any administrative rules and regulations related to the Plan as may be adopted by the Committee, the parties hereto hereby agree as follows:

1. Grant of Restricted Stock Units. In accordance with, and subject to, the terms and conditions of the Plan and this Agreement, the Company hereby confirms the grant on **###GRANT_DATE###** (the "Grant Date") to the Grantee of **###TOTAL_AWARDS###** Restricted Stock Units. The Restricted Stock Units are notional units of measurement denominated in Shares of common stock of the Company (i.e., one Restricted Stock Unit is equivalent in value to one share of common stock of the Company (a "Share").

The Restricted Stock Units represent an unfunded, unsecured right to receive Shares in the future if the conditions set forth in the Plan and this Agreement are satisfied.

2. Terms and Conditions. It is understood and agreed that the Restricted Stock Units are subject to the following terms and conditions:

(a) Restrictions. Except as otherwise provided in the Plan and this Agreement, neither this Award nor any Restricted Stock Units subject to this Award may be sold, assigned, pledged, exchanged, transferred, hypothecated or encumbered, other than to the Company as a result of forfeiture of the Restricted Stock Units.

(b) Stockholder Rights. The Grantee shall not have any privileges of a stockholder of the Company with respect to the Restricted Stock Units or any Shares that may be delivered hereunder, including without limitation any right to vote such Shares or to receive dividends or dividend equivalents, unless and until such Shares are delivered upon vesting of the Restricted Stock Units.

(c) Vesting of Restricted Stock Units and Payment. Subject to subsections 2(d) and 2(e) below, the Restricted Stock Units shall vest (meaning the Period of Restriction shall lapse with respect to the applicable vesting Restricted Stock Units) as follows:

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- (i) 1/3 of the Restricted Stock Units shall vest on **###GRANT_DATE###, 2025**
- (ii) 1/3 of the Restricted Stock Units shall vest on **###GRANT_DATE###, 2026**, and
- (iii) 1/3 of the Restricted Stock Units shall vest on **###GRANT_DATE###, 2027**.

Except as provided in subsections 2(j)(i) and 2(j)(ii) below, upon vesting of the Restricted Stock Units (including vesting pursuant to subsections 2(d) or 2(e) below), the Company will deliver to the Grantee one Share for each vested Restricted Stock Unit, with any fractional Share resulting from proration resulting from the fractional vesting set forth above or otherwise set forth herein to be rounded to the nearest whole Share (with 0.5 to be rounded up), less any Shares and/or cash withheld in accordance with subsection 2(f) below.

(d) **Effect of Acceleration Event.** Notwithstanding anything in this Agreement to the contrary, the Restricted Stock Units shall, to the extent outstanding and unvested, immediately become 100% vested if, on the date of, or within twenty-four months following, an Acceleration Event which occurs following the Grant Date, the Grantee's employment is terminated by the Company (or an Affiliate or any successor, as the case may be), without Cause (as defined below) or by the Grantee for Good Reason (as defined below).

For purposes of this Agreement, the term "Cause" shall mean (1) the Grantee's misconduct, (2) the Grantee's violation of Company policies, rules or Code of Conduct or any other terms or conditions relating to the Grantee's employment or any agreement with the Grantee or (3) any other conduct of the Grantee that the Committee in its sole discretion determines constitutes Cause for purposes of this Agreement.

For purposes of this Agreement, the term "Good Reason" shall mean, without the Grantee's express written consent and excluding for this purpose any action which is remedied by the Company (or an Affiliate or any successor, as the case may be) within thirty (30) days after receipt of notice thereof given by the Grantee, (i) a reduction in the Grantee's annual base compensation (whether or not deferred); (ii) the assignment to the Grantee of any duties inconsistent in any material respect with the Grantee's position (including status, offices, titles and reporting requirements), authority, duties or responsibilities; (iii) any other action by the Company (or an Affiliate or any successor, as the case may be) which results in a material diminution in such position, authority, duties or responsibilities; or (iv) the Company's (or an Affiliate or any successor, as the case may be) requiring the Grantee's work location to be other than within thirty-five (35) miles of the location where such Grantee was principally working immediately prior to the Acceleration Event; provided that "Good Reason" shall cease to exist for an event on the 90th day following the later of its occurrence or the Grantee's knowledge thereof, unless the Grantee has given the Company (or an Affiliate or any successor, as the case may be) notice thereof prior to such date, and the date of the Grantee's termination of employment for Good Reason must occur, if at all, within one hundred and eighty (180) days following the later of the occurrence of the Good Reason event or the Grantee's knowledge thereof.

