REFINITIV

DELTA REPORT

10-Q

ASTRA SPACE, INC.

10-Q - MARCH 31, 2024 COMPARED TO 10-Q - SEPTEMBER 30, 2023

The following comparison report has been automatically generated

TOTAL DELTAS	2493
CHANGES	156
DELETIONS	1385
ADDITIONS	952

Table of Contents

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, DC 20549

FORM 10-Q

(Mark One)

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

For the quarterly period ended September 30, March 31, 2023 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: 001-39426

ASTRA SPACE, INC.
(Exact Name of Registrant as Specified in its Charter)

Delaware	**85-1270303**
(State or other jurisdiction of incorporation or organization)	**(I.R.S. Employer Identification No.)**
1900 Skyhawk Street	
Alameda, CA	**94501**
(Address of principal executive offices)	**(Zip Code)**

Registrant's telephone number, including area code: (866) 278-7217

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

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

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, 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 ☐ ☒ No ☒

As of November 10, 2023 May 24, 2024, the registrant had 18,790,771 19,191,844 shares of Class A common stock, $0.0001 par value per share, outstanding and 3,702,613 shares of Class B common stock, $0.0001 par value per share, outstanding.

Table of Contents

Table of Contents

Table of Contents

PART I—FINANCIAL INFORMATION

Item 1. Condensed Consolidated Financial Statements (unaudited)

ASTRA SPACE, INC.

CONDENSED CONSOLIDATED BALANCE SHEETS

(In thousands, except share data)

(Unaudited)

	September 30, 2023	December 31, 2022	March 31, 2024	December 31, 2023
ASSETS				
Current assets:				
Cash and cash equivalents	$ 13,870	$ 33,644	$ 6,621	$ 3,949
Restricted cash	5,000	—	504	1,500
Marketable securities	—	69,173		
Trade accounts receivable, net of allowance for doubtful accounts of $0.2 million and $0, respectively	1,553	5,327		
Trade accounts receivable			1,972	1,444
Inventories	13,686	4,142	16,831	15,375
Prepaid and other current assets	15,816	13,496	8,737	9,181
Total current assets	49,925	125,782	34,665	31,449
Non-current assets:				
Property, plant and equipment, net	29,322	24,271	25,783	26,852
Right-of-use asset	10,273	12,813	8,587	9,433
Intangible assets, net	8,443	10,132	7,329	7,886
Other non-current assets	1,801	1,701	1,800	1,800
Total assets	$ 99,764	$ 174,699	$ 78,164	$ 77,420
LIABILITIES AND STOCKHOLDERS' EQUITY				
LIABILITIES AND STOCKHOLDERS' (DEFICIT) EQUITY				
Current liabilities:				
Accounts payable	$ 7,052	$ 1,799	$ 5,420	$ 4,798
Operating lease obligation, current portion	3,801	3,800	3,821	3,802
Contingent consideration	10,000	33,900		
Contract liabilities, current portion			30,347	26,951
Accrued expenses and other current liabilities	48,658	42,043	11,639	13,651
Senior Note, net	7,076	—		
Warrants to purchase common stock (1)(4)			5,781	18,554
Convertible Notes (2)(3)			28,211	63,520
Total current liabilities	76,587	81,542	85,219	131,276
Non-current liabilities:				
Operating lease obligation, net of current portion	6,814	9,051	5,261	6,056
Contract liabilities, net of current portion			19,266	13,416
Other non-current liabilities	8,301	1,796	2,111	2,111
Total liabilities	91,702	92,389	111,857	152,859
Commitments and Contingencies (Note 8)				
Commitments and Contingencies (Note 7)				
STOCKHOLDERS' EQUITY				
Preferred stock, $0.0001 par value; 1,000,000 shares authorized; none issued and outstanding as of September 30, 2023 and December 31, 2022	—	—		

Class A common stock, $0.0001 par value; 400,000,000 shares authorized; 14,849,265 and 14,246,498 shares issued and outstanding as of September 30, 2023 and December 31, 2022, respectively	22	22		
Class B common stock, $0.0001 par value; 65,000,000 shares authorized; 3,702,613 shares issued and outstanding as of both September 30, 2023 and December 31, 2022, respectively	6	6		
STOCKHOLDERS' DEFICIT				
Preferred stock, $0.0001 par value; 1,000,000 shares authorized; none issued and outstanding as of March 31, 2024 and December 31, 2023			—	—
Class A common stock, $0.0001 par value; 400,000,000 shares authorized; 19,008,421 and 18,885,500 shares issued and outstanding as of March 31, 2024 and December 31, 2023, respectively			23	22
Class B common stock, $0.0001 par value; 65,000,000 shares authorized; 3,702,613 shares issued and outstanding as of March 31, 2024 and December 31, 2023			6	6
Additional paid in capital	1,916,498	1,902,213	1,926,346	1,922,730
Accumulated other comprehensive loss	—	(110)	—	—
Accumulated deficit	(1,908,464)	(1,819,821)	(1,960,068)	(1,998,197)
Total stockholders' equity	8,062	82,310		
Total liabilities and stockholders' equity	$ 99,764	$ 174,699		
Total stockholders' deficit			(33,693)	(75,439)
Total liabilities and stockholders' deficit			$ 78,164	$ 77,420

(1) Warrants to purchase common stock includes Company Warrants (the "Company Warrants") issued to our Chief Executive Officer (the "CEO") and our Chief Technology Officer (the "CTO") in conjunction with the Convertible Notes issued November 21, 2023. As of March 31, 2024, the fair values of the CEO's and CTO's Company Warrants were $0.3 million and $0.2 million, respectively. As of December 31, 2023, the fair values of the CEO's and CTO's Company Warrants were $1.7 million and $0.9 million, respectively.

(2) The CEO and CTO hold Convertible Notes whose fair values were $2.0 million and $1.0 million, respectively as of March 31, 2024 and $7.1 million and $3.6 million, respectively as of December 31, 2023.

(3) An affiliate of a director held Convertible Notes with a fair value of $4.7 million and $18.3 million as of March 31, 2024 and December 31, 2023, respectively.

(4) An affiliate of a director held Company Warrants with a fair value of $0.9 million and $4.5 million as of March 31, 2024 and December 31, 2023, respectively.

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

Table of Contents

ASTRA SPACE, INC.
CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS
(In thousands, except share and per share data)
(Unaudited)

	Three Months Ended September 30,		Nine Months Ended September 30,		Three Months Ended March 31,	
	2023	**2022**	**2023**	**2022**	**2024**	**2023**
Revenues						
Launch services	$ —	$ —	$ —	$ 5,899	$ —	$ —
Space products	256	2,777	963	3,471	285	—

Total revenues	256	2,777	963	9,370	285	—
Cost of revenues						
Launch services	—	—	—	28,193	—	—
Space products	232	1,071	620	1,337	128	—
Total cost of revenues	232	1,071	620	29,530	128	—
Gross profit (loss)	24	1,706	343	(20,160)	157	—
Operating expenses:						
Research and development	21,677	32,821	77,154	111,546	12,641	31,082
Sales and marketing	1,630	4,052	4,764	13,452	865	2,484
General and administrative	9,834	19,222	33,096	60,816	11,036	15,682
Impairment expense	—	75,116	—	75,116		
Goodwill impairment	—	58,251	—	58,251		
(Gain) loss on change in fair value of contingent consideration	(4,510)	11,949	(23,900)	29,249		
Gain on change in fair value of contingent consideration					—	(2,765)
Total operating expenses	28,631	201,411	91,114	348,430	24,542	46,483
Operating loss	(28,607)	(199,705)	(90,771)	(368,590)	(24,385)	(46,483)
Interest income	99	616	1,813	1,146	5	1,330
Interest expense	(1,339)	-	(1,339)	—		
Other income (expense), net	101	(25)	1,654	314		
Loss before taxes	(29,746)	(199,114)	(88,643)	(367,130)		
Other income, net					232	260
Gain on change in fair value of Convertible Notes(1)(3)					47,270	—
Gain on change in fair value of Warrants(2)(4)					15,007	—
Income (loss) before taxes					38,129	(44,893)
Income tax provision	—	—	—	—	—	—
Net loss	$ (29,746)	$ (199,114)	$ (88,643)	$ (367,130)		
Net income (loss)					$ 38,129	$ (44,893)
Net loss per share:						

Weighted average number of shares of Class A common stock outstanding – basic and diluted	14,595,957	14,052,541	14,433,973	13,954,491
Net loss per share of Class A common stock – basic and diluted	$ (1.63)	$ (11.21)	$ (4.89)	$ (20.79)
Weighted average number of shares of Class B common stock outstanding – basic and diluted	3,702,613	3,702,613	3,702,613	3,702,613
Net loss per share of Class B common stock – basic and diluted	$ (1.63)	$ (11.21)	$ (4.89)	$ (20.79)

Weighted average number of shares of Class A common stock outstanding		
Basic	18,969,208	14,313,785
Diluted	41,341,869	14,313,785
Net income (loss) per share of Class A common stock		
Basic	$ 1.68	$ (2.49)
Diluted	$ (0.46)	$ (2.49)
Weighted average number of shares of Class B common stock outstanding		
Basic	3,702,613	3,702,613
Diluted	8,069,548	3,702,613
Net income (loss) per share of Class B common stock		
Basic	$ 1.68	$ (2.49)
Diluted	$ (0.46)	$ (2.49)

(1) The Company recognized gains on change in fair value of the Convertible Notes held by the CEO and CTO of $5.3 million and $2.7 million, respectively, during the three months ended March 31, 2024.

(2) The Company recognized gains on change in fair value of Company Warrants held by the CEO and CTO of $1.4 million and $0.7 million, respectively, during the three months ended March 31, 2024.

(3) The Company recognized a gain of $13.6 million during the three months ended March 31, 2024 related to changes in fair value of Convertible Notes held by an affiliate of a director.

(4) The Company recognized a gain of $3.6 million during the three months ended March 31, 2024 related to changes in fair value of Company Warrants held by an affiliate of a director.

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

Table of Contents

ASTRA SPACE, INC.

CONDENSED CONSOLIDATED STATEMENTS OF COMPREHENSIVE LOSS INCOME (LOSS)

(In thousands)

(Unaudited)

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2023	**2022**	**2023**	**2022**

Net loss	$ (29,746)	$ (199,114)	$ (88,643)	$ (367,130)
Other comprehensive loss:				
Unrealized gain (loss) on available-for-sale marketable securities	17	31	110	(202)
Total comprehensive loss	$ (29,729)	$ (199,083)	$ (88,533)	$ (367,332)

	Three Months Ended March 31,	
	2024	**2023**
Net income (loss)	$ 38,129	$ (44,893)
Other comprehensive income:		
Unrealized gain on available-for-sale marketable securities	—	69
Total comprehensive income (loss)	$ 38,129	$ (44,824)

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

Table of Contents

ASTRA SPACE, INC.
CONDENSED CONSOLIDATED STATEMENTS OF STOCKHOLDERS' EQUITY (DEFICIT)
(In thousands, except share data)
(Unaudited)

	Nine Months Ended September 30, 2023							
	Class A Common Stock		Class B Common Stock		Additional Paid in Capital	Accumulated Other Comprehensive Loss	Accumulated Deficit	Total Stockholders' Equity
	Shares	Amount	Shares	Amount				
Balance as of December 31, 2022	14,246,498	$ 22	3,702,613	$ 6	$ 1,902,213	$ (110)	$ (1,819,821)	$ 82,310
Stock-based compensation	—	—		—	5,328	—	—	5,328
Issuance of common stock under equity plans	105,932	—	—	—	441	—	—	441
Unrealized gain on available-for-sale marketable securities	—	—	—	—	—	69	—	69
Net loss	—	—	—	—	—	—	(44,893)	(44,893)
Balance as of March 31, 2023	14,352,430	$ 22	3,702,613	$ 6	$ 1,907,982	$ (41)	$ (1,864,714)	$ 43,255
Stock-based compensation benefit	—	—		—	(2,124)	—	—	(2,124)
Issuance of common stock under equity plans	79,701	—	—	—	—	—	—	—
Warrants	—	—	—	—	12	—	—	12
Unrealized gain on available-for-sale marketable securities	—	—	—	—	—	24	—	24
Net loss	—	—	—	—	—	—	(14,004)	(14,004)
Balance as of June 30, 2023	14,432,131	$ 22	3,702,613	$ 6	$ 1,905,870	$ (17)	$ (1,878,718)	$ 27,163

	Class A Common Stock Shares	Class A Common Stock Amount	Class B Common Stock Shares	Class B Common Stock Amount	Additional Paid in Capital	Accumulated Other Comprehensive Loss	Accumulated Deficit	Total Stockholders' Equity
Stock-based compensation	—	—	—	—	4,759	—	—	4,759
Issuance of common stock under equity plans	109,724	—	—	—	328	—	—	328
Warrants	—	—	—	—	4,811			4,811
Reverse stock split rounding adjustment	65,533	—	—	—	—	—	—	—
Issuance of Class A shares, net of costs, under at the market offering ("ATM")	241,877	—	—	—	730	—	—	730
Unrealized gain on available-for-sale marketable securities	—	—	—	—	—	17	—	17
Net loss	—	—	—	—	—	—	(29,746)	(29,746)
Balance as of September 30, 2023	14,849,265	$ 22	3,702,613	$ 6	$ 1,916,498	$ —	$ (1,908,464)	$ 8,062

Three Months Ended March 31, 2024								
	Class A Common Stock		Class B Common Stock		Additional Paid in	Accumulated Other Comprehensive	Accumulated	Total Stockholders'
	Shares	Amount	Shares	Amount	Capital	Loss	Deficit	Deficit
Balance as of December 31, 2023	18,885,500 -	$ 22	3,702,613	$ 6	$ 1,922,730	$ —	$ (1,998,197)	$ (75,439)
Stock-based compensation	—	—	—	—	3,509	—	—	3,509
Issuance of common stock under equity plans	122,921	1	—	—	107	—	—	108
Net income	—	—	—	—	—	—	38,129	38,129
Balance as of March 31, 2024	19,008,421	$ 23	3,702,613	$ 6	$ 1,926,346	$ —	$ (1,960,068)	$ (33,693)

Three Months Ended March 31, 2023								
	Class A Common Stock		Class B Common Stock		Additional Paid in	Accumulated Other Comprehensive	Accumulated	Total Stockholders'
	Shares	Amount	Shares	Amount	Capital	Loss	Deficit	Equity
Balance as of December 31, 2022	14,246,498	$ 22	3,702,613	$ 6	$ 1,902,213	$ (110)	$ (1,819,821)	$ 82,310
Stock-based compensation	—	—		—	5,328	—	—	5,328
Issuance of common stock under equity plans	105,932	—	—	—	441	—	—	441
Unrealized gain on available-for-sale marketable securities	—	—	—	—	—	69	—	69
Net loss	—	—	—	—	—	—	(44,893)	(44,893)
Balance as of March 31, 2023	14,352,430	$ 22	3,702,613	$ 6	$ 1,907,982	$ (41)	$ (1,864,714)	$ 43,255

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

Table of Contents

ASTRA SPACE, INC.

CONDENSED CONSOLIDATED STATEMENTS OF STOCKHOLDERS' EQUITY

(In thousands, except share data)

(Unaudited)

Nine Months Ended September 30, 2022

	Class A Common Stock		Class B Common Stock		Additional Paid in Capital	Accumulated Other Comprehensive Loss	Accumulated Deficit	Total Stockholders' Equity
	Shares	Amount	Shares	Amount	Capital	Loss	Deficit	Equity
Balance as of December 31, 2021	13,830,074	$ 22	3,702,613	$ 6	$ 1,844,875	$ —	$ (1,408,383)	$ 436,520
Stock-based compensation	—	—		—	17,041	—	—	17,041
Issuance of common stock under equity plans	77,292	—	—	—	793	—	—	793
Unrealized loss on available-for-sale marketable securities	—	—	—	—	—	(155)	—	(155)
Net loss	—	—	—	—	—	—	(85,713)	(85,713)
Balance as of March 31, 2022	13,907,366	$ 22	3,702,613	$ 6	$ 1,862,709	$ (155)	$ (1,494,096)	$ 368,486
Stock-based compensation	—	—		—	12,791	—	—	12,791
Issuance of common stock under equity plans	53,196	—	—	—	27	—	—	27
Unrealized gain on available-for-sale marketable securities	—	—	—	—	—	(78)	—	(78)
Net loss	—	—	—	—	—	—	(82,303)	(82,303)
Balance as of June 30, 2022	13,960,562	$ 22	3,702,613	$ 6	$ 1,875,527	$ (233)	$ (1,576,399)	$ 298,923
Stock-based compensation	—	—		—	13,748	—	—	13,748
Issuance of common stock under equity plans	137,136	—	—	—	484	—	—	484
Issuance of common stock as consideration for the commitment under the Common Stock Purchase agreement (Note 13)	23,940							—
Unrealized gain on available-for-sale marketable securities	—	—	—	—	—	31	—	31
Net loss	—	—	—	—	—	—	(199,114)	(199,114)
Balance as of September 30, 2022	14,121,638	$ 22	3,702,613	$ 6	$ 1,889,759	$ (202)	$ (1,775,513)	$ 114,072

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

Table of Contents

ASTRA SPACE, INC.

CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS

(In thousands)

(Unaudited)

	Nine Months Ended September 30,	
	2023	**2022**
Cash flows from operating activities:		
Net loss	$ (88,643)	$ (367,130)
Adjustments to reconcile net loss to cash flows used in operating activities		
Stock-based compensation	7,975	43,580
Impairment expense	—	75,116
Goodwill impairment	—	58,251
Depreciation	2,304	9,664

Amortization of intangible assets	1,689	2,394
Inventory write-downs	—	18,828
Non-cash lease expense	2,540	1,370
Discount accretion on Senior Note	1,117	—
(Gain) loss on change in fair value of contingent consideration	(23,900)	29,249
Accretion (Amortization) of marketable securities purchased at a premium (discount)	(716)	33
Loss on marketable securities	5	24
Changes in operating assets and liabilities:		
Trade accounts receivable	3,774	(3,107)
Inventories	(9,544)	(15,466)
Prepaid and other current assets	(2,320)	3,768
Other non-current assets	(100)	(1,278)
Accounts payable	7,563	2,990
Lease liabilities	(2,236)	(1,207)
Accrued expenses and other current liabilities	6,432	(2,125)
Other non-current liabilities	6,506	10,431
Net cash used in operating activities	$ (87,554)	$ (134,615)
Cash flows from investing activities:		
Acquisition of trademark	—	(850)
Purchases of marketable securities	—	(136,445)
Proceeds from sales of marketable securities	8,984	6,000
Proceeds from maturities of marketable securities	61,010	47,250
Purchases of property, plant and equipment	(9,483)	(40,043)
Net cash provided by (used in) investing activities	$ 60,511	$ (124,088)
Cash flows from financing activities:		
Proceeds from issuance of Senior Note, net of discount	12,125	—
Third-party issuance costs related to Senior Note	(1,355)	—
Proceeds from issuance of common stock under equity plans	769	1,304
Issuance of Class A shares, net of costs - ATM	730	—
Net cash provided by financing activities	$ 12,269	$ 1,304
Net decrease in cash, cash equivalents, and restricted cash	$ (14,774)	$ (257,399)
Cash, cash equivalents, and restricted cash at beginning of period	33,644	325,007
Cash, cash equivalents, and restricted cash at end of period	$ 18,870	$ 67,608
Non-cash investing and financing activities:		
Assets acquired included in accounts payable, accrued expenses and other current liabilities	$ 1,226	$ 2,777
Warrants to purchase common stock issued in conjunction with the Senior Note	$ 4,811	$ —
Supplemental disclosures of cash flow information:		
Cash paid for interest	$ —	$ 15

	Three Months Ended March 31,	
	2024	**2023**
Cash flows from operating activities:		
Net income (loss)	$ 38,129	$ (44,893)
Adjustments to reconcile net income (loss) to cash flows used in operating activities		
Stock-based compensation	3,509	5,328

Depreciation	1,102	778
Amortization of intangible assets	557	567
Non-cash lease expense	847	910
Gain on change in fair value of contingent consideration	—	(2,765)
Gain on change in fair value of Convertible Notes(1)	(47,270)	—
Gain on change in fair value of Warrant Liabilities(1)	(15,007)	—
Amortization of marketable securities purchased at a discount	—	(452)
Changes in operating assets and liabilities:		
Trade accounts receivable	(528)	(1,471)
Inventories	(1,457)	(337)
Prepaid and other current assets	442	(1,387)
Other non-current assets	—	(171)
Accounts payable	623	7,043
Lease liabilities	(776)	(818)
Accrued expenses and other current liabilities	(2,010)	868
Contract liabilities	9,246	—
Other non-current liabilities	—	801
Net cash used in operating activities	$ (12,593)	$ (35,999)
Cash flows from investing activities:		
Proceeds from sales of marketable securities	—	23,750
Purchases of property, plant and equipment	(33)	(5,031)
Net cash (used in) provided by investing activities	$ (33)	$ 18,719
Cash flows from financing activities:		
Proceeds from issuance of convertible notes	11,961	—
Proceeds from issuance of warrants	2,234	—
Proceeds from issuance of common stock under equity award and purchase plans	107	441
Net cash provided by financing activities	$ 14,302	$ 441
Net increase (decrease) in cash and cash equivalents	$ 1,676	$ (16,839)
Cash and cash equivalents and restricted cash at beginning of period	5,449	33,644
Cash and cash equivalents and restricted cash at end of period	$ 7,125	$ 16,805
Non-cash investing and financing activities:		
Assets acquired included in accounts payable, accrued expenses and other current liabilities	$ 249	$ 1,262

(1) Refer to the Condensed Consolidated Statements of Operations for descriptions of related party transactions.

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

Table of Contents

ASTRA SPACE, INC.

NOTES TO UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

(Unaudited)

Note 1 — Description of Business, Basis of Presentation and Significant Accounting Policies

Description of Business

Astra Space, Inc. (the (including its subsidiaries, "Astra" or the "Company") designs, tests, manufactures and operates the next generation of launch services Launch Services and space products Space Products and services that it expects to enable a new generation of global communications, earth observations, precision weather monitoring, navigation, and surveillance capabilities. The Company's mission is to Improve Life on Earth from Space® through greater connectivity and more regular observations and to enable a wave of innovation in Low Earth Orbit ("LEO") by expanding its space platform offerings. Currently, the Company's business consists of two segments, a mobile orbital launch system ("Launch Services") and a space products business that produces the Astra Spacecraft Engine™® products ("Space Products").

Holicity Inc. ("Holicity") was originally incorporated in Delaware and was established as a special purpose acquisition company, which completed its initial public offering in August 2020. On June 30, 2021 (the "Closing Date"), Holicity consummated a business combination (the "Business Combination") pursuant to the Business Combination Agreement dated as of February 2, 2021 (the "BCA"), by and among Holicity, Holicity Merger Sub Inc., a wholly owned subsidiary of Holicity ("Merger Sub"), and Astra Space Operations, Inc. ("pre-combination Astra"). Immediately upon the consummation of the Business Combination, Merger Sub merged with and into pre-combination Astra with pre-combination Astra surviving the merger as a wholly owned subsidiary of Holicity. Holicity changed its name to "Astra Space, Inc." and pre-combination Astra changed its name to "Astra Space Operations, Inc."

Unless the context otherwise requires, "Astra" and the "Company" refers to Astra Space, Inc., the combined company and its subsidiaries following the Business Combination and Astra Space Operations, Inc. prior to the Business Combination. See *Note 3 — Acquisitions* for further discussion of the Business Combination, included in the *Notes to Consolidated Financial Statements* in Astra's Annual Report on Form 10-K for the year ended December 31, 2022, as filed with the Securities and Exchange Commission (the "SEC") on March 30, 2023 ("2022 Annual Report"). The Company's Class A common stock is listed on the Nasdaq Capital Market under the symbol "ASTR".

Basis of Presentation and Principles of Consolidation

The accompanying condensed consolidated financial statements include the accounts of Astra and its subsidiaries, the Company and have been prepared in conformity with accounting principles generally accepted in the United States of America ("GAAP") as determined by the Financial Accounting Standards Board ("FASB") Accounting Standards Codification ("ASC") and pursuant to the rules and regulations of the U.S. Securities and Exchange Commission ("SEC") for financial reporting. The condensed consolidated financial statements included herein are unaudited, and reflect all adjustments which are, in the opinion of management, of a normal recurring nature and necessary for a fair statement of the results for the periods presented. The condensed consolidated balance sheet data as of December 31, 2022 December 31, 2023 were derived from Astra's audited consolidated financial statements included in its 2022 Annual Report. Report on Form 10-K for the year ended December 31, 2023, as filed with the Securities and Exchange Commission (the "SEC") on April 18, 2024 (the "2023 Annual Report"). All intercompany transactions and balances have been eliminated in consolidation. The operating results for the three and nine months ended September 30, 2023 March 31, 2024 are not necessarily indicative of the results that may be expected for the year ending December 31, 2023 December 31, 2024, or for any other future period.

Reclassification

Certain prior period amounts have been reclassified to conform to the current period presentation. The impact of these reclassifications was not material to the condensed financial statements for the periods presented.

Merger Agreement

On March 7, 2024, the Company entered into an Agreement and Plan of Merger (the "Merger Agreement") with Apogee Parent Inc. ("Parent") and Apogee Merger Sub Inc. ("Merger Sub") pursuant to which Merger Sub will merge with and into the Company, with the Company as the surviving corporation. The Merger Agreement was approved by stockholders holding the requisite voting power on March 7, 2024 and is expected to close during the second quarter of 2024. Once completed, the Company will no longer be a public company and is expected to delist from Nasdaq.

Reverse Stock Split

On July 6, 2023 September 12, 2023, the board of directors of the Company (the "Board") approved an amendment to the Company's Second Amended and Restated Certificate of Incorporation (the "Reverse Stock Split Amendment") to effect (a)effectuated a 1-for-15 reverse stock split of the shares of the Company's Class A common stock, (the "Class A common stock"), par value $0.0001 per share (the "Class A Common Stock") and (b) a 1-for-15 reverse stock split of the shares of the Company's Class B common stock, (the "Class B common stock), par value $0.0001 per share on September 13, 2023 (collectively, the (the "Class B Common Stock") (the "Reverse Stock Split"). The stockholders of the Company, at the 2023 annual meeting held on June 8, 2023 (the "Annual Meeting"), had previously approved the Reverse Stock Split at a ratio in the range of 1-for-5 to 1-for-15, with the final decision of whether to proceed with the reverse stock split and the exact ratio and timing of the reverse stock split to be determined by the Board, in its discretion, no later than June 8, 2024.

On September 12, 2023, the Company amended its existing Second Amended and Restated Certificate of Incorporation (the "Prior Certificate"), to implement the Reverse Stock Split by filing the Certificate of Amendment to Second Amended and Restated Certificate of Incorporation (the "Amendment") with the Secretary of State of the State of Delaware. The Amendment became effective at 4:01 PM Eastern Time on September 13, 2023 (the "Effective Time"), thereby giving effect to the Reverse Stock Split. The Prior Certificate was further amended, as of the Effective Time, to clarify that the Company will round up to the nearest whole shares for treatment of any

Table of Contents

fractional shares of Common Stock in connection with the Reverse Stock Split. The par value of the Company's common stock and the number of authorized shares of the common stock were not affected by the Reverse Stock Split. The Class A common stock Common Stock began trading on a Reverse Stock Split-adjusted basis on the Nasdaq Capital Market at the opening of trading on September 14, 2023. The trading symbol for the Class A common stock remained "ASTR". The Class A common stock was assigned a new CUSIP number (04634X202) following the Reverse Stock Split.

Unless otherwise noted, share numbers and per share amounts in this Quarterly Report on Form 10-Q reflect the Reverse Stock Split.

Impact of the Reverse Stock Split

The impacts of the Reverse Stock Split were applied retroactively for all periods presented in accordance with applicable guidance. Therefore, prior period amounts are different than those previously reported. Certain amounts within the following tables may not foot due to rounding.

Table of Contents

The following table illustrates changes in equity, as previously reported prior to, and as adjusted subsequent to, the impact of the Reverse Stock Split retroactively adjusted for the periods presented:

	September 30, 2022			March 31, 2023		
	As Previously Reported	Impact of Reverse Stock Split	Revised	As Previously Reported	Impact of Reverse Stock Split	As Adjusted
Class A common stock	211,824,567	(197,702,929)	14,121,638	215,286,444	(200,934,014)	14,352,430
Class B common stock	55,539,188	(51,836,575)	3,702,613	55,539,188	(51,836,575)	3,702,613

	June 30, 2023			June 30, 2022		
	As Previously Reported	Impact of Reverse Stock Split	Revised	As Previously Reported	Impact of Reverse Stock Split	Revised
Class A common stock	216,481,966	(202,049,834)	14,432,132	209,408,425	(195,447,863)	13,960,562
Class B common stock	55,539,188	(51,836,575)	3,702,613	55,539,188	(51,836,575)	3,702,613

	March 31, 2023			March 31, 2022		
	As Previously Reported	Impact of Reverse Stock Split	Revised	As Previously Reported	Impact of Reverse Stock Split	Revised
Class A common stock	215,286,444	(200,934,014)	14,352,430	208,610,490	(194,703,124)	13,907,366

Class B common stock	55,539,188	(51,836,575)	3,702,613	55,539,188	(51,836,575)	3,702,613

	December 31, 2022			December 31, 2021		
	As Previously Reported	Impact of Reverse Stock Split	Revised	As Previously Reported	Impact of Reverse Stock Split	Revised
Class A common stock	213,697,468	(199,450,970)	14,246,498	207,451,107	(193,621,033)	13,830,074
Class B common stock	55,539,188	(51,836,575)	3,702,613	55,539,189	(51,836,576)	3,702,613

The following table illustrates changes in loss per share and weighted average shares outstanding, as previously reported prior to, and as adjusted subsequent to, the impact of the Reverse Stock Split retroactively adjusted for the periods presented:

	Three Months Ended September 30, 2022		
	As Previously Reported	Impact of Reverse Stock Split	Revised
Class A common stock:			
Weighted average shares outstanding - basic and diluted	210,788,116	(196,735,575)	14,052,541
Loss per share - basic and diluted	$ (0.75)	$ (10.46)	$ (11.21)
Class B common stock:			
Weighted average shares outstanding - basic and diluted	55,539,188	(51,836,575)	3,702,613
Loss per share - basic and diluted	$ (0.75)	$ (10.46)	$ (11.21)

Table of Contents

	Nine Months Ended September 30, 2022			Three Months Ended March 31, 2023		
	As Previously Reported	Impact of Reverse Stock Split	Revised	As Previously Reported	Impact of Reverse Stock Split	As Adjusted
Class A common stock:						
Weighted average shares outstanding - basic and diluted	209,317,361	(195,362,870)	13,954,491	214,706,779	(200,392,994)	14,313,785
Loss per share - basic and diluted	$ (1.39)	$ (19.40)	$ (20.79)	$ (0.17)	$ (2.32)	$ (2.49)
Class B common stock:						
Weighted average shares outstanding - basic and diluted	55,539,188	(51,836,575)	3,702,613	55,539,188	(51,836,575)	3,702,613

Loss per share - basic and diluted	$ (1.39)	$ (19.40)	$ (20.79)	$ (0.17)	$ (2.32)	$ (2.49)

The following outstanding stock options and restricted stock units exercisable or issuable into shares of Class A common stock were not included in the computation of diluted shares outstanding because the effect would be anti-dilutive:

	September 30, 2022			March 31, 2023		
	As Previously Reported	Impact of Reverse Stock Split	Revised	As Previously Reported	Impact of Reverse Stock Split	As Adjusted
Stock options	7,139,177	(6,663,232)	475,945	15,939,378	(14,876,753)	1,062,625
Restricted stock units	18,759,814	(17,509,160)	1,250,654	14,533,186	(13,564,307)	968,879
Warrants				25,000	(23,333)	1,667
Total antidilutive shares excluded from loss per share - diluted	25,898,991	(24,172,392)	1,726,599	30,497,564	(28,464,393)	2,033,171

Restricted stock awards were adjusted retroactively to give effect to the Reverse Stock Split for the nine three months ended September 30, 2022 March 31, 2023

	As Previously Reported		Impact of Reverse Stock Split		Revised		As Previously Reported		Impact of Reverse Stock Split		As Adjusted	
	No. of Options	Weighted - Average Exercise Price	No. of Options	Weighted - Average Exercise Price	No. of Options	Weighted - Average Exercise Price	No. of RSUs	Weighted- Average Exercise Price	No. of RSUs	Weighted- Average Exercise Price	No. of RSUs	Weighted- Average Exercise Price
Outstanding – December 31, 2021	10,678,818	$ 9.20	(9,966,896)	$ 130.18	711,922	$ 139.38						
Outstanding - December 31, 2022							16,121,844	$ 3.35	(15,047,054)	$ 46.90	1,074,790	$ 50.25
Granted	13,760,707	2.51	(12,843,326)	35.08	917,381	37.59	990,959	0.52	(924,895)	7.28	66,064	7.80
Vested	(2,737,757)	8.40	2,555,239	120.35	(182,518)	128.75	(627,185)	6.51	585,372	91.14	(41,813)	97.65

Forfeited	(2,941,954)	7.18	2,745,823	105.74	(196,131)	112.92	(1,944,250)	3.71	1,814,633	51.94	(129,617)	55.65
Outstanding - September 30, 2022	18,759,814	$ 4.73	(17,509,160)	$ 66.50	1,250,654	$ 71.23						
Outstanding - March 31, 2023							14,541,368	$ 2.97	(13,571,944)	$ 41.58	969,424	$ 44.55

Stock options were adjusted retroactively to give effect to the Reverse Stock Split for the nine three months ended September 30, 2022 March 31, 2023:

	As Previously Reported		Impact of Reverse Stock Split		Revised		As Previously Reported		Impact of Reverse Stock Split		As Adjusted	
	No. of Options	Weighted - Average Exercise Price	No. of Options	Weighted - Average Exercise Price	No. of Options	Weighted - Average Exercise Price	No. of Options	Weighted- Average Exercise Price	No. of Options	Weighted- Average Exercise Price	No. of Options	Weighted- Average Exercise Price
Outstanding – December 31, 2021	20,326,384	$ 7.52	(18,971,291)	$ 104.63	1,355,093	$ 112.14						
Outstanding - December 31, 2022							16,248,601	$ 7.11	(15,165,360)	$ 99.54	1,083,241	$ 106.65
Granted	1,242,027	4.85	(1,159,225)	67.94	82,802	72.79	10,535,783	0.55	(9,833,397)	7.70	702,386	8.25
Exercised	(620,145)	0.45	578,802	6.37	(41,343)	6.82	(180,923)	0.46	168,861	6.44	(12,062)	6.90
Forfeited	(267,189)	1.18	249,376	16.49	(17,813)	17.67	(878,620)	0.65	820,045	9.10	(58,575)	9.75
Expired	(5,067)	6.75	4,729	94.50	(338)	101.25	(23,330)	1.65	21,774	23.10	(1,556)	24.75
Outstanding - September 30, 2022	20,676,010	$ 7.61	(19,297,609)	$ 106.60	1,378,401	$ 114.21						

Outstanding - March 31, 2023	25,701,511	$	4.69	(23,988,077)	$	65.66	1,713,434	$ 70.35

Liquidity

The accompanying unaudited condensed consolidated financial statements have been prepared assuming the Company will continue as a going concern. The going concern basis of presentation assumes that the Company will continue in operation one year after the date

Table of Contents

these unaudited condensed consolidated financial statements are issued and will be able to realize its assets and discharge its liabilities and commitments in the normal course of business.