(e) **Effect of Death, Disability and Termination of Employment**

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- (i) **Death or Disability.** If the Grantee dies or becomes Disabled (as defined below) while employed, the Restricted Stock Units shall immediately become 100% vested as of the date of the death or the date the Grantee becomes Disabled, as the case may be. For purposes of this Agreement, the term "Disability" shall mean the complete and permanent inability of the Grantee to perform all of his or her duties under the terms of his or her employment, as determined by the Company upon the basis of such evidence, including independent medical reports and data, as the Company deems appropriate or necessary; provided however, that with respect to any portion of the Award that constitutes deferred compensation for purposes of Section 409A of the Code and any related regulations or other effective guidance promulgated thereunder ("Section 409A"), the Grantee shall not be deemed to be Disabled unless and until the date the Grantee becomes "disabled" as that term is used in Section 409A.
- (ii) **Termination by the Company Without Cause.** If the Grantee's employment terminates due to an involuntary termination of employment by the Company (or an Affiliate, as the case may be) for other than Cause (provided that subsection 2(d) is not applicable and the termination is not deemed a Retirement pursuant to subsection 2(e)(iii)), the Grantee shall be entitled to vest in a prorated portion of the Restricted Stock Units (as described below), with any remaining unvested portion of the Award expiring as of the date of the termination of the Grantee's employment. Such prorated vesting shall occur on the original vesting schedule set forth in subsection 2(c), not at the time of the Grantee's termination of employment. The prorated portion of the Restricted Stock Units to which the Grantee is entitled pursuant to this paragraph shall be determined by (A) multiplying the total number of Restricted Stock Units subject to this Award by a fraction, the numerator of which is the number of full months during which the Grantee has been continually employed since the Grant Date (not to exceed 36 in the

aggregate), and the denominator of which is 36, and (B) reducing the product thereof by the number of Restricted Stock Units that had already become vested as of the date of the termination of the Grantee's employment. For this purpose, full months of employment shall be based on monthly anniversaries of the Grant Date, not calendar months.

(iii) **Termination due to Retirement.** If the Grantee's employment terminates due to Retirement (as defined below), the Grantee shall be entitled to vest in the entire Award which shall continue to vest on the original vesting schedule as if the Grantee had remained employed through any remaining vesting dates; provided that the Grantee has not at any time violated the terms of any restrictive covenant set forth in Appendix A. If the Grantee does violate such restrictive covenant at any time prior to the date that the Award would otherwise have vested under its original grant terms, the Award will terminate and expire in all respects, without further action by the Company and the Grantee hereby agrees that the Company shall have all of the remedies and rights set forth in subsection 2(h) below.

For purposes of this Agreement, the term "Retirement" shall mean the termination of the Grantee's employment following the one-year anniversary of the Grant Date if, at the time of such termination, the Grantee is at least age 60 with at least 5 years of service. For this purpose, "years of service" means service as an Employee of the Company or of the Predecessor Corporation. For the avoidance of doubt, (i) the Grantee shall not be considered employed during any period in which the Grantee is receiving severance payments, (ii) termination of the Grantee's employment (a) by the Company for Cause, (b) due to the Grantee's death or Disability or (c) described in subsection 2(d) shall not constitute Retirement, regardless of the Grantee's age and years of service, and (iii) if the

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Grantee's employment is terminated by the Company or an Affiliate other than for Cause and before an Acceleration Event and on the termination date one year has elapsed from the Date of Grant and the Grantee is at least age 60 with at least five years of service, such termination shall be treated as a termination due to Retirement for purposes of subsection 2(e)(ii).

(iii) **Termination for Any Other Reason.** If the Grantee's employment with the Company and its Affiliates is terminated for any reason not described in subsection 2(d) or 2(e)(ii) or (iii), and the termination is not due to the Grantee's death or Disability, any unvested Restricted Stock Units shall be immediately forfeited as of the date of such termination.

(f) **Tax Withholding.** In accordance with Article 14 of the Plan, the Company may make such provisions and take such actions as it may deem necessary for the withholding of all applicable taxes attributable to the Restricted Stock Units. Unless the Committee determines otherwise, the minimum statutory tax withholding required to be withheld upon delivery of the Shares shall be satisfied by withholding a number of Shares having an aggregate Fair Market Value equal to the minimum statutory tax required to be withheld. If such withholding would result in a fractional Share being withheld, the number of Shares so withheld shall be rounded up to the nearest whole Share. Notwithstanding the foregoing, the Grantee may elect to satisfy such tax withholding requirements by timely remittance of such amount by cash or check or such other method that is acceptable to the Company, rather than by withholding of Shares, provided such election is made in accordance with such conditions and restrictions as the Company may establish. If FICA taxes are required to be withheld while the Award is outstanding, such withholding shall be made in the manner described in the second sentence of this subsection 2(f).

(g) **Grantee Bound by Plan and Rules.** The Grantee hereby acknowledges receipt of a copy of the Plan and this Agreement and agrees to be bound by the terms and provisions thereof. The Grantee agrees to be bound by any rules and regulations for administering the Plan as may be adopted by the Committee prior to the date the Restricted Stock Units vest. Capitalized terms used herein and not otherwise defined shall be as defined in the Plan.

(h) **Restrictive Covenant Violation.** Grantee acknowledges and recognizes the highly competitive nature of the businesses of the Company and its Affiliates and accordingly agrees to the provisions of Appendix A to this Agreement. If the Grantee breaches such restrictions in Appendix A to this Agreement, the Grantee hereby agrees that, in addition to any other remedy available to the Company in respect of such activity or breach, (i) the Grantee's Restricted Stock Units will be forfeited, (ii) upon demand by the Company, the Grantee shall return to the Company any Shares issued upon vesting of any of the Restricted Stock Units, and (iii) if the Grantee has sold or otherwise disposed of all or any portion of such Shares, the Grantee shall repay to the Company an amount equal to the aggregate after-tax proceeds (taking into account all amounts of tax that would be recoverable upon a claim of loss for payment of such proceeds in the year of repayment) the Grantee received upon the sale or other disposition of, or distributions in respect of, such Shares.