Pursuant to the requirements of ASC Topic 205-40, *Disclosure of Uncertainties about an Entity's Ability to Continue as a Going Concern*, management must evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Company's ability to continue as a going concern for one year from the date these unaudited condensed consolidated financial statements are issued. This evaluation does not take into consideration the potential mitigating effect of management's plans that have not been fully implemented or are not within the control of the Company as of the date the unaudited condensed consolidated financial statements are issued. When substantial doubt exists, management evaluates whether the mitigating effect of its plans sufficiently alleviates substantial doubt about the Company's ability to continue as a going concern. The mitigating effect of management's plans, however, is only considered if both (1) it is probable that the plans will be effectively implemented within one year after the date that the unaudited condensed consolidated financial statements are issued, and (2) it is probable that the plans, when implemented, will

Table of Contents

mitigate the relevant conditions or events that raise substantial doubt about the entity's ability to continue as a going concern within one year after the date that the unaudited condensed consolidated financial statements are issued.

The Company evaluated whether there are any conditions and events, considered in the aggregate, that raise substantial doubt about its ability to continue as a going concern over the next twelve months through November 2024. May 2025. Since inception, the Company has incurred significant operating losses and has an accumulated deficit of approximately $1.9 2.0 billion. As of September 30, 2023 March 31, 2024, the Company's existing sources of liquidity included cash and cash equivalents of $13.9 6.6 million (including $3.5 million of funds that the Company may only use for specified purposes pursuant to the Merger Agreement) and restricted cash of $5.0 0.5 million. The restricted cash is held in related to a control account as collateral for the Senior Note letter of credit issued to a New Jersey based investment firm, on August 4, 2023, (the "Senior Note") and may only be disbursed under the term of the Securities Purchase Agreement. See *Note 6. Senior Note and Warrants* for more information about the Company's secure our performance obligations under a customer contract and is not accessible until we have begun delivery of flight sets for this customer's program which is expected to be in November 2024 pursuant to the Senior Note. contract schedule. The Company believes that its current level of cash and cash equivalents are not sufficient to fund commercial scale production and sale of its services and products.

To proceed with the Company's business plan and continue the Company's business operations, the Company will need to raise substantial additional funds through the issuance of additional debt, equity or both. Until such time, if ever, the Company can generate revenue sufficient to achieve profitability, the Company expects to finance its operations through equity or debt financing, which may not be available to the Company on the timing needed or on terms that the Company deems to be favorable. To the extent that the Company raises additional capital through the sale of equity or convertible debt securities, the ownership interest of its stockholders will be diluted, and Under the terms of these securities the Merger Agreement, the Company is restricted from incurring new debt or issuing equity except through the offer and sale of the convertible notes due November 15, 2025 (the "Convertible Notes") and warrants to purchase shares of Class A Common Stock at an exercise price of $0.808 per share, in each case under the terms of the Subsequent Financing Agreement (as defined in Note 6). The term "Company Warrants" means and includes all warrants issued under the Subsequent Financing Agreement, together with warrants to purchase 1.5 million shares of Class A Common Stock issued on August 4, 2023. See Note 6 — Convertible Notes and Company Warrants. The Merger Agreement further prohibits the Company from issuing Convertible Notes or Company Warrants to any person prior to the consummation of the Merger unless (i) such person becomes a noteholder under the Noteholder Conversion Agreement, respectively, by executing a joinder agreement substantially in the form attached to such agreement and delivering the same to each of Merger Sub and Parent and (ii) holders of a majority in interest of the Convertible Notes or Warrants, as applicable, then outstanding consent to such issuance and joinder, all of which may include liquidation or other preferences that adversely affect the rights of common stockholders. Debt financing and equity financing, if available, may involve agreements that include covenants limiting or restricting the Company's ability to take specific actions, such as incurring raise additional debt, making acquisitions or capital expenditures or declaring dividends. funds from the sale of its Convertible Notes and Company Warrants on the timing needed. If the Company is unable to obtain sufficient financial resources, its business, financial condition and results of operations will be materially and adversely affected. The Company may be required to delay, limit, reduce or terminate its product development activities or future commercialization efforts or cease business operations. operations, including through a petition for voluntary relief under Chapter 7 of the United States Bankruptcy Code (a "Chapter 7 Liquidation").

There can be no assurance that the Company will be able to obtain the needed financing on acceptable terms or at all.

In an effort to alleviate these conditions, the Company continues to seek and evaluate additional opportunities to raise additional capital through the issuance of equity or debt securities or potential sale of assets. See *Note 6 – Senior Note and Warrants, Note 9 – Stockholder's Equity* and *Note 13 – Subsequent Events* for information about the Company's recent capital raising activities and on terms that would be permissible under the restrictions on imposed by the Company's business activities related to these capital raising activities. The Company's ability to obtain additional financing in the debt and equity capital markets is subject to several factors, including market and economic conditions, its performance and investor sentiment with respect to the Company and its industry. Merger Agreement.

As a result of these uncertainties, and notwithstanding management's plans and efforts to date, there is substantial doubt about the Company's ability to continue as a going concern for a period of at least one year from the date of issuance of these unaudited condensed consolidated financial statements. If the Company is unable to raise substantial additional capital in the near term and as necessary to continue the Company's operations prior to the closing of the Merger, the Company's operations and production plans will may be further scaled back or curtailed. If the funds raised are insufficient to provide a bridge to full commercial production at a profit, the Company's operations could be severely curtailed or cease entirely, and the Company may be required to furlough employees to manage its short term cash needs. Further, the Company may be required to file a Chapter 7 Liquidation and in such case, may not realize any significant value from its assets. assets in connection with a liquidation.

The Company has, however, prepared these unaudited condensed consolidated financial statements on a going concern basis, assuming that the Company's financial resources will be sufficient to meet its capital needs over the next twelve months. Accordingly, the Company's financial statements do not include adjustments relating to the recoverability and realization of assets and classification of liabilities that might be necessary should it be unable to continue in operation for the next twelve months.

Concentration of Credit Risk

Financial instruments that potentially subject the Company to concentrations of credit risk consist of cash and cash equivalents marketable securities, and accounts receivable. The Company maintains cash and cash equivalent balances in bank accounts with multiple banking partners. All

Table of Contents

cash accounts are located in the United States ("U.S.") and insured by the FDIC up to $250,000. Marketable securities consist of highly liquid investments with financial institutions, which management believes to be of a high credit quality. The Company's accounts receivable are derived from revenue earned from customers or invoices billed to customer that receivables represent unconditional right rights to consideration located within the U.S. consideration. The Company mitigates collection risks from its customers by performing regular credit evaluations of the Company's customers' financial conditions. The Company believes there is no exposure to any significant credit risks related to its cash and cash equivalents or accounts receivable and has not experienced any losses in such accounts.

The following customer's outstanding accounts receivable accounted for greater than 10% of the Company's trade accounts receivable as of the date reflected:

Table of Contents

	March 31, 2024	December 31, 2023
Customer 1	88.9%	92.4%

	September 30, 2023	December 31, 2022
Customer 1	26.6%	—
Customer 2	24.7%	21.7%
Customer 3	—	53.3%
Customer 4	—	20.8%

For the three and nine months ended September 30, 2023 March 31, 2024 and 2022, the following customers 2023, one customer accounted for greater than 10% of the Company's total revenues:

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2023	2022	2023	2022
Customer 1	100.0%	—	100%	—
Customer 2	—	100.0%	—	29.6%
Customer 3	—	—	—	59.2%

	Three Months Ended March 31,	
	2024	2023
Customer 2	100.0%	—

____

Impairment of long-lived assets, indefinite-lived intangibles and goodwill

The Company performs an annual impairment review of goodwill and indefinite-lived intangible assets during the fourth fiscal quarter of each year, and more frequently if the Company believes that indicators of impairment exist. Long-lived assets are tested for recoverability when events or changes in circumstances indicate that their carrying amounts may not be recoverable. As of the third quarter of fiscal year 2022, the Company determined that impairment indicators were present based on the existence of substantial doubt about the Company's ability to continue as a going concern, a sustained decrease in the Company's share price and macroeconomic factors. Accordingly, the Company proceeded with the quantitative impairment tests.

For indefinite-lived intangible assets, the Company compared the carrying amount of the asset to its fair value, resulting in a non-cash impairment charge, as described further in *Note 5 – Intangible Assets.*

For the long-lived assets, the Company compared the sum of the undiscounted future cash flows attributable to the Launch Services and Space Products asset groups (the lowest level for which identifiable cash flows are available) to their respective carrying amounts and concluded that the Space Products asset group was recoverable. The Launch Services asset group was not recoverable, and the Company proceeded with the comparison of the asset group's carrying amount to its fair value, resulting in a non-cash impairment charge, as described further in *Note 4 – Supplemental Financial Information*.

For goodwill, the Company compared the carrying amount of the reporting unit to its fair value. During the third quarter of fiscal year 2022, the Company took steps to realign management and internal reporting, resulting in two operating and reportable segments, as described further in *Note 12 – Segment Information.* In accordance with the accounting guidance under ASC 350, the reorganization triggered a goodwill impairment test based on the reporting structure immediately before the reorganization, as a single reporting unit, resulting in a non-cash impairment charge writing off the entire goodwill balance, as described further in *Note 5 – Intangible Assets.*

Fair values of the Company's reporting units were determined using the discounted cash flow model and fair value of the trade name was determined using the relief-from-royalty method. Significant inputs include discount rates, growth rates, and cash flow projections, and for the trade name, the royalty rate. These valuation inputs are considered Level 3 inputs as defined by ASC 820 *Fair Value Measurement*.

Use of Estimates and Judgments

The preparation of the unaudited condensed consolidated financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities in the unaudited condensed consolidated financial statements and accompanying notes. The Company bases these estimates on historical experience and on various other assumptions that it believes are reasonable under the circumstances, the results of which form the basis for making judgments about the carrying amounts of assets and liabilities that are not readily apparent from other sources. Actual results could differ significantly from those estimates. Significant items subject to such estimates and assumptions include the valuation of goodwill our Convertible Notes and Company Warrants and long-lived assets, inventory valuation and reserves, stock-based compensation, useful lives of intangible assets and property, plant and equipment, deferred tax assets, income tax uncertainties and other contingencies.

Significant Accounting Policies

There have been no changes to the Company's significant accounting policies described in the Company's 2022 2023 Annual Report that have had a material impact on its unaudited condensed consolidated financial statements and related notes.

Recently Adopted Accounting Standards

11

Table of Contents

In August 2020, There have been no new accounting standards applicable to the Financial Accounting Standards Board ("FASB") issued Accounting Standards Update ("ASU") No. 2020-06, *Debt-Debt with Conversion and Other Options (Subtopic 470-20) and Derivatives and Hedging-Contracts in Entity's Own Equity (Subtopic 815-40): Accounting for Convertible Instruments and Contracts in an Entity's Own Equity*, which simplifies accounting for convertible instruments by removing major separation models required under current GAAP. The ASU also removes certain settlement conditions Company that are required for equity-linked contracts to qualify for have been adopted during the derivative scope exception and it also simplifies the diluted earnings per share calculation in certain areas. The Company adopted the ASU on January 1, 2023 three months ended March 31, 2024. Adoption of the ASU did not impact the Company's financial position, results of operations or cash flows.

Recently Issued Accounting Standards Not Yet Adopted

In December 2022, 2023, the Financial Accounting Standards Board ("FASB") issued Accounting Standards Update ("ASU") 2023-09 (ASC Topic 740), Improvements to Income Tax Disclosures ("ASU 2023-09"). This ASU requires disaggregated income tax disclosures on the rate reconciliation and income taxes paid. ASU 2023-09 is effective for fiscal years beginning after December 15, 2024 for publicly traded companies and December 15, 2025 for private companies. Early adoption is permitted for annual financial statements not yet issued or made available for issuance. The Company is currently evaluating the impact that the adoption of this standard will have on its consolidated financial statements and disclosures.

In November 2023, the FASB issued ASU No. 2022-06, Reference Rate Reform 2023-07, Segment Reporting (Topic 848), Deferral of the Sunset Date of Topic 848 ("280): Improvements to Reportable Segment Disclosures ("ASU 2022-06" 2023-07"). In March 2020, the FASB issued ASU No. 2020-04, Reference Rate Reform (Topic 848), Facilitation of the Effects of Reference Rate Reform on Financial Reporting (" 2023-07 updates reportable segment disclosure requirements, primarily through enhanced disclosures about significant segment expenses and information used to assess segment performance. ASU 2020-04"), which provided temporary relief when transitioning from the London Interbank Offered Rate ("LIBOR") to the Secured Overnight Financing Rate ("SOFR") or another applicable rate during the original transition period ending on December 31, 2022. In March 2021, the UK Financial Conduct Authority (the "FCA") announced that the intended cessation date of the overnight 1-, 3-, 6- 2023-07 is effective for public companies for fiscal years beginning after December 15, 2023, and 12-month tenors of U.S. dollar LIBOR would be June 30, 2023, which interim periods within fiscal years beginning after December 15, 2024 on a retrospective basis. Early adoption is beyond the current sunset date of Topic 848. In light of this development, the FASB issued this update to defer the sunset date of Topic 848 from December 31, 2022, to December 31, 2024, after which entities will no longer be permitted to apply the relief in Topic 848. permitted. The Company does not have material LIBOR related contracts and is currently evaluating the Company's impact that the adoption of this standard will have on its consolidated financial statements and disclosures.

In March 2024, the SEC adopted new guidance rules that will not require registrants to provide certain climate-related information in their registration statements and annual reports. The rules require information about a registrant's climate-related risks that are reasonably likely to have a material impact on its financial position, business, results of operations, cash flows, or related disclosures. financial condition. The required information about climate-related risks will also include disclosure of a registrant's greenhouse gas emissions. In addition, the rules will require registrants to present certain climate-related financial metrics in their audited financial statements. The Company is currently evaluating the rules and the impact on its future consolidated statements. The Company also notes that on April 4, 2024, the SEC voluntarily stayed implementation of its recently adopted climate disclosure rules pending the outcome of certain legal challenges to the rules.

Table of Contents

Note 2 — Revenues

The work performed by the Company in fulfilling Launch Services and Space Products performance obligations is not expected to create an asset to the customer since the launch vehicle that is built to deliver the customer's payload into orbit will not be owned by the customer nor will the propulsion systems that are built to thrust the customers' satellite into orbit be controlled by the customer until they are delivered to the customer. The Company recognizes revenue at a point in time upon satisfaction of the performance obligations under its Launch Services and Space Products agreements. The following table presents revenue disaggregated by type for the periods presented:

	Three Months Ended September 30,		Nine Months Ended September 30,		Three Months Ended March 31,	
in thousands	**2023**	**2022**	**2023**	**2022**	**2024**	**2023**
Launch services	$ —	$ —	$ —	$ 5,899	$ —	$ —
Space products	256	2,777	963	3,471	285	—
Total revenues	$ 256	$ 2,777	$ 963	$ 9,370	$ 285	$ —

Contracts with governmental entities involving research and development milestone activities do not represent contracts with customers under ASC 606 and as such, amounts received are recorded in other income in the unaudited condensed consolidated statements of operations. The Company recorded No no such other income was recorded for during the three months ended September 30, 2023 or 2022. The Company recorded $1.5 million March 31, 2024 and $0.4 million of other income for the nine months ended September 30, 2023 and 2022, respectively. 2023.

Contract balances

Contract assets and liabilities reflect timing differences between the receipt of consideration and the fulfillment of performance obligations under a contract with a customer. Contract assets reflect performance obligations satisfied and revenues recognized in advance of a customer billing. Contract liabilities reflect consideration received in advance of the satisfaction of a performance obligation under a contract with a customer. Contract assets become trade receivables once the Company's rights to consideration become unconditional. Such rights are considered unconditional if only the passage of time is required before payment of that consideration is due. Contract costs are those costs which are directly related to fulfillment of specified customer contracts. The Company had deferred contract costs of $2.7 3.7 million and $2.4 2.2 million as of September 30, 2023 March 31, 2024 and December 31, 2022 December 31, 2023, respectively. The Company had contract liabilities of $39.6 49.6 million and $24.1 40.4 million as of September 30, 2023 March 31, 2024 and December 31, 2022 December 31, 2023, respectively. During the three and nine months ended September 30, 2023 March 31, 2024, the Company recognized $ did 0.3 no million and $1.0 million, respectively, of t recognize any revenue that was included in the contract liabilities balance at the beginning of the periods. During period. For the three and nine months ended September 30, 2022 March 31, 2023, the Company recognized revenue of $ recorded 0.3 no million and $5.2 million, respectively, revenue that was included in the contract liabilities balance at the beginning of the periods. period.

Remaining performance obligations

Revenue allocated to remaining performance obligations represents the transaction price allocated to the performance obligations that are unsatisfied, or partially unsatisfied. It includes unearned revenue and amounts that will be invoiced and recognized as revenue in future periods and does not include contracts where the customer is not committed. Customers are not considered committed when they are able to terminate their contractual obligations to the Company without payment of a substantial penalty under the contract. The

Table of Contents

Company had unsatisfied performance obligations based on contractual terms of $101.8 70.0 million as of September 30, 2023 March 31, 2024, $57.8 million all of which is expected to be achieved by September 2024, and $44.0 million of which is expected to be achieved some time between October 2024 and 2028.

Note 3 — Supplemental Financial Information

Inventories

in thousands		**March 31, 2024**		**December 31, 2023**
Raw materials	$	7,023	$	7,241
Work in progress		9,808		8,134
Inventories	$	16,831	$	15,375

There were no inventory write-downs during the three months ended March 31, 2024 and 2023.

Prepaid and Other Current Assets

in thousands		**March 31, 2024**		**December 31, 2023**
Deposits	$	3,268	$	4,347
Prepaid license and other prepaid expenses		1,349		1,991
Deferred contract costs		3,729		2,172
Other current assets		391		671
Prepaid and other current assets	$	8,737	$	9,181

Table of Contents

Property, Plant and Equipment, net

Presented in the table below are the major classes of property, plant and equipment:

in thousands		**March 31, 2024**		**December 31, 2023**
Construction in progress	$	6,870	$	6,582
Computer and software		2,923		2,963
Leasehold improvements		12,353		12,328
Research equipment		8,366		8,486
Production equipment		20,636		20,756
Furniture and fixtures		548		548
Total property, plant and equipment		51,696		51,663
Less: accumulated depreciation		(25,913)		(24,811)
Property, plant and equipment, net	$	25,783	$	26,852

Depreciation expense amounted to $1.1 million and $0.8 million for the three months ended March 31, 2024 and 2023, respectively.

Accrued Expenses and Other Current Liabilities

in thousands	**March 31,**	**December 31,**

	2024	2023
Employee compensation and benefits	$ 1,840	$ 1,299
Construction in progress related accruals	204	340
Professional services	3,378	2,780
Accrued expenses	2,324	3,887
Accrued inventory purchases	2,757	4,647
Other miscellaneous	1,136	698
Accrued expenses and other current liabilities	$ 11,639	$ 13,651

Note 4 — Intangible Assets

in thousands	**Carrying Amount**	**Accumulated Amortization**	**Net Book Value**
March 31, 2024			
Definite-lived intangible assets			
Developed technology	$ 9,909	$ (4,853)	$ 5,056
Customer contracts and related relationship	2,383	(2,216)	167
Trade names	123	(123)	—
Intangible assets subject to amortization	12,415	(7,192)	5,223
Indefinite-lived intangible assets			
Trademarks	2,106	—	2,106
Total	$ 14,521	$ (7,192)	$ 7,329

There were no impairment charges for the three months ended March 31, 2024 and 2023. Amortization expense amounted to $0.6 million for both the three months ended March 31, 2024 and 2023.

in thousands	**Carrying Amount**	**Accumulated Amortization**	**Net Book Value**
December 31, 2023			
Definite-lived intangible assets			
Developed technology	$ 9,909	$ (4,465)	$ 5,444
Customer contracts and related relationship	2,383	(2,047)	336
Trade names	123	(123)	—
Intangible assets subject to amortization	12,415	(6,635)	5,780
Indefinite-lived intangible assets			
Trademarks	2,106	—	2,106
Total	$ 14,521	$ (6,635)	$ 7,886

Table of Contents

Based on the amount of intangible assets as of March 31, 2024, the expected amortization expense for each of the next five years and thereafter is as follows:

in thousands	**Expected Amortization Expense(1)**
2024 (remainder)	$ 1,334
2025	1,555
2026	1,555
2027	779
Total Intangible assets subject to amortization	$ 5,223

(1) Remaining intangible amortization concludes in the second quarter of 2027.

Note 5 — Fair Value Measurements

The Company measures its financial assets and liabilities at fair value each reporting period using a fair value hierarchy that prioritizes the use of observable inputs and minimizes the use of unobservable inputs when measuring fair value. A financial instrument's classification within the fair value hierarchy is based upon the lowest level of input that is significant to the fair value measurement. Three levels of inputs may be used to measure fair value, as follows:

Level 1 Observable inputs, such as quoted prices in active markets for identical assets or liabilities;

Level 2 Inputs, other than quoted prices in active markets, that are observable either directly or indirectly; and

Level 3 Unobservable inputs in which there is little or no market data, which require the reporting entity to develop its own assumptions.

The Company uses the market approach to measure fair value for its financial assets. The market approach uses prices and other relevant information generated by market transactions involving identical or comparable assets.

The carrying amounts of the Company's financial instruments, which include cash equivalents, accounts receivable, prepaid expenses, other current assets, accounts payable, accrued liabilities and certain other current liabilities and Senior Note, net of discount approximate fair value because of their short-term maturities.

As of March 31, 2024 and December 31, 2023, the Company had a total of $5.8 million and $18.6 million, respectively, of liabilities related to its Company Warrants and $28.2 million and $63.5 million, respectively, of Convertible Notes, both of which are recorded at fair value as of the period presented. The Company elected to account for the Convertible Notes on a fair value basis under ASC 825 to comprehensively value and streamline the accounting for the embedded conversion options. For a description of the valuation models used and the fair value inputs applied by the Company in determining the fair values of the Convertible Notes and Company Warrants, see Note 6 — Convertible Notes and Company Warrants under the captions *"Fair Value Option of Accounting For Convertible Notes"* and *"Fair Value of Warrants."*

The following table presents information about the Company's assets and liabilities at December 31, 2022 March 31, 2024, that were measured at fair value on a recurring basis:

in thousands	December 31, 2022			
Description	**Level 1**	**Level 2**	**Level 3**	**Total**
Assets				
Cash equivalents:				
Money market account	$ 21,909	$ —	$ —	$ 21,909
Marketable securities				
US Treasury securities	14,713	—	—	14,713
Corporate debt securities	—	16,915	—	16,915
Commercial paper	—	34,698	—	34,698
Asset backed securities	—	2,847	—	2,847
Total financial assets	$ 36,622	$ 54,460	$ —	$ 91,082
Liabilities:				
Contingent consideration	$ —	$ —	$ 33,900	$ 33,900
Total financial liabilities	$ —	$ —	$ 33,900	$ 33,900

The Company began investing in available-for-sale marketable securities in the first quarter of 2022. These marketable securities are classified as short term investments on the unaudited condensed consolidated balance sheets.

In connection with the Senior Note, the Company fully liquidated its portfolio of marketable securities in August 2023, resulting in an immaterial loss during the three months ended September 30, 2023. As of September 30, 2023, the Company had no available-for-sale marketable securities on its condensed consolidated balance sheet.

The following is a summary of available-for-sale marketable securities as of and December 31, 2022:

in thousands	December 31, 2022		
Description	**Amortized Cost**	**Gross Unrealized Loss**	**Fair Value**
U.S. Treasury securities	$ 14,763	$ (50)	$ 14,713
Corporate debt securities	16,972	(57)	16,915
Commercial paper	34,698	—	34,698
Asset backed securities	2,850	(3)	2,847
Total available-for-sale marketable securities	$ 69,283	$ (110)	$ 69,173

The following table presents the breakdown of the available-for-sale marketable securities in an unrealized loss position as of December 31, 2022:

in thousands	March 31, 2024

in thousands	March 31, 2024			
Description	**Level 1**	**Level 2**	**Level 3**	**Total**
Liabilities:				
Warrants to purchase common stock	$ —	$ —	$ 5,781	$ 5,781
Convertible Notes	—	—	28,211	28,211
Total financial liabilities	$ —	$ —	$ 33,992	$ 33,992

in thousands	December 31, 2022	
	Fair Value	**Gross Unrealized Loss**
U.S. Treasury securities		
Less than 12 months	$ 14,713	$ (50)
Total	$ 14,713	$ (50)
Corporate debt securities		
Less than 12 months	$ 16,915	$ (57)
Total	$ 16,915	$ (57)
Commercial paper		
Less than 12 months	$ 34,698	$ —
Total	$ 34,698	$ —
Asset backed securities		
Less than 12 months	$ 2,847	$ (3)
Total	$ 2,847	$ (3)

There were no realized gains or losses on available-for-sale marketable securities during the three and nine months ended September 30, 2022.

The following table presents the fair value and amortized cost of available-for-sale marketable securities, as of December 31, 2022, due in one year:

	December 31, 2022	
in thousands	**Amortized Cost**	**Fair Value**
Due in 1 year or less	$ 69,283	$ 69,173

	December 31, 2023			
Description	**Level 1**	**Level 2**	**Level 3**	**Total**
Liabilities:				
Warrants to purchase common stock	$ —	$ —	$ 18,554	$ 18,554
Convertible Notes	—	—	63,520	63,520
Total financial liabilities	$ —	$ —	$ 82,074	$ 82,074

The following table presents a summary of the changes in fair value of the Company's Level 3 financial instruments:

in thousands	**Contingent Consideration**
Fair value as of December 31, 2022	$ 33,900
Gain on change in fair value of contingent consideration	(23,900)
Fair value as of September 30, 2023	$ 10,000

in thousands	**Contingent Consideration**
Fair value as of December 31, 2021	$ 13,700
Loss on change in fair value of contingent consideration	29,249
Fair value as of September 30, 2022	$ 42,949

In connection with the Apollo Fusion, Inc. ("Apollo") acquisition, the Company was required to make contingent payments in cash and Class A common stock, subject to the Apollo assets achieving certain revenue and contract thresholds from the date of the acquisition through December 31, 2023. The fair value of the contingent consideration related to the acquisition of Apollo is classified as a Level 3 financial instrument.

As of the closing date of July 1, 2021 and through the quarter ended March 31, 2023, the Company used a Monte Carlo simulation model to determine the fair value of the contingent consideration due to the significant variability of estimating future revenues and contracts during those prior periods. The Monte Carlo simulation considered assumptions including revenue volatility, risk free rates, discount rates and additional revenue discount rate. Additionally, other key assumptions used in the Monte Carlo simulation included

Table of Contents

in thousands		Warrants
Fair value as of December 31, 2023	$	18,554
Issuance of warrants at fair value		2,234
Gain on change in fair value of warrants		(15,007)
Fair value as of March 31, 2024	$	5,781

in thousands		Convertible Notes
Fair value as of December 31, 2023	$	63,520
Issuance of convertible notes at fair value		11,961
Gain on change in fair value of convertible notes		(47,270)
Fair value as of March 31, 2024	$	28,211

forecasted revenues from new customers and probability of achieving them. The following table sets forth the significant assumptions utilized to determine the $15.0 million gain on change in fair value of contingent consideration as of December 31, 2022:

	December 31, 2022
Risk-free interest rate	4.14 %
Expected revenue volatility	19.00 %
Revenue discount rate	10.00 %
Discount rate	7.50 %

During the quarter ended June 30, 2023, given the limited number of months remaining in the earn-out period with correspondingly fewer uncertainties, the Company estimated the fair value of the contingent consideration using its then current forecast of eligible revenues and contracts through December 31, 2023.

On August 14, 2023, the Company and Fortis Advisors, LLC, as representative of certain former Apollo converting shareholders of Apollo Fusion, Inc. (the "Apollo Holders") entered into the Settlement Agreement and General Release (the "Settlement Agreement"), the terms under which provide for the settlement of the Company's obligation to the Apollo Holders and a general release of both parties of all claims. The Settlement Agreement provided two settlement options which the Company may elect at its sole discretion: Option 1, on or before October 2, 2023, a $2.0 million cash payment in immediately available funds, plus the number of immediately freely tradeable shares rounded up to the nearest whole share, of Class A common stock, determined by dividing $8.0 million by the 10-day volume weighted average price of the Company's Class A common stock as traded on the Nasdaq Capital Market; or Option 2, under which, on or before October 2, 2023, the Company will make a $7.0 million cash payment in immediately available funds.

On September 29, 2023, the Company elected Option 1 to deliver to the Apollo Holders $2.0 million in immediately available funds and $8.0 million of immediately freely tradeable shares of the Company's Class A common stock. Due to Nasdaq Listing Rule 5635(d), the Company amended the settlement agreement to defer the amount of shares in excess of 20% of the Company's outstanding common stock (approximately $866,662 plus interest at an annual rate of 6% for up to 60 days until stockholder approval is obtained. The Company expects to settle the remaining amount by paying cash instead of seeking shareholder approval to issue the requisite shares of its common stock. Based on this settlement election, the contingent consideration liability was adjusted to $10.0 million as of September 30, 2023, resulting in a $4.5 million gain related to the settlement of contingent consideration for the three months ended September 30, 2023. See *Note 13 — Subsequent Events* for additional information related to the Company's settlement of the contingent consideration obligation and its further obligations to the Apollo Holders.

Note 4 — Supplemental Financial Information

Inventories

in thousands		September 30, 2023		December 31, 2022
Raw materials	$	11,493	$	2,622

Work in progress		2,193		1,520
Finished goods		—		—
Inventories	$	13,686	$	4,142

There were no inventory write-downs during the three and nine months ended September 30, 2023. There were no inventory write-downs recorded warrants during the three months ended September 30, 2022. There were March 31, 2024 is primarily the result of a change in the exercise price from $18.8 0.808 per warrant share to $0.404 per warrant share when the warrants are exchanged for warrants of Series A Preferred Stock in Parent in connection with the consummation of the Merger pursuant to the warrant exchange agreements entered by the Parent and the holders of Company Warrants. The $47.3 million gain on the change in fair value of inventory write-downs recorded within cost of revenues Convertible Notes during the nine months ended September 30, 2022, of which $10.2 million of inventory write-downs related to the discontinuance of production of the former version of the Company's launch vehicle as it focused on developing a new version of its launch system. The amounts as of December 31, 2022 have been revised to correct the classification of inventory between raw materials and work in progress and to correct the classification of deferred contract costs from inventory to prepaid and other current assets. During the three months ended September 30, 2023, the Company recorded a $1.3 million decrease to inventory and a corresponding increase to research and development expense to correct errors in the inventory reserves and the allocation of labor and overhead to work in progress. The Company does not deem the adjustment material March 31, 2024 is primarily due to the condensed consolidated financial statements.

Prepaid and Other Current Assets

Table of Contents

in thousands		September 30, 2023		December 31, 2022
Deposits	$	5,783	$	379
Prepaid license and other prepaid expenses		2,577		3,589
Employee Retention Credit - Payroll Tax		2,101		4,283
Deferred contract costs		2,739		2,446
Other current assets		2,616		2,799
Prepaid and other current assets	$	15,816	$	13,496

Property, Plant and Equipment, net

Presented change in the table below are the major classes of property, plant and equipment:

in thousands		September 30, 2023		December 31, 2022
Construction in progress	$	5,130	$	8,309
Computer and software		4,140		2,810
Leasehold improvements		10,100		10,390
Research equipment		9,737		9,042
Production equipment		21,957		14,100
Furniture and fixtures		567		565
Total property, plant and equipment		51,631		45,216
Less: accumulated depreciation		(22,309)		(20,945)
Property, plant and equipment, net	$	29,322	$	24,271

Depreciation expense amounted to $0.4 million and $3.7 million for the three months ended September 30, 2023 and 2022, respectively. Depreciation expense amounted to $2.3 million and $9.7 million for the nine months ended September 30, 2023 and 2022, respectively.

No impairment charges were recorded for the three and nine months ended September 30, 2023. The Company recorded a non-cash impairment charge of $70.3 million primarily related to leasehold improvements, production equipment and research equipment of Launch Services in the condensed consolidated statements of operations for the three and nine months ended September 30, 2022. During the three months ended September 30, 2023, the Company recorded a $1.3 million increase to property, plant and equipment and a corresponding decrease to research and development expense to correct prior period errors. The Company does not deem the adjustment material conversion price pursuant to the condensed consolidated financial statements.