(i) **Governing Law.** This Agreement (including Appendix A) shall be governed by the laws of the Commonwealth of Virginia, excluding any conflicts or choice of law rule or principle that might otherwise refer construction or interpretation of this Agreement to the substantive law of another jurisdiction.

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(i) **Section 409A Compliance.** To the extent applicable, it is intended that the Plan and this Agreement comply with the requirements of Section 409A, and the Plan and this Agreement shall be interpreted accordingly.

(i) If it is determined that all or a portion of the Award constitutes deferred compensation for purposes of Section 409A, and if the Grantee is a "specified employee," as defined in Section 409A(a)(2)(B)(i) of the Code, at the time of the Grantee's separation from service, then, to the extent required under Section 409A, any Shares that would otherwise be distributed upon the Grantee's separation from service, shall instead be delivered on the date determined by the Company within the thirty (30) day period following the earlier of (x) the first business day of the seventh month following the date of the Grantee's separation from service or (y) the date of the Grantee's death.

(ii) If it is determined that all or a portion of the Award constitutes deferred compensation for purposes of Section 409A, to the extent required to comply with Section 409A, an Acceleration Event shall not be deemed to have occurred for purposes of Section 2(d) unless it also constitutes a "change in control event" (as that term is used in Treasury Regulation Section 1.409A-3(i)(4)).

(iii) Each portion of this Award that could vest pursuant to subsection 2(c) and/or 2(e)(ii) is intended to constitute a separate payment for purposes of Treasury Regulation Section 1.409A-2(b)(2).

IN WITNESS WHEREOF, the Company has caused this instrument to be executed by its Chief Executive Officer and President, or a Senior Vice President, as of
###GRANT_DATE###.

Agreed to:

V2X, INC.

###PARTICIPANT_NAME###

Grantee

(Online acceptance constitutes agreement)

Charles L. Prow

Dated:

###ACCEPTANCE_DATE###

Dated:

###GRANT_DATE###

Enclosures

Appendix A
Restrictive Covenants

1. Non-Solicit.

(a) Grantee acknowledges and recognizes the highly competitive nature of the businesses of the Company and its affiliates and accordingly agrees as follows:

(i) Grantee will not, within twelve months following the termination of his employment with the Company for any reason (the "Post-Termination Period") or during Grantee's employment (collectively with the Post-Termination Period, the "Restricted Period"), influence or attempt to influence customers of the Company or its subsidiaries or any of its present or future subsidiaries or affiliates, either directly or indirectly, to divert their business to any individual, partnership, firm, corporation or other entity then in competition with the business of the Company or any subsidiary or affiliate of the Company.

(ii) During the Restricted Period, Grantee will not, and will not, directly or indirectly, cause any other person to, initiate or respond to communications with or from, any employee of the Company or its subsidiaries during the twelve-month period prior to the termination of such employee's employment with the

Company, for the purpose of soliciting such employee, or facilitating the hiring of any such employee, to work for any other business, individual, partnership, firm, corporation, or other entity; and

(b) It is expressly understood and agreed that although Grantee and the Company consider the restrictions contained in Section 1 of this Appendix A to be reasonable, if a final judicial determination is made by a court of competent jurisdiction, that the time or territory or any other restriction contained in this Agreement is an unenforceable restriction against Grantee, the provisions of this Agreement shall not be rendered void but shall be deemed amended to apply as to such maximum time and territory and to such maximum extent as such court may judicially determine or indicate to be enforceable. Alternatively, if any court of competent jurisdiction finds that any restriction contained in this Agreement is unenforceable, and such restriction cannot be amended so as to make it enforceable, such finding shall not affect the enforceability of any of the other restrictions contained herein.

(c) The period of time during which the provisions of Section 1 of this Appendix A shall be in effect shall be extended by the length of time during which Grantee is in breach of the terms hereof as determined by any court of competent jurisdiction on the Company's application for injunctive relief.

2. Non-Competition.

(a) Grantee acknowledges and recognizes the highly competitive nature of the businesses of the Company and its affiliates and agrees as follows:

(i) Grantee will not, during Grantee's employment or engagement with the Company and during the twelve month period immediately following the termination of Grantee's engagement or employment with the Company for any reason (collectively, the "Competition Restricted Period"), accept any employment or consulting relationship with (or own or have any financial interest in), directly or indirectly, any entity engaged in any business area in

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which the Company or any of its Affiliates engage in business or are actively planning to engage in business during Grantee's employment or engagement with the Company.

Notwithstanding anything to the contrary in this Agreement, Grantee may, directly or indirectly own, solely as an investment, securities of any Person which are publicly traded on a national or regional stock exchange or on the over-the-counter market if Grantee (i) is not a controlling person of, or a member of a group which controls, such person and (ii) does not, directly or indirectly, own 5% or more of any class of securities of such Person.