Accrued Expenses and Other Current Liabilities

in thousands		September 30, 2023		December 31, 2022
Employee compensation and benefits	$	4,675	$	5,861
Contract liabilities, current portion		33,349		24,137

Professional services		2,034		756
Accrued expenses		3,694		4,423
Accrued inventory purchases		3,680		2,848
Other (miscellaneous)		1,226		4,018
Accrued expenses and other current liabilities	$	48,658	$	42,043

Other Non-Current Liabilities

in thousands		September 30, 2023		December 31, 2022
Contract liabilities, net of current portion	$	6,190	$	-
Other (miscellaneous)		2,111		1,796
Other non-current liabilities	$	8,301	$	1,796

Table of Contents

Note 5 — Intangible Assets

in thousands		Carrying Amount		Accumulated Amortization		Net Book Value
September 30, 2023						
Definite-lived intangible assets						
Developed technology	$	9,909	$	(4,076)	$	5,833
Customer contracts and related relationship		2,383		(1,879)		504
Trade names		123		(123)		—
Intangible assets subject to amortization		12,415		(6,078)		6,337
Indefinite-lived intangible assets						
Trademarks		2,106		—		2,106
Total	$	14,521	$	(6,078)	$	8,443

There were no impairment charges for the three and nine months ended September 30, 2023. For the three and nine months ended September 30, 2022, the Company recorded a pre-tax impairment charge of $4.8 million related to intangible assets and a pre-tax impairment charge, fully impairing its goodwill balance of $58.3 million, respectively. See *Note 1 – Description of Business, Basis of Presentation and Significant Accounting Policies* for discussion of events triggering the long-lived assets and goodwill impairment test as of September 30, 2022.

in thousands		Carrying Amount		Accumulated Amortization		Net Book Value
December 31, 2022						
Definite-lived intangible assets						
Developed technology	$	9,909	$	(2,910)	$	6,999
Customer contracts and related relationship		2,383		(1,376)		1,007
Trade names		123		(103)		20
Intangible assets subject to amortization		12,415		(4,389)		8,026
Indefinite-lived intangible assets						
Trademarks		2,106		—		2,106
Total	$	14,521	$	(4,389)	$	10,132

Based on the amount of intangible assets as of September 30, 2023, the expected amortization expense for each terms of the next five years and thereafter is as follows: noteholder conversion agreement that will take effect upon completion of the Merger

in thousands		Expected Amortization Expense
2023 (remainder)	$	558
2024		1,891
2025		1,555
2026		1,555

2027		778
Total Intangible assets subject to amortization	$	6,337

Note 6 — Senior Note Convertible Notes and Company Warrants

The following summarizes the Company's Convertible Notes and Company Warrants by investor as of March 31, 2024:

Securities Purchase Agreement

	Convertible Notes				Company Warrants(1)	
Investor	Principal	Accrued but Uncapitalized Interest	Combined Principal and Accrued but Uncapitalized Interest	Fair Value	Number of Warrants Outstanding	Fair Value
JMCM Holdings LLC	$ 9,917,870	$ 198,357	$ 10,116,228	$ 8,834,362	5,684,354	$ 2,216,898
SherpaVentures Fund II, LP(2)	5,247,131	104,943	5,352,074	4,673,892	2,212,768	862,980
MH Orbit, LLC	4,016,000	80,320	4,096,320	3,581,936	1,732,673	675,742
RBH Ventures Astra SPV, LLC	2,999,000	45,445	3,044,445	2,657,927	1,295,607	505,287
Astera Institute	5,000,000	41,667	5,041,667	4,397,557	2,165,842	844,678
ERAS Capital, LLC	1,000,000	8,000	1,008,000	880,374	433,168	168,936
Ulrich Gall	200,000	1,533	201,533	176,017	-	-
Founders:						
Chris C. Kemp, Trustee of the Chris Kemp Living Trust dated February 10, 2021(2)	2,196,667	42,683	2,239,350	1,955,605	866,337	337,871
Adam London(2)	1,173,333	22,217	1,195,550	1,052,939	433,168	168,936
Total Convertible Notes and Warrants	$ 31,750,001	$ 545,165	$ 32,295,167	$ 28,210,609	14,823,917	$ 5,781,328

On (1) Includes the warrants issued on August 4, 2023 (the "Original Warrants"), the Company entered into a securities purchase agreement (the "Securities Purchase Agreement") with a New Jersey based institutional investor (the "Senior Note Investor") pursuant to which the Senior Note Investor agreed are exercisable to purchase and the Company agreed to issue and sell in a registered direct offering to the Senior Note Investor (the "Offering"), $12.5 1,500,000 million aggregate principal amount of Senior Note (the "Senior Note") and warrants (the "Initial Warrants") to purchase up to 1.5 million shares of the Company's Class A common stock (22.5 million shares prior to the Reverse Stock Split) (the "Class A Common Stock" and such shares of Class A Common Stock issuable upon exercise Stock; JMCM Holdings LLC is the only holder of the Initial Warrants, (the "Warrant Shares"), subject to customary closing conditions. Original Warrants.

The Senior Note (2) Investor purchased the Initial Note at is a discount to their face value for related party. SherpaVentures Fund II, LP ("ACME II) is an affiliate of Scott Stanford, a total purchase price of $12.1 million. The Company received net proceeds of $10.8 million, after deducting the placement agent fee and offering expenses. The Company used the proceeds director of the Senior Note for working capital Company. Chris C. Kemp, trustee of the Chris Kemp Living Trust dated February 10, 2021 (the "Kemp Trust"), is the Company Chairman and general corporate purposes.

Table Chief Executive Officer ("CEO"). Adam London is the Chief Technology Officer ("CTO") and a director of Contents the Company.

Subject to the satisfaction of the conditions in the Purchase Agreement, the Company may issue and sell to the Investor up to an additional $7.5 million aggregate principal amount of Senior Note (the "Additional Note" and, together with the Senior Note, the "Notes") and warrants (the "Additional Warrants" and, together with the Initial Warrants, the "Warrants") to purchase the aggregate number of shares of Class A Common Stock equal to 65% of the aggregate principal amount of the Additional Note issued divided by the Market Stock Price (as defined in the Notes).

The Securities Purchase Agreement contains customary representations, warranties and agreements by the Company, obligations of the parties, termination provisions and closing conditions. Pursuant to the Securities Purchase Agreement, the Company has agreed to indemnify the Investor against certain liabilities. The representations, warranties and covenants contained in the Securities Purchase Agreement were made only for purposes of such agreement and as of specific dates, were solely for the benefit of the parties to such agreement, and may be subject to limitations agreed upon by the contracting parties. The Securities Purchase Agreement also includes certain covenants that, among other things, limit the Company's ability to issue certain types of securities for specified periods of time.

Certain of those conditions in the Purchase Agreement for the issuance of Additional Notes include, but are not limited to: (i) the daily VWAP (as defined in the Warrants) of the Class A Common Stock on Nasdaq is not less than $1.00, (ii) after giving pro forma effect to the proposed subsequent closings, the Company's pro forma indebtedness does not exceed certain specified relative percentages of its market capitalization, (iii) the last funding date under the Securities Purchase Agreement was at least 90 days prior to the proposed subsequent closing, (iv) on the subsequent closing date, the Company will have aggregate capacity to generate gross proceeds of at least $20.0 million under an approved at-the-market equity program and/or equity line; and (v) if the Company reports cash and cash equivalents of less than $50.0 million at the end of the calendar quarter immediately preceding the date of such Additional Note purchase, the Company's Available Cash (as defined in the Purchase Agreement) on the last calendar day of such quarterly period must be greater than or equal to (x) the sum of the Company's cash and cash equivalents on the last calendar day of the immediately preceding calendar quarter, less (y)

$10.0 million. No offer to sell Additional Note to the Investor may occur earlier than two trading days following the Company's public announcement of its earnings for the fiscal year ended December 31, 2023 and no later than August 4, 2024.

The Securities Purchase Agreement also provides that for (i) 60 calendar days after August 4, 2023 and (ii) 45 days after each subsequent closing date pursuant to the Securities Purchase Agreement, the Company and its subsidiaries may not, directly or indirectly, register, offer, sell, grant any option or right to purchase, issue or otherwise dispose of, including make any filing to do the same, any equity or equity-linked securities, subject to limited exceptions, including without limitation, sales pursuant to the Sales Agreement.

So long as the Notes are outstanding, the Securities Purchase Agreement provides that the Company may not directly or indirectly, offer, sell, grant any option to purchase or otherwise dispose of any of its or its subsidiaries' equity, equity-linked, equity equivalent securities or securities convertible into or exercisable for equity (excluding offerings of Class A Common Stock through an approved at-the-market equity program) unless the Company offers certain participation rights to the holders of the Notes, subject to limited exceptions.

So long as any Notes or Warrants are outstanding, the Securities Purchase Agreement also provides that the Company and its subsidiaries may not effect or enter into any "Variable Rate Transactions" (as defined in the Purchase Agreement). Sales of Class A common stock pursuant to an approved at-the-market equity program, including the Sales Agreement, will not be considered Variable Rate Transactions.

Notes

The Senior Note has not been issued pursuant to an indenture. The Senior Note was issued at a 3% discount and matures on November 1, 2024, provided, that the maturity date may be extended for up to an additional year by written agreement of the Company and the holders thereof. The Senior Note bears interest at 9.0% per annum, which interest rate would increase to 15.0% per annum upon the existence of an Event of Default (as defined in the Senior Note). The Company is required to make quarterly cash amortization payments, consisting of $2.5 million payment of principal plus accrued and unpaid interest. The Senior Note is secured by first-priority security interests in all tangible and intangible assets, now owned and hereafter created or acquired, of the Company and its subsidiaries.

Pursuant to Section 8(J)(i) of the Senior Note, the Company is required to have at least $15.0 million of cash and cash equivalents in one or more deposit accounts subject to one or more control agreements entered into in favor of the Investor (the "Cash Requirement"). Additionally, pursuant to Section 8(J)(iii) of the Senior Note, the Company is also required to deliver to the Senior Note Investor on or prior to the first business day of each month a compliance certificate, certifying whether or not the Company has satisfied specified requirements during the immediately preceding calendar month (the "Compliance Certificate"). Each of the failures to meet the Cash Requirement and the failure to deliver the Compliance Certificate is an event of default under the Senior Note.

The Company may redeem all (or a portion thereof not less than $5.0 million) of the Notes at a price of 105% of the then-outstanding principal amount at any time. Upon a Fundamental Change (as defined in the Notes), a holder may require the Company to repurchase the Notes at a price equal to 105% of the aggregate principal amount of the Notes to be repurchased.

The Notes impose certain customary affirmative and negative covenants upon the Company, as well as covenants that, among other things, restrict the Company and its subsidiaries from incurring any additional indebtedness or suffering any liens, subject to specified exceptions and restrict the ability of the Company and its subsidiaries from making certain investments, subject to specified exceptions.

If an event of default under the Notes occurs, the holders of the Notes can elect to accelerate all amounts due under the Notes for cash equal to 115% of the then-outstanding principal amount of the Notes, plus accrued and unpaid default interest, which accrues at a rate per annum equal to 15% from the date of a default or event of default.

Warrants

The Initial Warrants expire August 4, 2028 and are immediately exercisable upon issuance at an exercise price of $6.75 per Share (or $0.45 per share before the Reverse Stock Split), subject to certain adjustments. The exercise price of the Warrants, and the number of Warrant Shares potentially issuable upon exercise of the Warrants, will be adjusted proportionately if the Company subdivides its shares of common stock into a greater number of shares or combines its shares of common stock into a smaller number of shares. In addition, until the earlier to occur of (i) such date as the Company has completed Equity Issuances (as defined in the Warrants) after August 4, 2023 for gross proceeds of at least $20.0 million, and (ii) August 4, 2024, if the Company grants, issues or sells or is deemed to have granted, issued or sold, any shares of Class A Common Stock (excluding any Excluded Securities (as defined in the Warrants)) for a consideration per share (the "*New Issuance Price*") less than a price equal to the Warrant exercise price in effect immediately prior to such granting, issuance or sale or deemed granting, issuance or sale (such Exercise Price then in effect is referred to herein as the "Applicable Price") (the foregoing a "*Dilutive Issuance*"), then immediately after such Dilutive Issuance, the Warrant exercise price then in effect will be reduced to an amount equal to the New Issuance Price. The Warrants have been adjusted in connection with the Reverse Stock Split.

The Warrants were recognized as a component of permanent stockholders' equity within additional paid-in-capital on the condensed consolidated balance sheets and are recorded at the issuance date using a relative fair value allocation method. The Company determined the fair value of the Initial Warrants at issuance, which resulted in a discount on the Senior Note, and allocated the proceeds from the offer and sale of the Senior Note proportionately to the Senior Note and to the Initial Warrants, of which $4.8 million has been allocated to the Initial Warrants.

The Company determined the fair value of the Initial Warrants as of August 4, 2023 using the Black-Scholes option pricing model and applying the following assumptions: 13

Expected terms (years)	5.0

Expected volatility	93.6%	
Risk-free interest rate	3.99%	
Expected dividend rate	—	
Grant-date fair value	$	6.00
Exercise Price	$	6.75

The Senior Note was issued at 97% of par, resulting in net cash proceeds of $12.1 million, after deducting the $0.4 million discount fee withheld by the lender and before placement agent fee and offering expenses. In connection with entering into the Senior Note, the Company incurred $1.4 million of offering expenses, including agent fees, accounting and legal fees paid directly to the lenders and other direct third-party costs. Total issuance costs also include the fair value of $4.8 million of warrants. The Company allocated all costs to the Senior Note including lender discount fees, third-party issuance costs and fair value of warrants for an aggregate of $6.5 million as unamortized discount, which are being amortized to non-cash interest expense over the term of the Initial Note using the effective interest method.

The net proceeds to the Company after deducting lender fees, cash paid to third-parties for issuance costs and the fair value of Warrants was as follows:

in thousands		
Senior Note Principal	$	12,500
Less: lender original issue discount (1)		375
Net cash proceeds		12,125
Less: cash expenses for third-party issuance costs (1)		1,356
Net proceeds after lender fees and third-party issuance costs		10,769
Less: Discount associated with fair value of Warrants (1)		4,811
Senior Note, net proceeds after lender fees, third-party issuance costs and Warrants	$	5,958

(1) amounts have been accounted for as debt discount and are being amortized to interest expense over the term of the loan using the effective interest method.

The Company has classified the Senior Note as current liabilities on its condensed consolidated balance sheets as of September 30, 2023 due to events of default occurring after the balance sheet date, as a result of the Company's ongoing failure to maintain the $15.0 million minimum unrestricted cash balance. The Company also considered its current liquidity constraints and its ability to continue as a going

---

Table of Contents

The following summarizes the Company's Convertible Notes and Company Warrants by investor as of December 31, 2023:

concern.

	Convertible Notes				Company Warrants(1)	
Investor	Principal	Accrued but Uncapitalized Interest	Combined Principal and Accrued but Uncapitalized Interest	Fair Value	Number of Warrants Outstanding	Fair Value
JMCM Holdings LLC	$ 9,691,730	$ 129,223	$ 9,820,953	$ 34,548,016	5,684,354	$ 11,459,489
SherpaVentures Funds II, LP(2)	5,127,490	68,367	5,195,856	18,277,913	2,212,768	4,469,926
Founders:			-			
Chris Kemp(2)	2,000,000	26,667	2,026,667	7,129,381	866,337	1,750,053
Adam London(2)	1,000,000	13,333	1,013,333	3,564,690	433,168	875,026
Total Convertible Notes and Warrants	$ 17,819,219	$ 237,590	$ 18,056,809	$ 63,520,000	9,196,627	$ 18,554,494

(1) Includes the warrants issued on August 4, 2023, which are exercisable to purchase 1,500,000The carrying value shares of Class A Common Stock; JMCM Holdings LLC is the only holder of the Senior Note Original Warrants.

(2) Investor is a related party. SherpaVentures Fund II, LP is an affiliate of Scott Stanford, a director of the Company. Chris C. Kemp is the Company Chairman and CEO. Adam London is the CTO and a director of the Company.

Subsequent Financings

During the first quarter of 2024, the Company received additional investments of $14.2 million through the sale and issuance of Convertible Notes and Company Warrants as follows:

					Allocation of Proceeds to Fair Value		
Investor	Date	Principal	Number of Warrants Issued	Total Proceeds Received	Convertible Notes	Warrants	Issuance Costs
MH Orbit LLC	January 19, 2024	$ 4,000,000	1,732,673	$ 4,216,584	3,540,842	$ 675,742	$ 116,127
RBH Ventures Astra SPV LLC (1)	January 19, 2024	2,991,000	1,295,607	3,152,951	2,634,708	518,243	77,330
Astera Institute	March 6, 2024	5,000,000	2,165,842	5,270,730	4,404,393	866,337	100,974
ERAS Capital, LLC	March 7, 2024	1,000,000	433,168	1,054,146	880,879	173,267	20,195
Urich Gall	March 8, 2024	200,000	-	200,000	200,000	-	3,831
Founders:							
Chris C. Kemp, Trustee of the Chris Kemp Living Trust dated February 10, 2021 (2)	February 26, 2024	150,000	-	150,000	150,000	-	12,500
Adam London (2)	February 26, 2024	150,000	-	150,000	150,000	-	12,500
Total Convertible Notes and Warrants		$ 13,491,000	5,627,290	$ 14,194,411	$ 11,960,822	$ 2,233,589	$ 343,457

(1) Includes an additional investment made by RBH Ventures on March 15, 2024 of $991,000 in Convertible Notes and Company Warrants to purchase 429,270 shares of the Company's condensed consolidated balance sheets is reported net Class A Common Stock for cash consideration of unamortized debt discount and issuance costs as follows:

in thousands	
Senior Note	$ 12,500
Less: Unamortized debt discount and issuance costs	(5,424)
Carrying value of Senior Note	$ 7,076

The effective interest rate on the Senior Note, including the discount accretion was $62.45 0.1% as of September 30, 2023 million. Net proceeds from these Subsequent Financings, after deducting offering expenses, were approximately $990,000.