(a) It is expressly understood and agreed that although Grantee and the Company consider the restrictions contained in Section 2 of this Appendix A to be reasonable, if a final judicial determination is made by a court of competent jurisdiction, that the time or territory or any other restriction contained in this Agreement is an unenforceable restriction against Grantee, the provisions of this Agreement shall not be rendered void but shall be deemed amended to apply as to such maximum time and territory and to such maximum extent as such court may judicially determine or indicate to be enforceable. Alternatively, if any court of competent jurisdiction finds that any restriction contained in this Agreement is unenforceable, and such restriction cannot be amended so as to make it enforceable, such finding shall not affect the enforceability of any of the other restrictions contained herein.

(b) The period of time during which the provisions of Section 2 of this Appendix A shall be in effect shall be extended by the length of time during which Grantee is in breach of the terms hereof as determined by any court of competent jurisdiction on the Company's application for injunctive relief.

3. Survival.

The provisions of this Appendix A shall survive the termination of Grantee's employment for any reason.

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V2X, INC.
PERFORMANCE STOCK UNIT – 2024 TSR AWARD AGREEMENT

THIS AGREEMENT (the "Agreement"), effective as of **##GRANT_DATE##**, by and between V2X, Inc. (the "Company") and **##PARTICIPANT_NAME##** (the "Participant" or "Executive"), WITNESSETH:

WHEREAS, the Participant is now employed by the Company or an Affiliate of the Company as an employee, and in recognition of the Participant's valued services, the Company, through the Compensation and Personnel Committee of its Board of Directors (the "Committee"), desires to provide an opportunity for the Participant to receive a performance-based long-term incentive award, pursuant to the provisions of the Second Amendment and Restatement of the V2X, Inc. 2014 Omnibus Incentive Plan, as amended and restated as of October 27, 2022 (the "Plan").

NOW, THEREFORE, in consideration of the terms and conditions set forth in this Agreement and the provisions of the Plan, a copy of which is attached hereto and incorporated herein as part of this Agreement, and any administrative rules and regulations related to the Plan as may be adopted by the Committee, the parties hereto hereby agree as follows:

- 1. Grant of Target Award and Performance Periods.** In accordance with, and subject to, the terms and conditions of the Plan and this Agreement, the Company hereby grants to the Participant a target award of **##TOTAL_AWARDS##** Performance Stock Units (the "Target Award") relating to the four performance periods described on Exhibit 1 (each a "Performance Period" and together the "Performance Periods"). The number of Performance Stock Units that become vested and earned may range from 0% to 200% of the Target Award, with the number of Performance Stock Units that become vested and earned dependent upon the degree to which the performance goals described in Section 3 are achieved. The Performance Stock Units are notional units of measurement denominated in Shares of common stock of the Company (i.e., one Performance Share Unit is equivalent in value to one share of common stock of the Company (a "Share").

The Performance Stock Units represent an unfunded, unsecured right to receive Shares (and dividend equivalent payments pursuant Section 2(b) hereof) in the future if the conditions set forth in the Plan and this Agreement are satisfied.

- 2. Terms and Conditions.** It is understood and agreed that this Award is subject to the following terms and conditions:

- Restrictions.** Except as otherwise provided in the Plan and this Agreement, neither this Award nor any Performance Stock Units subject to this Award may be sold, assigned, pledged, exchanged, transferred, hypothecated or encumbered, other than to the Company as a result of forfeiture of the Performance Stock Units.
- Stockholder Rights.** The Participant shall not have any rights or privileges of a stockholder of the Company with respect to the Performance Stock Units or any Shares that may be delivered hereunder, including without limitation any right to vote such Shares or to receive dividends or dividend equivalents, unless and until such Shares are delivered upon vesting of the Performance Stock Units (in which case the Participant shall be entitled to receive dividend equivalents with respect to any dividends which were declared with respect to Shares following the date hereof any prior to such delivery).

- 3. Vesting and Settlement of Performance Stock Units.**

- Normal Vesting and Settlement.**

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- The number of Performance Stock Units that become eligible to vest will be determined in accordance with the TSR calculations set forth on Exhibit 1.
- Except as provided in the Agreement, each Performance Share Unit that becomes eligible to vest in accordance with Exhibit 1 will vest in full on the later of (x) December 31, 2026, or (y) the date the Compensation and Personnel Committee certifies the performance set forth on Exhibit 1 (the "Vesting Date"), subject to the Participant's continuous employment with the Company or an Affiliate through the Vesting Date. For the avoidance of doubt, continuous employment of the Participant by the Company or an Affiliate for purposes of vesting and earning the Performance Stock Units granted hereunder shall include continuous employment with either the Company or an Affiliate for so long as the Grantee continues working at any such entity.
- Except as provided in the Agreement, the Company will deliver to the Participant one Share for each Performance Share Unit that fully vests in accordance with Section 3(a)(i) as soon as practicable after the Vesting Date and in no event later than March 15, 2027. Any fractional Share will be rounded to the nearest whole Share (with 0.5 to be rounded up).