(2) The CEO and CTO made additional investments in Convertible Notes of $150,000 each on February 26, 2024. No Company Warrants were issued with to the CEO or CTO with this additional investment.

See Note 15 — *Note 13 – Subsequent Events* for information related on additional sales of Convertible Notes and Company Warrants occurring after March 31, 2024.

Material Amendments to events Subsequent Financing Agreement and Convertible Notes

On November 21, 2023, the Company entered into an Omnibus Amendment No. 3 Agreement, dated as of November 21, 2023, which agreement, subject to amendments occurring after such date, sets forth the terms and conditions upon which the Company may offer for sale and issue Convertible Notes and Company Warrants (the "Subsequent Financing Agreement").

During the three months ended March 31, 2024, the Company and the holders of the Convertible Notes and Company Warrants amended or modified the Subsequent Financing Agreement and the Convertible Notes on January 19, 2024 (the "January 19 Amendment"), January 31, 2024 (the "January 31 Amendment") and February 26, 2024 (the "February Amendment").

The January 19 Amendment extended the date by which a Subsequent Closing (as defined the Subsequent Financing Agreement) may occur without the consent of a majority-in-interest of the Convertible Notes from January 20, 2024, to February 19, 2024, which date was further extended by the February Amendment to April 30, 2024.

[Table of Contents](#)

The January 31 Amendment extended the first amortization payment under the Convertible Notes, which was originally due on February 1, 2024, to May 1, 2024.

The February Amendment also increased the maximum amount of the Aggregate Stated Principal Amount (as defined in the Subsequent Financing Agreement) of the Convertible Notes from $25.0 million to $35.0 million, which amount was subsequently increased to $50.0 million pursuant to the April Amendment.

See Note 15 – Subsequent Events for information about additional amendments to the Subsequent Financing Agreement and Convertible Notes occurring after March 31, 2024.

Fair Value of Company Warrants and Convertible Notes

Company Warrants

As of March 31, 2024, the Company had 14,823,917 Company Warrants issued and outstanding which are included in Warrants to purchase common stock on the consolidated balance sheets at fair value of $5.8 million. This does not include an immaterial number of warrants issued to ShareIntel-Shareholder Intelligence Services LLC (the “ShareIntel Warrants”). The Company has determined the Company Warrants are liability classified financial instruments and are required to be measured at fair value at issuance and subsequently at each reporting date, with changes in fair value included in earnings of the period.

The Company determined the fair value of the Company Warrants issued during the three months ended March 31, 2024 and of all Company Warrants outstanding as of March 31, 2024 based on an option pricing model ("OPM") considering the warrant exchange agreement between the Parent and holders of Company Warrants and the expected capital structure of the Parent following consummation of the Merger

The following is a summary of the assumptions used to determine the OPM fair value of the Company Warrants at each date of issuance and for all Company Warrants outstanding as of March 31, 2024:

	January 19, 2024	March 6, 2024 (1) (2)	March 31, 2024
Expected terms (years)	3.45	3.32	3.25
Expected volatility	75.00%	80.00%	75.00%
Risk-free interest rate	4.07%	4.20%	4.28%
Expected dividend rate	—	—	—
Value per share	$ 0.39	$ 0.40	$ 0.39
Exercise price	$ 0.40	$ 0.40	$ 0.40
Implied Negotiation Discount	32.20%	31.50%	31.50%

(1) The Subsequent Financings that have occurred after September 30, 2023 regarding on March 7, 2024, March 8, 2024 and March 15, 2024 applied the Senior Note same fair value model and assumptions as those used for Subsequent Financing that occurred on March 6, 2024.

(2) Subsequent Financings that occurred on February 26, 2024 and March 8, 2024 did not include the purchase of Company Warrants.

The expected term is based on expectations with regard to an exit strategy such as an IPO or liquidation event of the Parent. The risk free rate was based on the rate of treasury securities with the same term as the option. The expected volatility was based on guideline company indications.

As of December 31, 2023, the Company had 9,196,627 of Company Warrants issued and outstanding with a fair value of $18.5 million. The Company utilized the Black-Scholes Option Pricing model to determine the fair value of the Company Warrants outstanding at that date. The following is a summary of the assumptions applied to determine the Black-Scholes fair value of the outstanding Company Warrants as of December 31, 2023:

	December 31, 2023
Expected terms (years)	4.6
Expected volatility	109.8%
Risk-free interest rate	3.84%
Expected dividend rate	—
Value per share	$ 2.28
Exercise price	$ 0.81

Table of Contents

Convertible Notes

During the three months ended March 31, 2024, the Company issued $14.2 million principal amount of Convertible Notes and as of March 31, 2024, had a total of $31.8 million Convertible Notes principal with an aggregate fair value of $28.2 million. The Company has elected the fair value option for accounting for all of its Convertible Notes. The fair values of the Convertible Notes issued during the three months ended March 31, 2024 were determined as the residual value of the total proceeds received less the fair value of the Company Warrants issued concurrently with the Convertible Notes. The fair value of the Convertible Notes as of March 31, 2024, was determined by the total merger consideration derived from the total principal, paid-in-kind interest and accrued interest through the assumed date of merger, less an assumed negotiated discount derived from the Convertible Notes issuances during the three months ended March 31, 2024.

As of December 31, 2023, the Company had $17.8 million principal amount of Convertible Notes outstanding. The Company utilized the Monte Carlo Simulation Model to determine the fair value of the Convertible Notes outstanding as of December 31, 2023. The following is a summary of the assumptions applied in determining the fair value of the Convertible Notes as of December 31, 2023:

	December 31, 2023	
Risk-free interest rate	4.21%	
Risk adjusted interest rate (for discount payment)	71.0%	
Value per share	$	2.28
Volatility	35.50%	

Note 7 — Income Taxes

The Company computes its provision for income taxes by applying the estimated annual effective tax rate to year-to-date income from recurring operations and adjusts the provision for discrete tax items recorded in the period.

There has historically been no federal or state provision for income taxes because the Company has incurred operating losses and maintains a full valuation allowance against its net deferred tax assets. For the three and nine months ended September 30, 2023 and 2022, the Company recognized no provision for income taxes consistent with the losses incurred and the valuation allowance against the deferred tax assets.

Utilization of net operating loss carryforwards, tax credits and other attributes may be subject to future annual limitations due to the ownership change limitations provided by Section 382 of the Internal Revenue Code and similar state provisions.

The Company files income tax returns in the U.S. federal jurisdiction and various states. The Company is not currently under examination by income tax authorities in federal, state or other jurisdictions. All tax returns will remain open for examination by the federal and state authorities for three and four years, respectively, from the date of utilization of any net operating loss or credits.

On August 16, 2022, the U.S. enacted the Inflation Reduction Act of 2022, which, among other things, implements a 15% minimum tax on book income of certain large corporations, a 1% excise tax on net stock repurchases and several tax incentives to promote clean energy. Based on the Company's current analysis of the provisions, the Company does not believe this legislation will have a material impact on its consolidated financial statements. The Company will continue to monitor for additional guidance related to the Act.

Note 8. Commitments and Contingencies

Legal Proceedings

The Company is party to ordinary and routine litigation incidental to its business. On a case-by-case basis, the Company engages inside and outside counsel to assess the probability of potential liability resulting from such litigation. After making such assessments, the Company makes an accrual for the estimated loss only when the loss is probable, and an amount can be reasonably estimated. The Company and or its current or former directors and officers are currently parties to the following litigation matters:

On February 9, 2022, a putative class action was filed in the United States District Court for the Eastern District of New York styled Artery v. Astra Space, Inc. et al., Case No. 1:22-cv-00737 (E.D.N.Y.) (the “Artery Action”). On March 23, 2022, a second putative class action was filed in the United States District Court for the Eastern District of New York styled Riley v. Astra Space, Inc., et al., Case No. 1:22-cv-01591 (E.D.N.Y.) (the “Riley Action”). On November 14, 2022, the Artery Action and the Riley Action were consolidated into a single action (the “Securities Action”), restyled In re Astra Space Inc. f/k/a Holicity Inc. Securities Litigation, and Lead Plaintiffs were appointed. On December 14, 2022, the Securities Action was transferred to the United States District Court for the Northern District of California under Case No. 3:22-cv-08875. On December 28, 2022, Lead Plaintiffs filed their amended complaint. The amended complaint alleges that the Company and several of its current and former officers and directors violated provisions of the Securities Exchange Act of 1934 with respect to certain statements concerning the Company’s projected launch cadence and payload capacity goals. The amended complaint seeks unspecified damages on behalf of a purported class of purchasers of the Company’s securities between February 2, 2021 and December 29, 2021. Defendants moved to dismiss on December 28, 2022. In an order filed August 2, 2023, the Court granted Defendants motion to dismiss on the merits. Plaintiffs had 21 days from the date of the order to file an amended complaint but declined to do so. As a result, the Company considers this matter closed.

On April 27, 2022, a stockholder derivative suit was filed in the United States District Court for the Eastern District of New York styled Gonzalez v. Kemp, et al., Case No. 22-cv-02401 (E.D.N.Y.) (the “Gonzalez Action”). On January 25, 2023, the plaintiff filed an

Table of Contents

amended complaint. The amended complaint asserts claims against certain of the Company’s current and former officers and directors for alleged breaches of their fiduciary duties, unjust enrichment, abuse of control, gross mismanagement, waste of corporate assets, alleged violations of Section 14(a) of the Securities Exchange Act of 1934 (the “Exchange Act”), and for contribution under Section 10(b) and 21D of the Exchange Act based upon the conduct alleged in the Securities Action described above. The plaintiff in the Gonzalez Action seeks monetary damages in favor of the Company in an unstated amount, reforms to the Company’s corporate governance and internal procedures, restitution including disgorgement of any compensation, profits or other benefits received, and reimbursement of the plaintiff's reasonable fees and costs, including attorney’s fees. On February 17, 2023, the Gonzalez Action was transferred to the United States District Court for the Northern District of California under Case No. 3:23-cv-00713. Defendants filed a motion to dismiss the amended complaint on April 18, 2023. On June 12, 2023, the Court in the Gonzalez Action granted the Company’s motion to stay the case until a final judgment has been issued in the resolution of In re Astra Space f/k/a Holicity Inc. Securities Litigation (Case No. 3:22- cv-08875) in the Northern District of California (the “Securities Action. Now that the Securities Action has be dismissed, the Gonzalez Action is again proceeding. Although the Company believes that the Gonzalez Action is likely to be dismissed for the same reasons that Once the Securities Action was dismissed, plaintiffs the Gonzalez Action again proceeded. Plaintiffs have filed an opposition to the Defendants motion to dismiss. Due to the announcement of the potential merger transaction (and the likely alternative of bankruptcy if the merger transaction does not close), the Court has again stayed the Gonzalez Action until at least July 9, 2024. The Company believes that the case is without merit and will continue intends to defend it vigorously. Due to the early stage of the case, neither the likelihood that a loss, if any, will be realized, nor an estimate of the possible loss or range of loss, if any, can be determined.

Based on a Court of Chancery Rule 5.1 notice, on or about June 30, 2023, a stockholder derivative suit was filed in the Delaware Court of Chancery styled Capani v. Chris C. Kemp, et al., C.A. No. 2023-0676- (“Capani Action”). The Capani Action appears to be brought by the same plaintiff who filed the first derivative complaint in the District Court of Delaware in early 2022. The first derivative complaint was voluntarily dismissed without prejudice after the Company filed a motion to dismiss. On July 31, 2023, the Chancery Court entered a stipulated stay of the case pending the resolution of the Securities Action for which an order granting the Company’s motion to dismiss was entered on August 2, 2023. The stay was lifted upon the Securities Action’s resolution. No motion to dismiss briefing schedule has since been entered in this case. The stockholder subsequently served a books and records demand before filing the present lawsuit. The Company believes that the case is without merit and intends to defend it vigorously. Due to the early stage of

---

Table of Contents

the case, neither the likelihood that a loss, if any, will be realized, nor an estimate of the possible loss or range of loss, if any, can be determined.

The Company has tendered defense of each of the foregoing claims under its Directors’ and Officers’ policy. The retention under this policy is $20.0 million.

Indemnification Obligations to former Company Board Members

On May 20, 2022, a putative class action was filed in the Court of Chancery of the State of Delaware styled Newbold v. McCaw et. al., Case No. 2022-0439 (the “Newbold Action”). The complaint alleges that Pendrell Corporation, X-icity Holdings Corporation f/k/a Pendrell Holicity Holdings and certain former officers, directors or controlling stockholders of Holicity, Inc. n/k/a Astra Space, Inc., breached their fiduciary duties to the Company in closing on the Business Combination. The complaint seeks unspecified damages on behalf of a purported class of stockholders of the Company’s securities during a specified time period.

Neither the Company nor any of its board members are parties in this action. Mr. McCaw, who served as a former member of the Company’s board, is a defendant in this action, but the allegations relate to periods prior to the Business Combination. Astra is obligated to indemnify certain of the defendants in the Newbold Action. The Company has tendered defense of this action under its Directors’ and Officers' Policy. The Company also tendered defense of this claim under the tail policy it was required to purchase in connection with the Business Combination. The retention under the tail policy is $1.5 million. Due to the early stage of this case, neither the likelihood that a loss, if any, will be realized, nor an estimate of the possible loss or range of loss, if any, can be determined. On or about July 21, 2023, the Delaware Chancery Court denied the defendants’ motion to dismiss the amended complaint.

Delaware Court of Chancery Approval of Petition relating to Amendment to Increase Authorized Shares Section 220 Demands

On March 1, 2023, Following the announcement of the Merger Agreement, the Company filed has received demands to inspect the Company’s books and records pursuant to 8 Del. C. § 220 (“Section 220”). Specifically, on April 5, 2024, purported stockholder Jonathan Horner delivered a petition in Section 220 demand to the Delaware Court Company, which demand was supplemented on April 11, 2024. On April 17, 2024, another purported stockholder, Michael Krene, represented by the same law firm, delivered a second Section 220 demand to the Company. On April 22, 2024, a third purported stockholder, Jerry Hamelton, delivered a Section 220 demand to the Company (collectively, the “Section 220 Demands”).

Although the specifics of Chancery (the “Court of Chancery”) seeking validation each Section 220 Demand varies, they generally intend to investigate the events leading to execution of the amendment Merger Agreement, to investigate the independence and disinterestedness of its certificate certain members of incorporation the Company’s board of directors and officers in connection with the Business Combination Merger Agreement and the Merger, and to increase its authorized shares of Common Stock (the “Charter Amendment”) as a result of uncertainty determine whether such directors and officers properly discharged their fiduciary duties, investigate the Company’s disclosures regarding the validity Merger Agreement and the Merger. The Section 220 Demands seek to inspect the Company’s books and records to determine whether wrongdoing, mismanagement, and/or material non-disclosure has taken place such that it would be appropriate to file an action against the Board, the officers, the Company, or any other relevant person or entity, to value each stockholder’s shares, and to consider any other courses of such amendment given a recent decision action that the investigation might warrant pursuing.

The Company is evaluating each of the Court Section 220 Demands and intends to defend vigorously any allegation of Chancery. wrongdoing, mismanagement and/or non-disclosure. Due to the early stage of these investigations, neither the likelihood that a loss, if any, will be realized, nor an estimate of the possible loss or range of loss, if any, can be determined.

On March 14, 2023, Commercial Contracts

The Company has received notices of termination from two customers. The total contract value of these two agreements was $15.4 million, with current contract liabilities of $7.8 million and non-current liabilities of $1.9 million. There are disputes with both customers regarding certain aspects of the Court of Chancery validated terminations, including the financial impact. In particular, the parties are disputing whether the customer has rights to refunds, and declared effective for any additional payments due to the Charter Amendment, increasing Company. The Company believes it has valid defenses against claims for refunds from these two customers, and may have valid claims for the Company's authorized Common Stock from 220,000,000additional payments. The Company further hopes to 465,000,000, thereby permitting the Company negotiate a mutually agreeable resolution to issue additional shares of Class A these disputes and Class B common stock believes it is premature to estimate any potential liabilities or contingencies in connection with the Business Combination and thereafter. these two contract terminations.