- Effect of Termination of Employment.** Except as otherwise provided below, if the Participant's employment with the Company (and all Affiliates) is terminated for any reason before the Vesting Date, the Award shall be immediately forfeited.
 - Termination due to Death or Disability.** If the Participant's termination of employment is due to death or Disability (as defined below), then the Participant shall receive settlement of the applicable number of Performance Stock Units determined in accordance with the methodology set forth in Section 3(c) except that the date of such termination shall be substituted for the Acceleration Date for purposes of making such calculation, which settlement shall be made on or as soon as practicable (but in all events within 30 days) following the date the Participant's employment terminates. Any fractional Share will be rounded to the nearest whole Share (with 0.5 to be rounded up).

(ii) **Termination by the Company for Other than Cause.** If the Participant's termination of employment is by the Company (or an Affiliate) for other than Cause, then the number of Performance Stock Units that vest, if any, will be equal to the product of (x) the number of Performance Stock Units that become eligible to vest in accordance with Exhibit 1 (or if an Acceleration Event occurs following the date hereof and on or before December 31, 2026, in accordance with Section 3(c)) as if the termination had not occurred and (y) a fraction, the numerator of which is the number of calendar days the Participant has been continually employed from (and including) January 1, 2024 to (and including) the date of termination, and the denominator of which is 1,095, and such number of vested Performance Stock Units shall be delivered at the time and in the form set forth in Section 3(a)(ii).

(iii) **Termination Due to Retirement.** If the Participant's termination of employment is due to Retirement (as defined below), then the number of Performance Stock Units that vest, if any, will be equal to the number of Performance Stock Units that become eligible to vest in accordance with Exhibit 1 (or if an Acceleration Event occurs following the date hereof and on or before December 31, 2026, in accordance with Section 3(c)) as if the termination had not occurred and so long as the Participant complies with the covenants in Appendix A, then the number of

Exhibit 10.3

Performance Stock Units that become vested and earned shall be determined in accordance with Exhibit 1 (or if an Acceleration Event occurs on or before December 31, 2026, in accordance with Section 3(c)) as if the termination had not occurred, and if the Participant violates any such restrictive covenant at any time before the delivery of the Shares underlying the vested Performance Stock Units, the Award will terminate and expire in all respects, without further action by the Company, and the Participant hereby agrees that the Company shall have all of the remedies and rights set forth in Section 4. Any Performance Stock Units that become vested under this Section 3(b)(iii) shall be delivered at the time and in the form set forth in Section 3(a)(ii).

(iv) **Qualifying Terminations On or Following an Acceleration Event.** Notwithstanding anything in this Agreement to the contrary, if (a) the Participant's employment is terminated by the Company (or an Affiliate or any successor, as the case may be) without Cause (as defined below) or by the Participant for Good Reason (as defined below), and (b) such termination occurs on the date of, or within twenty-four months following, an Acceleration Event which occurs following the date hereof and on or before December 31, 2026, then the Participant shall receive settlement of the applicable number of Performance Stock Units set forth in Section 3(c) on or as soon as practicable (but in all events within 30 days) following the date the Participant's employment terminates. Any fractional Share will be rounded to the nearest whole Share (with 0.5 to be rounded up).

(c) **Acceleration Event.** Notwithstanding anything in this Agreement to the contrary, if an Acceleration Event occurs following the date hereof and on or before December 31, 2026, then (x) a pro-rated portion of the Performance Stock Units shall be eligible to vest based on the actual performance through the date of the Acceleration Event (determined as provided below in this Section 3(c)) and (y) the remaining portion of the Award shall be determined by reference to the Target Award (determined as provided below in this Section 3(c)).

(i) The portion of the Award described in subpart (x) above shall be determined by multiplying (A) the number of Performance Stock Units that become eligible to vest in accordance with Exhibit 1 but with the average Vesting Factor equal to the sum of the Vesting Factors for any completed Performance Periods and the open (including the final) Performance Periods in which the Acceleration Event occurs (with Vesting Factor for the open (including the final) Performance Periods in which the Acceleration Event occurs determined based on the achievement of the applicable performance measures over the thirty trading days preceding the date on which the Acceleration Event occurs), divided by the number of such Performance Periods, by (B) a fraction, the numerator of which is the number of calendar days from (and including) January 1, 2024 to (and including) the date preceding the date on which the Acceleration Event occurs, and the denominator of which is 1,095.

(ii) The portion of the Award described in subpart (y) in the first sentence of this Section 3(c) shall be determined by multiplying (A) the Target Award by (B) a fraction, the numerator of which is the number of calendar days from the date of the Acceleration Event (including day of the Acceleration Event) to (and including) December 31, 2026, and the denominator of which is 1,095.

(iii) The Performance Stock Units eligible to vest in accordance with this Section 3(c) shall be subject to the Participant's continuous employment with the Company or an Affiliate through December 31, 2026, subject to Section 3(b)(iv). Upon such

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vesting, the vested Performance Stock Units shall be delivered to the Participant as soon as practicable after December 31, 2026, and in no event later than March 15, 2027. Any fractional Share will be rounded to the nearest whole Share (with 0.5 to be rounded up).

(iv) For the avoidance of doubt, this Section 3(c) is intended only to apply if an Acceleration Event occurs on or before December 31, 2026. The Award shall otherwise remain subject to the terms and conditions set forth in this Agreement.

(d) Defined Terms.