Purchase Commitments

In order to reduce manufacturing lead times and to have access to an adequate supply of components, the Company enters into agreements with certain suppliers to procure component inventory based on the Company's production needs. A significant portion of the Company's purchase commitments arising from these agreements consist of firm and non-cancelable commitments. As We have one such supplier contract which is active at this time. While we are currently in a dispute with this supplier over the performance of September 30, 2023, the Company had this contract, there remains $26.9 20.1 million outstanding in purchase commitments whose terms run through May 2026. Payments will be made against these supplier contracts as deliveries occur throughout the term.

Table of Contents

Note 9 — Stockholders' Equity

Common and Preferred Stock

As of September 30, 2023, the Company had authorized a total of 466,000,000 shares of stock, consisting of (i) 400,000,000 shares of Class A common stock, par value $0.0001 per share ("Class A common stock"), (ii) 65,000,000 shares of Class B common stock, par value $0.0001 per share ("Class B common stock"), and (iii) 1,000,000 shares of preferred stock, par value $0.0001 per share ("Preferred Stock"). As of September 30, 2023, the Company had 14,849,265 and 3,702,613 shares of Class A and Class B common stock issued and outstanding, respectively. There were no shares of preferred stock outstanding as of September 30, 2023.

Holders of the Class A and Class B common stock have identical distribution rights, except that holders of the Class A common stock are entitled to one vote per share and holders of the Class B common stock are entitled to ten votes per share. Each share of Class B common stock can be converted into one share of Class A common stock at any time at the option of the stockholder and automatically convert upon sale or transfer, except for certain transfers specified in the Company's amended and restated certificate of incorporation.

Reverse Stock Split

On June 8, 2023, the Company's stockholders approved a reverse stock split of all issued and outstanding shares of Class A common stock and Class B common stock (the "Reverse Stock Split"), at a ratio in the range of 1-for-5 to 1-for-15, with the final decision of whether to proceed with the Reverse Stock Split and the exact ratio and timing of the reverse stock split to be determined by the board of directors, in its discretion, but no later than June 8, 2024. On September 13, 2023, with the Board's approval, the Company filed the Amended Certificate with the Secretary of the State of Delaware, thereby affecting the reverse stock split at 1-for-15 ratio. See *Note 1 – Description of Business, Basis of Presentation and Significant Accounting Policies,Reverse Stock Split*, for the impact of the Reverse Stock Split on previously reported share and per share amounts.

B. Riley Common Stock Purchase Agreement and Registration Rights Agreement

On August 2, 2022, the Company entered into a Common Stock Purchase Agreement (the "B. Riley Agreement") and a Registration Rights Agreement with B. Riley. Pursuant to the Purchase Agreement, the Company will have the right to sell to B. Riley up to the lesser of (i) $100.0 million of newly issued shares (the "Shares") of the Class A Common Stock, and (ii) 3,537,310 Shares of Class A common stock (53,059,650 prior to Reverse Stock Split) which number of shares is equal to 19.99% of the sum of Class A common stock and Class B common stock issued and outstanding immediately prior to the execution of the B. Riley Purchase Agreement (subject to certain conditions and limitations), from time to time during the term of the B. Riley Purchase Agreement.

Effective July 5, 2023 and in conjunction with the Company entering into the Sales Agreement (defined below), the Company terminated the B Riley Agreement. As of July 5, 2023, B. Riley did not hold any Registrable Securities (as such term is defined in the Registration Rights Agreement). Accordingly, the Company's obligations under the Registration Rights Agreement were also terminated as of July 5, 2023.

ATM Sales Agreement

On July 10, 2023, the Company entered into a Sales Agreement (the "Sales Agreement") with Roth Capital Partners, LLC ("Roth"). The Sales Agreement provides for the offer and sale of up to $65.0 million of the Company's newly issued Class A common stock, par value $0.0001 per share (the "Class A Common Stock"), from time to time through an "at the market offering" program. The Company specifies the parameters for the sale of the shares of Class A common stock, including the number of shares to be issued, the time period during which sales are requested to be made, any limitation on the number of shares that may be sold in any one trading day and any minimum price below which sales may not be made. Actual sales of Class A common stock under the Sales Agreement depends on a variety of factors including, among other things, market conditions and the trading price of the Class A common stock, and the full amount of capital may not be fully realized.

From July 10, 2023 to September 30, 2023, 241,877 shares of the Company's Class A common stock have been sold under the Sales Agreement resulting in proceeds of $0.8 million, net of broker commissions, fees and third-party issuance costs $0.1 million. The average price per share sold under the Sales Agreement during the period was $3.41 per share. The Company incurred $0.3 million of third-party issuance costs related to legal, accounting and registration costs which are recorded as deferred issuance costs on the condensed consolidated financial statements and are being allocated on a per share basis and charged to additional paid-in capital along with broker commissions per shares sold under the Sales Agreement. The Company intends to use the net proceeds from these at-market offerings, if any, for working capital and general corporate purposes.

The terms of the Securities Purchase Agreement and Senior Note require the Company to maintain an approved at-the-market equity program and/or equity line that, at all times, with an available and unused capacity to generate at least $20.0 million of gross proceeds to the Company, which restriction will limit the Company's ability to use the full capacity of this Sales Agreement while the Senior Note is outstanding. See *Note 6 – Senior Note and Warrants* for additional information related to the Securities Purchase Agreement and Senior Note.

Warrants

Table of Contents

On August 4, 2023, the Company issued warrants to purchase up to 1.5 million shares of Class A common stock (22.5 million shares pre-reverse stock split) under the Securities Purchase Agreement (the "Initial Warrants"). See *Note 6 – Senior Note and Warrants* for more information about the Initial Warrants. See *Note 13 – Subsequent Events* for information about warrants issued after September 30, 2023. contract.

Note 10 8 — Stock-based Compensation

Stock-based incentive awards are provided to employees under the terms of Astra's 2021 Omnibus Incentive Plan (the "2021 Plan") and the 2023 Bonus Incentive Plan and 2021 Employee Stock Purchase Plan (the "2021 ESPP"). Unless otherwise noted, all share and per

Table of Contents

share amounts below have been restated to give effect to the Reverse Stock Split on September 13, 2023. For the impact of the Reverse Stock Split on prior period comparable share and per share amounts and additional information related to the Reverse Stock Split, see *Note 1 – Description of Business, Basis of Presentation and Significant Accounting Policies.*

Under the 2021 Plan, the Company grants restricted stock units ("RSUs"), performance-based stock units ("PSUs"), time-based stock options and performance stock options ("PSOs") to its executive officers. RSUs and time-based stock options granted have service-based vesting conditions only. PSUs granted have service and performance conditions. The service conditions vary for each executive officer and is based on their continued service to the Company. Stock option holders have There was a 10-year period to exercise their options before options expire. In July 2022, the PSU agreements were amended to remove the performance-based vesting conditions and only retain the time-based vesting condition. Forfeitures are recognized in the period $6.0 million reversal of occurrence and stock-based compensation accrued costs are recognized based on grant-date fair value as RSUs and time-based stock options vest.

2023 Bonus Incentive Plan

Under the 2021 Plan, the Board approved associated with the 2023 Bonus Incentive Plan (the "2023 Bonus Plan") on December 12, 2022. The 2023 Bonus Plan, in part, provides for performance stock options to be granted to executives, certain key contributors Program as of December 31, 2023, and to the employees.

On March 8, 2023, the Company approved the issuance of an aggregate of $353,333 PSOs (5.3 0.7 million PSOs as previously reported prior to the Reverse Stock Split) under the 2023 Bonus Plan to certain executives and key contributors, which may be earned for such quarter over a two year period based on meeting certain performance conditions. The performance conditions, as further described below, are structured such that the PSOs allocated to each quarter will be earned on a quarterly basis upon the achievement of quarterly Baseline and Stretch Key Performance Indicators ("KPIs") associated with the operations of the Company's Launch Services and Space Products segments. The KPIs are approved by the Compensation Committee at the beginning of each quarter and are communicated to the award holders thereafter, upon such communication establishing the measurement date for that quarter's PSO allocation.

Because the KPIs are approved at the beginning of each quarter and are specific for that quarter, the grant date fair value of PSOs allocated to each quarter for both Baseline and Stretch are determined on a tranche-by-tranche basis based on the measurement date, as determined by the date the approved KPIs are communicated and a mutual understanding of the award terms is achieved. The Company recognizes stock-based compensation expense based on the PSO awards for which the KPIs are probable of achievement.

For the PSO awards allocated to the third and fourth quarters of 2023, the associated KPIs were approved by the Board at the beginning of each quarter and were communicated to the participants thereafter, establishing the measurement date. The Company used the Black-Scholes option pricing-model to calculate the fair value of $10.3 million and $5.5 million recognized for the third and fourth quarter 2023 PSO awards, respectively, using the following assumptions for the three months ending September 30, 2023:ended March 31, 2023.

	PSOs awarded for the Third Quarter 2023	PSOs awarded for the Fourth Quarter 2023
Expected terms (years)	6.1	6.1

Expected volatility	91.84% - 92.25% - 95.2%	94.91% - 95.2%
Risk-free interest rate	4.04% - 4.15%	4.68% - 4.73%
Expected dividend rate	$ —	$ —
Grant-date fair value	$3.87 - $4.72	$0.97-$1.09

As of September 30, 2023 March 31, 2024, the Company has determined that none of the KPIs were achieved, not established a 2024 Bonus Incentive Plan and accordingly has not recognized any stock-based compensation expense related to the 2023 Bonus Plan as such, no performance-based stock options have been granted for the three and nine months quarter ended September 30, 2023 March 31, 2024.

Cancellation of Performance Stock Options awards with Service, Performance and Market Conditions

On September 20, 2021, under the 2021 Plan, the Company's Board granted 873,745 performance stock options (13,016,178 performance stock options as previously reported prior to the Reverse Stock Split) to its executive officers. Of the performance stock options originally granted, only 650,809 (9,762,133 as previously reported prior to the Reverse Stock Split) remained outstanding due to forfeitures occurring in connection with the resignations of former executive officers. The performance stock options were subject to the achievement of the following milestones and the milestones did not need to be achieved in any specific order or sequence:

Table of Contents

Milestone A: The Company has had a successful orbital delivery.

Milestone B: The Company has had six orbital launches during a six consecutive month period.

Milestone C: The Company has completed a prototype for a spacecraft that has achieved an orbital launch.

Milestone D: The Company has conducted twenty-six orbital launches during a six consecutive month period.

Milestone E: The Company has achieved an orbital launch for an aggregate of 100 spacecraft.

After a milestone is achieved, twenty percent (20%) of the PSO grant would vest on the vesting date immediately following the date that the volume weighted average share price for a period of thirty trading days has met the share price threshold. For this purpose, a "vesting date" is the February 15, May 15, August 15 or November 15 immediately following the date the share price threshold is achieved and the "share price threshold" is (a) $15.00 following the achievement of the first milestone; (b) $20.00 following the achievement of the second milestone; (c) $30.00 following the achievement of the third milestone; (d) $40.00 following the achievement of the fourth milestone, and (e) $50.00 following the achievement of the fifth milestone. (The "share price threshold" amounts for each milestone on a post Reverse Stock Split bases are $225, $300, $450, $600 and $750, respectively).

During the second quarter of 2023, the Board determined that the performance stock options no longer served the goal of driving financial performance and long-term shareholder value, nor did they serve as retention tools for the Company's executive officers. Accordingly, the Board recommended cancellation of the PSOs, subject to stockholder approval.

On June 8, 2023, stockholders approved the cancellation of the performance stock options and a proposed framework for a replacement award, to be granted to Mr. Kemp, Dr. London and Mr. Attiq before July 31, 2023, subject to the Board's approval of the final award terms, including any performance conditions. Because the deadline to issue the replacement awards has passed, no replacement awards will be issued.

As there was no concurrent replacement award, the cancellation was deemed a settlement of an award without consideration under ASC 718. Concurrently, the Company remeasured the value of these share-based awards re-assessing the probability of success for the five milestones mentioned above. It had been previously determined that Milestone A had been achieved, but without meeting the share price threshold. As of the date of cancellation, the Company concluded the stock-based awards at a zero valuation, given none of the remaining Milestones were achievable as a result of the Company's decision to focus on its Space Products business, the decision to move to a new launch system and the probability of meeting the pricing thresholds. Therefore, the Company reversed all stock-based compensation expense to date of $6.8 million associated with Milestone B during the three months ended June 30, 2023. Additionally, the $3.6 million of unrecognized stock-based compensation expense remaining for Milestone B and $24.6 million unrecognized stock-compensation expense associated with Milestones C - E were not recognized as stock-based compensation as achievement of the performance conditions was determined to not be probable.

The following table summarizes stock-based compensation expense for the three and nine months ended September 30, 2023 March 31, 2024 and 2022: 2023:

	Three Months Ended September 30,		Nine Months Ended September 30,		Three Months Ended March 31,	
in thousands	**2023**	**2022**	**2023**	**2022**	**2024**	**2023**
Cost of revenues	$ —	$ 109	$ —	$ 806	$ —	$ —
Research and development	2,061	5,565	5,756	17,133	1,268	2,359
Sales and marketing	426	1,562	(130)	4,559	392	380
General and administrative	2,271	6,512	2,348	21,082	1,849	2,589
Stock-based compensation expense	$ 4,759	$ 13,748	$ 7,975	$ 43,580	$ 3,509	$ 5,328

The Company did not recognize any compensation cost related to performance-based stock units ("PSUs") for the three months ended March 31, 2024. For the three months ended March 31, 2023, the Company recognized $0.1 million and $1.5 million in compensation costs related to PSUs for the nine months ended September 30, 2023 and 2022, respectively, to reflect the PSUs that satisfied the time-based vesting condition on the time-vesting dates. PSUs.

As of September 30, 2023 March 31, 2024, the Company had $37.0 20.6 million of unrecognized stock-based compensation expense related to all of the Company's stock-based awards. This cost is expected to be recognized over a weighted-average period of 2.7 2.01 years.

Table of Contents

Stock Options Awards

The following is a summary of stock option activity for the nine three months ended September 30, 2023 March 31, 2024:

	No. of Options	Weighted- Average Exercise Price	Weighted- Average Remaining Term (in Years)	Aggregate Intrinsic Value
Outstanding – December 31, 2022	1,083,241	$ 106.65	8.4	$ 9,630
Granted	1,213,495	7.6	6.9	—
Exercised	(12,061)	6.9	0.4	—
Forfeited/Cancelled	(860,745)	105.1	—	—
Expired	(27,028)	35.4	—	—
Outstanding – September 30, 2023	1,396,902	$ 23.76	8.1	$ 4,239
Unvested – September 30, 2023	1,085,529	$ 17.79	8.4	$ 2,863
Exercisable – September 30, 2023	311,418	$ 44.54	7.0	$ 1,377

	No. of Options	Weighted- Average Exercise Price	Weighted- Average Remaining Term (in Years)	Aggregate Intrinsic Value
Outstanding – December 31, 2023	1,320,540	$ 24.13	8.40	$ 128,212
Granted	15,494	1.52	3.08	—
Exercised	(300)	0.90	—	—
Forfeited/Cancelled	(271,972)	7.08	—	—
Expired	(41,440)	12.52	—	—
Outstanding – March 31, 2024	1,022,322	$ 28.79	8.10	$ —
Unvested – March 31, 2024	670,064	18.89	8.77	—
Exercisable – March 31, 2024	352,258	$ 47.63	6.82	$ —

Table of Contents

The Company uses the Black-Scholes option pricing-model to calculate the grant date fair value of time-based and performance-based options. The following table summarizes the assumptions used in estimating the fair value of options granted in the nine three months ended September 30, 2023 March 31, 2024 and 2022: 2023:

	Nine Months Ended September 30,

	2023	2022
Expected terms (years)(1)	6.5	5.8
Expected volatility(2)	95.8%	68.9%
Risk-free interest rate(3)	3.46% - 4.03%	1.7%
Expected dividend rate(4)	—	—
Grant-date fair value	$0.25 - $1.96	$3.20

	Three Months Ended March 31,	
	2024	2023
Expected terms (years)	6.13	6.71
Expected volatility	109.7%	98.2%
Risk-free interest rate	4.07%	3.46%
Expected dividend rate	—	—
Grant-date fair value	$ 1.52	$0.42 - $0.56

(1) The expected term is the length of time the grant is expected to be outstanding before it is exercised or terminated. This number is calculated as the midpoint between the v term and the original contractual term (contractual period to exercise). If the option contains graded vesting, then the vesting term would be based on the vesting pattern.

(2) Expected volatility, or the standard deviation of annualized returns, was calculated based on the Company's common stock price history for the expected term as of the va date.

(3) Risk-free interest was obtained from U.S. treasury notes for the expected terms noted as of the valuation date.

(4) The Company has assumed a dividend yield of zero as it has no plans to declare dividends in the foreseeable future.