(i) **Cause.** For purposes of this Agreement, the term "Cause" shall mean (1) the Participant's misconduct, (2) the Participant's violation of Company policies, rules or Code of Conduct or any other terms or conditions relating to the Participant's employment or any agreement with the Participant or (3) any other conduct of the Participant that the Committee in its sole discretion determines constitutes Cause for purposes of this Agreement.

(ii) **Disability.** For purposes of this Agreement, the term "Disability" shall mean the complete and permanent inability of the Participant to perform all of his or her duties under the terms of his or her employment, as determined by the Company upon the basis of such evidence, including independent medical reports and data, as the Company deems appropriate or necessary.

(iii) **Good Reason.** For purposes of this Agreement, the term "Good Reason" shall mean, without the Participant's express written consent and excluding for this purpose any action which is remedied by the Company (or an Affiliate or any successor, as the case may be) within thirty (30) days after receipt of notice thereof given by the Participant, (i) a reduction in the Participant's annual base compensation (whether or not deferred); (ii) the assignment to the Participant of any duties inconsistent in any material respect with the Participant's position (including status, offices, titles and reporting requirements), authority, duties or responsibilities; (iii) any other action by the Company (or an Affiliate or any successor, as the case may be) which results in a material diminution in such position, authority, duties or responsibilities; or (iv) the Company's (or an Affiliate or any successor, as the case may be) requiring the Participant's work location to be other than within thirty-five (35) miles of the location where such Participant was principally working immediately prior to the Acceleration Event; provided that "Good Reason" shall cease to exist for an event on the 90th day following the later of its occurrence or the Participant's knowledge thereof, unless the Participant has given the Company (or an Affiliate or any successor, as the case may be) notice thereof prior to such date, and the date of the Participant's termination of employment for Good Reason must occur, if at all, within one hundred and eighty (180) days following the later of the occurrence of the Good Reason event or the Participant's knowledge thereof.

(iv) **Retirement.** For purposes of this Agreement, the term "Retirement" shall mean the termination of the Participant's employment following the first anniversary of the date hereof if, at the time of such termination, the Participant is at least age 60 with at least five years of service. For this purpose, "years of service" means service as an Employee of the Company or an Affiliate and, if applicable, service as an employee of a Predecessor Corporation (or an Affiliate). For the avoidance of doubt, (1) the Participant shall not be considered employed during any period in which the Participant is receiving severance payments, (2) termination of the

Exhibit 10.3

Participant's employment (a) by the Company (or an Affiliate or successor, as the case may be) for Cause, (b) due to the Participant's death or Disability or (c) described in subsection 3(b)(iv) shall not constitute Retirement, regardless of the Participant's age and years of service, and (3) if the Participant's employment is terminated by the Company or an Affiliate before an Acceleration Event and on the termination date the Participant is at least age 60 with at least five years of service, such termination shall be treated as a termination due to Retirement for purposes of subsection 3(b)(iii).

4. Additional Provisions.

(a) **Tax Withholding.** In accordance with Article XIV of the Plan, the Company may make such provisions and take such actions as it may deem necessary for the withholding of all applicable taxes attributable to the Performance Stock Units. Unless the Committee determines otherwise, the minimum statutory tax withholding required to be withheld upon delivery of the Shares shall be satisfied by withholding a number of Shares having an aggregate Fair Market Value equal to the minimum statutory tax required to be withheld. If such withholding would result in a fractional Share being withheld, the number of Shares so withheld shall be rounded up to the nearest whole Share. Notwithstanding the foregoing, the Grantee may elect to satisfy such tax withholding requirements by timely remittance of such amount by cash or check or such other method that is acceptable to the Company, rather than by withholding of Shares, provided such election is made in accordance with such conditions and restrictions as the Company may establish. If FICA taxes are required to be withheld while the Award is outstanding, such withholding shall be made in a manner determined by the Company.

(b) **Participant Bound by Plan and Rules.** The Participant hereby acknowledges receipt of a copy of the Plan and this Agreement and agrees to be bound by the terms and provisions thereof. The Participant agrees to be bound by any rules and regulations for administering the Plan as may be adopted by the Committee before the date the Performance Stock Units become vested and earned. Terms used herein and not otherwise defined shall be as defined in the Plan.

(c) **Restrictive Covenant Violation.** Participant acknowledges and recognizes the highly competitive nature of the businesses of the Company and its Affiliates and accordingly agrees to the provisions of Appendix A to this Agreement. If the Participant breaches such restrictions in Appendix A to this Agreement, the Participant hereby agrees that, in addition to any other remedy available to the Company in respect of such activity or breach, the Participant's Performance Stock Units will be forfeited and, if the Participant has disposed of all or any portion of such Performance Stock Units before the date of such forfeiture, then, in respect of all or any portion of such Performance Stock Units, the Participant shall repay to the Company an amount equal to the aggregate after-tax proceeds (taking into account all amounts of tax that would be recoverable upon a claim of loss for payment of such proceeds in the year of repayment) the Participant received upon the sale or other disposition of, or distributions in respect of, the Grantee's Performance Stock Units.

(d) **Governing Law.** This Agreement (including Appendix A) shall be governed by the laws of the Commonwealth of Virginia, excluding any conflicts or choice of law rule or principle that might otherwise refer construction or interpretation of this Agreement to the substantive law of another jurisdiction.

Exhibit 10.3

(e) **Section 409A Compliance.** To the extent applicable, it is intended that the Plan and this Agreement comply with the requirements of Section 409A, and the Plan and this Agreement shall be interpreted accordingly.

(i) If it is determined that all or a portion of the Award constitutes deferred compensation for purposes of Section 409A, and if the Participant is a "specified employee," as defined in Section 409A(a)(2)(B)(i) of the Code, at the time of the Participant's separation from service, then, to the extent required under Section 409A, any Shares that would otherwise be distributed upon the Participant's separation from service, shall instead be delivered on the date determined by the Company within the thirty (30) day period following the earlier of (x) the first business day of the seventh month following the date of the Participant's separation from service or (y) the date of the Participant's death.

(ii) If it is determined that all or a portion of the Award constitutes deferred compensation for purposes of Section 409A, upon an Acceleration Event that does not constitute a "change in the ownership" or a "change in the effective control" of the Company or a "change in the ownership of a substantial portion of a corporation's assets" (as those terms are used in Section 409A), the Performance Stock Units shall vest at the time of the Acceleration Event, but distribution of any Performance Stock Units that constitute deferred compensation for purposes of Section 409A shall not be accelerated (i.e., distribution shall occur when it would have occurred absent the Acceleration Event).

(iii) Each portion of this Award that could vest is intended to constitute a separate payment for purposes of Treasury Regulation Section 1.409A-2(b)(2).

Signature Page Follows

Exhibit 10.3

IN WITNESS WHEREOF, the Company has caused this instrument to be executed by its Chief Executive Officer and President, or a Senior Vice President, as of
###GRANT_DATE###.

Agreed to:

V2X, INC.

###PARTICIPANT_NAME###

Grantee

(Online acceptance constitutes agreement)

Dated:

###ACCEPTANCE_DATE###

Charles L. Prow

Dated:

###GRANT_DATE###

Enclosures

Exhibit 10.3

Exhibit 1
TSR Calculations

The number of Performance Stock Units that become eligible to vest will be determined as follows:

TSR Group. A total of 100% of the Performance Stock Units subject to the Target Award (the "Target TSR Group") shall become eligible to vest in accordance with the following table (with vesting determined by linear interpolation for performance between the designated percentiles):

If the Company's TSR performance relative to that of the listed peer companies (the "Peer Group") is:	The Vesting Factor is
less than the 35th percentile	0%
at the 35th percentile	50%
at the 50th percentile	100%
at or above the 80th percentile	200%

The actual number of Performance Stock Units that become eligible to vest, if any, under this Paragraph 1 shall be equal to the product of (i) the average Vesting Factor over each of the Performance Periods referenced below (determined by adding the Vesting Factors for each Performance Period and dividing the sum by four) and (ii) the number of Target TSR Group.

3. Performance Periods. The four performance periods applicable to the Performance Stock Units (each, a "Performance Period") are as follows:

- Period 1: January 1, 2024 to December 31, 2024
- Period 2: January 1, 2025 to December 31, 2025
- Period 3: January 1, 2026 to December 31, 2026
- Period 4: January 1, 2024 to December 31, 2026

4. TSR Determination. With respect to each Performance Period, TSR is the percentage change in value of a shareholder's investment in the applicable entity's common stock from the beginning to the end of the Performance Period, assuming reinvestment of dividends and any other shareholder payouts during the Performance Period. For purposes of this Agreement, the stock price at the beginning of the Performance Period will be the average closing stock price over the trading days in the month immediately preceding the start of the Performance Period, and the stock price at the end of the Performance Period will be the average closing stock price over the trading days in the last month of the Performance Period. Any company included in the measurement group which (i) ceases to be publicly traded during the Performance Period shall be removed from the measurement group or (ii) subsequently reorganizes under the United States Bankruptcy Code (or any successor or comparable law) shall remain in the measurement group and all such companies (if any) shall be deemed to be ranked below all other companies in the measurement group.

¹Peer Group for purposes of the TSR Group, as approved by the Company's Compensation and Human Capital Committee, include the following companies: AAR Corp., Axon Enterprise, Inc., Booz Allen Hamilton, BWX Technologies, Inc., CACI International Inc., Curtiss-Wright Corporation, Hexcel Corporation, Huntington Ingalls Industries, Inc., Jacobs

Appendix A
Restrictive Covenants

1. Non-Solicit.

(a) Executive acknowledges and recognizes the highly competitive nature of the businesses of the Company and its Affiliates and accordingly agrees as follows:

- (i) Executive will not, within twelve months following the termination of his or her employment with the Company for any reason (the "Post-Termination Period") or during Executive's employment (collectively with the Post-Termination Period, the "Restricted Period"), influence or attempt to influence customers of the Company or its Affiliates or any of its present or future Affiliates, either directly or indirectly, to divert their business to any individual, partnership, firm, corporation or other entity then in competition with the business of the Company or any Affiliate of the Company.
- (ii) During the Restricted Period, Executive will not, and will not directly or indirectly, cause any other person to, initiate or respond to communications with or from, any employee of the Company or its Affiliates during the twelve-month period before the termination of such employee's employment with the Company or an Affiliate, for the purpose of soliciting such employee, or facilitating the hiring of any such employee, to work for any other business, individual, partnership, firm, corporation, or other entity; and

(b) It is expressly understood and agreed that although Executive and the Company consider the restrictions contained in Section 1 of this Appendix A to be reasonable, if a final judicial determination is made by a court of competent jurisdiction, that the time or territory or any other restriction contained in this Agreement is an unenforceable restriction against Executive, the provisions of this Agreement shall not be rendered void but shall be deemed amended to apply as to such maximum time and territory and to such maximum extent as such court may judicially determine or indicate to be enforceable. Alternatively, if any court of competent jurisdiction finds that any restriction contained in this Agreement is unenforceable, and such restriction cannot be amended so as to make it enforceable, such finding shall not affect the enforceability of any of the other restrictions contained herein.

(c) The period of time during which the provisions of Section 1 of this Appendix A shall be in effect shall be extended by the length of time during which Executive is in breach of the terms hereof as determined by any court of competent jurisdiction on the Company's application for injunctive relief.

2. Non-Competition.

(a) Executive acknowledges and recognizes the highly competitive nature of the businesses of the Company and its Affiliates and accordingly agrees as follows:

(i) Executive will not, during Executive's employment or engagement with the Company and during the twelve month period immediately following the termination of Executive's engagement or employment with the Company for any reason (collectively, the "Competition Restricted Period"), accept any employment or consulting relationship with (or own or have any financial interest in), directly or indirectly, any entity engaged in any business area in which the Company or any of its Affiliates engage in business or are actively planning to engage in business during Executive's employment or engagement with the Company.

Notwithstanding anything to the contrary in this Agreement, Executive may, directly or indirectly own, solely as an investment, securities of any Person which are publicly traded on a national or regional stock exchange or on the over-the- counter market if Executive (i) is not a controlling person of, or a member of a group which controls, such Person and

(ii) does not, directly or indirectly, own 5% or more of any class of securities of such Person.

(b) It is expressly understood and agreed that although Executive and the Company consider the restrictions contained in Section 2 of this Appendix A to be reasonable, if a final judicial determination is made by a court of competent jurisdiction, that the time or territory or any other restriction contained in this Agreement is an unenforceable restriction against Executive, the provisions of this Agreement shall not be rendered void but shall be deemed amended to apply as to such maximum time and territory and to such maximum extent as such court may judicially determine or indicate to be enforceable. Alternatively, if any court of competent jurisdiction finds that any restriction contained in this Agreement is unenforceable, and such restriction cannot be amended so as to make it enforceable, such finding shall not affect the enforceability of any of the other restrictions contained herein.

(c) The period of time during which the provisions of Section 2 of this Appendix A shall be in effect shall be extended by the length of time during which Executive is in breach of the terms hereof as determined by any court of competent jurisdiction on the Company's application for injunctive relief.

3. Survival.

(a) The provisions of this Appendix A shall survive the termination of Executive's employment for any reason.

Exhibit 31.1

**CERTIFICATION PURSUANT TO SECTION 302
OF THE SARBANES-OXLEY ACT OF 2002**

I, Charles L. Prow, certify that:

1. I have reviewed this quarterly report on Form 10-Q of V2X, Inc.;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
 - a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
 - b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
 - c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

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

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

- All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
- Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: November 6, 2023 May 7, 2024

/s/ Charles L. Prow

Charles L. Prow

President and Chief Executive Officer

Exhibit 31.2

**CERTIFICATION PURSUANT TO SECTION 302
OF THE SARBANES-OXLEY ACT OF 2002**

I, Shawn Mural, certify that:

- I have reviewed this quarterly report on Form 10-Q of V2X, Inc.;
- Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
- Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
- The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
 - Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
 - Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
 - Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
 - Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
- The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):

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

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

Date: **November 6, 2023** **May 7, 2024**

/s/ Shawn Mural

Shawn Mural

Senior Vice President and Chief Financial Officer

Exhibit 32.1

Certification of President and Chief Executive Officer

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

In connection with the Quarterly Report on Form 10-Q of V2X, Inc. (the "Company") for the period ended **September 29, 2023** **March 29, 2024** as filed with the Securities and Exchange Commission on the date hereof (the "Report"), the undersigned certifies, pursuant to 18 U.S.C. § 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that to his knowledge:

- (1) The Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934, as amended; and
- (2) The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

Date: **November 6, 2023** **May 7, 2024**

/s/ Charles L. Prow

Charles L. Prow

President and Chief Executive Officer

Exhibit 32.2

Certification of Senior Vice President and Chief Financial Officer

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

In connection with the Quarterly Report on Form 10-Q of V2X, Inc. (the "Company") for the period ended **September 29, 2023** **March 29, 2024** as filed with the Securities and Exchange Commission on the date hereof (the "Report"), the undersigned certifies, pursuant to 18 U.S.C. § 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that to his knowledge:

- (1) The Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934, as amended; and
- (2) The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

Date: **November 6, 2023** **May 7, 2024**

/s/ Shawn Mural

Shawn Mural

Senior Vice President and Chief Financial Officer

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