Restricted Stock Units ("RSU") Awards

The following is a summary of restricted stock units for the nine three months ended September 30, 2023 March 31, 2024:

	Number of RSUs Outstanding	Weighted- Average Grant Date Fair Value Per Share	Number of RSUs Outstanding	Weighted- Average Grant Date Fair Value Per Share
Outstanding – December 31, 2022	1,074,790	$ 50.25		
Outstanding – December 31, 2023			594,238	$ 33.60
Granted	210,102	6.76	—	—
Vested	(185,581)	67.20	(46,676)	50.78
Forfeited	(252,124)	57.48	(41,988)	44.22
Outstanding – September 30, 2023	847,187	$ 34.29		
Outstanding – March 31, 2024			505,574	$ 31.13

Total fair value as of the respective vesting dates of restricted stock units vested for the nine three months ended September 30, 2023 March 31, 2024 was approximately $1.2 0.1 million. As of September 30, 2023 March 31, 2024, the aggregate intrinsic value of unvested restricted stock units was $1.6 0.3 million.

2021 ESPP

The 2021 ESPP, which is maintained by the Company, allows employees to purchase the Company’s common stock at a discount of up to 15% of the lesser of the fair market value at the beginning of the offering period or the end of each six-month purchase period. The On December 21, 2023, the Board cancelled the Plan effective immediately following the next purchase date during the quarter ended March 31, 2024, where the Company issued 98,592 76,191 shares on January 19, 2024 at a cost of $0.01 million. The remaining 481,866 shares issuable under the 2021 ESPP during were returned to the nine months ended September 30, 2023. pool of Class A common stock available for issue. As of September 30, 2023,

25

Table of Contents

558,077 shares remain available for issuance under the 2021 ESPP. As of September 30, 2023 March 31, 2024, the Company had less than $0.1 no million of remaining unrecognized stock-based compensation expense related to the 2021 ESPP. This cost is expected to be recognized over a weighted-average period of 0.56 years.

Note 11 9 — Loss Income Taxes

The Company computes its provision for income taxes by applying the estimated annual effective tax rate to year-to-date income from recurring operations and adjusts the provision for discrete tax items recorded in the period.

There has historically been no federal or state provision for income taxes because the Company has incurred operating losses and maintains a full valuation allowance against its net deferred tax assets. For the three months ended March 31, 2024 and 2023, the Company recognized no provision for income taxes consistent with the losses incurred and the valuation allowance against the deferred tax assets.

Utilization of net operating loss carryforwards, tax credits and other attributes may be subject to future annual limitations due to the ownership change limitations provided by Section 382 of the Internal Revenue Code and similar state provisions.

The Company files income tax returns in the U.S. federal jurisdiction and various states. The Company is not currently under examination by income tax authorities in federal, state or other jurisdictions. All tax returns will remain open for examination by the federal and state authorities for three and four years, respectively, from the date of utilization of any net operating loss or credits.

Table of Contents

Note 10 — Income (Loss) per Share

The Company computes earnings (loss) per share of Common Stock using the two-class method required for participating securities. Basic earnings (loss) per common share is determined based on the weighted-average number of common shares outstanding during each period. For periods with net income, the Company gives effect to all dilutive potential common shares outstanding during a period. The Company uses the control number concept to determine whether a potential common stock instrument is dilutive, and considers each issuance separately for its potential dilution in order of the most dilutive issuance to the least. For periods with net loss, diluted earnings per share were the same for the periods presented as will consider whether the inclusion of all potential Common Stock outstanding would have been be anti-dilutive. The dilutive effect of outstanding options and warrants is calculated using the treasury stock method. The dilutive effect of shares underlying the Company's Convertible Notes is calculated using the if-converted method in periods during which Convertible Notes are available for conversion.

The following tables set forth the computation of basic and diluted loss income (loss) for the three and nine months ended September 30, 2023 March 31, 2024 and 2022: 2023:

	Three Months Ended September 30,			
	2023		2022	
(in thousands, except share and per share amounts)	Class A Common	Class B Common	Class A Common	Class B Common
Net loss attributed to common stockholders	$ (23,727)	$ (6,019)	$ (157,592)	$ (41,522)
Basic and Diluted weighted average common shares outstanding	14,595,957	3,702,613	14,052,541	3,702,613
Basic and Diluted loss per share	$ (1.63)	$ (1.63)	$ (11.21)	$ (11.21)

	Nine Months Ended September 30,			
	2023		2022	
(in thousands, except share and per share amounts)	Class A Common	Class B Common	Class A Common	Class B Common
Net loss attributed to common stockholders	$ (70,546)	$ (18,097)	$ (290,145)	$ (76,985)
Basic and Diluted weighted average common shares outstanding	14,433,973	3,702,613	13,954,491	3,702,613
Basic and Diluted loss per share	$ (4.89)	$ (4.89)	$ (20.79)	$ (20.79)

	Three Months Ended March 31,			
	2024		2023	
(in thousands, except share and per share amounts)	Class A Common	Class B Common	Class A Common	Class B Common
Numerator				
Net income (loss) attributed to common stockholders - Basic	$ 31,902	$ 6,227	$ (35,667)	$ (9,226)
Gain on change in fair value of Warrants	(12,523)	(2,444)	—	—
Gain on change in fair value of Convertible Notes	(38,508)	(7,516)	—	—
Net loss - Diluted	$ (19,129)	$ (3,734)	$ (35,667)	$ (9,226)

Denominator				
Weighted-average common shares outstanding - Basic	18,969,208	3,702,613	14,313,785	3,702,613
Effect of dilutive securities:				
Common shares issuable for Warrants	3,551,766	693,272	—	—
Common shares issuable for Convertible Notes	18,820,895	3,673,664	—	—
Weighted-average common shares outstanding - Diluted	41,341,869	8,069,548	14,313,785	3,702,613
Net income (loss) per share - Basic	$ 1.68	$ 1.68	$ (2.49)	$ (2.49)
Net loss per share - Diluted	$ (0.46)	$ (0.46)	$ (2.49)	$ (2.49)

There were no preferred dividends declared or accumulated as of September 30, 2023 March 31, 2024. As of March 31, 2024 there were 39,969,265 equivalent shares of Class A Common Stock underlying the Convertible Notes outstanding principal, paid in-kind interest and accrued but uncapitalized interest. The Convertible Notes, which are immediately convertible by the holder into equivalent shares of Class A Common Stock shares, are excluded from the diluted weighted average shares when their effect would be anti-dilutive. The following Class A securities were not included in the computation of diluted shares outstanding because the effect would be anti-dilutive:

	September 30,		March 31,	
	2023	2022	2024	2023
Stock options	1,070,254	475,945	1,022,322	1,062,625
RSUs	844,439	1,250,654	505,574	968,879
Convertible Notes			17,474,706	—
Warrants	1,501,667	—	5,627,290	1,667
Total	3,416,360	1,726,599	24,629,892	2,033,171

There were no Class B securities that were excluded in the computation of diluted shares outstanding for the three and nine months ended September 30, 2023 March 31, 2024 and 2022. 2023.

Table of Contents

Note 12 11 — Segment Information

The Company reports segment information based on a "management" approach to reflect the operating segments for which the Company's Chief Executive Officer, as the Chief Operating Decision Maker ("CODM"), makes decisions and assesses performance. Prior to the current reporting period, the Company had a single operating and reporting segment. Following commencement of revenue-generating activities for Space Products (as defined below) during the third quarter of fiscal year 2022, the Company restructured the management, operations, and periodic management and internal reporting packages to address the shift in strategy. As a result of these changes, the Company determined that its reporting segments had changed and that beginning in the third quarter of 2022, the The Company has two operating and reporting segments: Launch Services and Space Products. The Company recast prior period information related to the change in segments.

Launch Services segment provides rapid, global, and affordable launch services to satellite operators and governments.

Space Products consist of designing and providing space products based on the customers' needs for a successful satellite launch.

Effective July 1, 2023, the Company executed a corporate reorganization to align its legal entity structure with its operating segments. This realignment had no impact to the condensed consolidated financial statements or to the Company's operating segments financial measure, as regularly provided to the CODM for assessing performance and allocating resources to the existing segments. Accordingly,

Table of Contents

the Company has not recast prior period segment results. All intercompany revenues and expenses are eliminated in the condensed consolidated financial statements.

The following table shows revenue by reporting segment for the three and nine months ended September 30, 2023 March 31, 2024 and 2022: 2023:

	Three Months Ended September 30,		Nine Months Ended September 30,		Three Months Ended March 31,	
in thousands	2023	2022	2023	2022	2024	2023
Revenues:						
Launch services	$ —	$ —	$ —	$ 5,899	$ —	$ —
Space products	256	2,777	963	3,471	285	—
Total revenues:	$ 256	$ 2,777	$ 963	$ 9,370	$ 285	$ —
Cost of revenues:						
Launch services	—	—	$ —	$ 28,193	$ —	$ —
Space products	232	1,071	620	1,337	128	—
Total cost of revenues:	$ 232	$ 1,071	$ 620	$ 29,530	$ 128	$ —
Gross profit (loss):						
Gross profit:						
Launch services	$ —	$ —	$ —	$ (22,294)	$ —	$ —
Space products	24	1,706	343	2,134	157	—
Total gross profit (loss):	$ 24	$ 1,706	$ 343	$ (20,160)		
Total gross profit:					$ 157	$ —

The Company evaluates the performance of its reporting segments based on segment gross profit. Segment gross profit is segment revenue less segment cost of revenue. Unallocated expenses include operating expenses related to research and development, selling and marketing and general and administrative expenses as they are not considered when management evaluates segment performance.

The following table reconciles segment gross profit to loss before income taxes for the three and nine months ended September 30, 2023 March 31, 2024 and 2022: 2023:

	Three Months Ended September 30,		Nine Months Ended September 30,	
in thousands	2023	2022	2023	2022
Gross profit (loss)	$ 24	$ 1,706	$ 343	$ (20,160)
Research and development	21,677	32,821	77,154	111,546
Selling and marketing	1,630	4,052	4,764	13,452
General and administrative	9,834	19,222	33,096	60,816
Impairment expense	—	75,116	—	75,116
Goodwill impairment	—	58,251	—	58,251
(Gain) loss on change in fair value of contingent consideration	(4,510)	11,949	(23,900)	29,249
Interest income	(99)	(616)	(1,813)	(1,146)
Interest expense	1,339	—	1,339	—
Other expense (income), net	(101)	25	(1,654)	(314)
Loss before taxes	**$ (29,746)**	**$ (199,114)**	**$ (88,643)**	**$ (367,130)**

	Three Months Ended March 31,	
in thousands	2024	2023

Gross profit	$ 157	$ —
Research and development	12,641	31,082
Selling and marketing	865	2,484
General and administrative	11,036	15,682
Gain on change in fair value of contingent consideration	—	(2,765)
Interest income	(5)	(1,330)
Other income, net	(232)	(260)
Gain on change in fair value of Convertible Notes	(47,270)	—
Gain on change in fair value of warrants	(15,007)	—
Income (loss) before taxes	**$ 38,129**	**$ (44,893)**

The Company does not evaluate performance or allocate resources based on reporting segment's total assets or operating expenses, and therefore such information is not presented.

All of the Company's long-lived assets are located in the United States. The Company is subject to International Traffic in Arms Regulations ("ITAR") and generates all of its revenue in the United States.

Note 13 — Subsequent Events 21

Contingent Consideration related to Apollo Acquisition

On October 2, 2023, the Company issued 3,708,520 shares of its Class A common stock (the "Settlement Shares") and paid $2.0 million in immediately available funds to the Apollo Holders. The Company determined the aggregate number of shares to be issued by dividing $8.0 million by the 10-day volume weighted average price of the Company's Class A common stock as traded on the Nasdaq Capital Market on October 2, 2023. Under this calculation, the number of shares of Class A common stock that were required to be issued under the settlement agreement was 4,915,085.

Table of Contents

Note 12 — Related Party Transactions

Under Nasdaq Listing Rule 5635(d) In addition to Convertible Notes and Company Warrants held by the Kemp Trust, Dr. London and affiliates of Mr. Stanford (the "Related Party Note and Warrant Holders") at December 31, 2023, stockholder approval the following additional related party transactions occurred with respect to the Related Party Note and Warrant Holders during the three months ended March 31, 2024:

- On February 26, 2024, the Kemp Trust and Dr. London each purchased Convertible Notes having a stated Principal Amount of $150,000. No Company Warrants were associated with these purchases.
- On or around March 7, 2024, the Related Party Note and Warrant Holders executed equity commitment letters in favor of the Parent under the terms of which each a provide equity financing to Parent in the amounts specified in their respective equity commitment letters. Such parties have also executed noteholder conv agreements and warrant exchange agreements with Parent that take effect upon the consummation of the Merger. Further, Mr. Kemp (the trustee of the Kemp Trust) a London are controlling stockholders of Parent. As a result of the transactions described in this paragraph, the Company's entry into the Merger Agreement is req related party transaction.

Note 13 — AST License Agreement

On March 6, 2024, a subsidiary of the Company, entered into a Royalty Bearing Manufacturing License (the "Manufacturing License") with Astra Space Technologies Holding, Inc ("AST"). The Company and AST are parties to a Supply and Manufacturing Agreement, dated April 28, 2022 (the "Supply Agreement"), pursuant to which the Company manufactures certain spacecraft engines, flight sets, power processing units and feed systems (the "AST Products") for AST. The Manufacturing License, among other things, provides AST a license to manufacture the AST Products for its internal use as a means to increase the quantity of AST Products available in the future and to provide an alternative source of supply for a transaction other than critical component. The Manufacturing License is a public offering involving the sale or issuance by an issuer of shares of common stock if the limited, non-exclusive, non-transferable, irrevocable, non-sublicensable, fully paid license to make and have made a specified number of shares AST Products. In consideration of the Manufacturing License, on March 6, 2024, AST paid the Company $2.5 million, representing the royalties due for the initial AST Products to be issued is or may be equal to 20% or more of the number of shares of common stock outstanding before the issuance, at a price that is less than the "minimum price," defined as the lower of the closing price immediately preceding the signing of the binding agreement or the average closing price of the shares of common stock for the five trading days immediately preceding the signing of the binding agreement. Because the issuance of 4,519,085 shares of Class A Common Stock manufactured under the Settlement Agreement would violate Nasdaq Listing Rule 5635(d) without Manufacturing License. At AST's option, AST will pay the Company, on a quarterly basis, additional royalties per AST Product manufactured during the prior stockholder approval, quarter after the initial AST Products. In addition, on March 6, 2024, the Company and the Representative AST entered into an amendment (the “Amendment”) order addendum to the Settlement Supply Agreement on October 2, 2023.

The Amendment further provides pursuant to which AST purchased additional AST Products from the Company for a period of 60 days to obtain stockholder approval to issue shares of Class A Common Stock having an aggregate value total of $866,661.78 1.05 million.

Note 14 — Merger Agreement

As disclosed in Note 1 — *Description of Business, Basis of Presentation and Significant Accounting Policies*, plus interest accruing at a rate of on 6.0March 7, 2024% per annum (such aggregate amount being the “Shortfall Value”). The number of shares of Class A Common Stock to be issued will be determined by dividing the Shortfall Value by the 10-day volume weighted average price of the Class A Common Stock.

See *Note 3 – Fair Value Measurements* for more information regarding the Company’s settlement of the contingent consideration with Apollo Holders.

Defaults Under Senior Note

Beginning on October 11, 2023, the Cash Requirement was not maintained by Company entered into the Company Merger Agreement with Parent and Merger Sub. Upon the terms and subject to the conditions provided in the Merger Agreement, and in accordance with the terms Delaware General Corporation Law (the “DGCL”), at the effective time of the Senior Note (see *Note 6 – Senior Note* *Merger (the “Effective Time”), Merger Sub will merge with* and *Warrants* for more information), but as of such date, the Senior Note Investor agreed to waive the event of default through October 31, 2023 (the “Waiver”) provided that into the Company, maintained at least $10.5 million of cash and cash equivalents in one or more deposit accounts subject to one or more control agreements entered into in favor with the Company continuing as the surviving corporation. As a result of the Investor (the “Revised Cash Requirement”) Merger, the Company will cease to be a publicly traded company and made a payment to the Senior Note Investor of approximately $2.1 million, plus accrued interest, of which $2.0 million was applied as a principal reduction on the Note. it will be wholly owned by Parent.

Commencing on October 11, 2023 and continuing through At the date on which such event of default has been cured, the interest rate on the Senior Note has accrued and is continuing to accrue at 15.0% per annum (the “Default Interest”). Pursuant to Section 10(B)(ii) Effective Time, by virtue of the Senior Note, the Senior Note Investor has the option to declare the Senior Note (or any portion thereof) to become due and payable in cash in an amount equal to 115.0% occurrence of the accelerated principal amount of Merger, the Senior Note, plus accrued and unpaid interest (including Default Interest). following will occur:

Beginnir on Oct 30, 2023 the Revised Cash Require was maintair by the Company in accorda with terms o Waiver and no additional waivers were obtainec The Compar also did not deliver the Complia Certifica required be delivered on or before November 1, 2023. Therefo as of October 30, 2023, an event of default was in effect under Sections	On November 1, 2023, the Company paid the Senior Note Investor a scheduled amortization payment in the amount of approximately $3.1 million, consisting of the $2.5 million amortization payment paid at the 115.0% event of default rate, plus accrued and unpaid interest at the Default Interest rate.	As of November 1, 2023, the aggregate principal amount outstanding under the Note was $8.0 million. See below for information related to the purchase of the Senior Note and waiver of the defaults after November 1, 2023.	*Bridge Financing*	On November 6, 2023, the Company closed an initial financing with affiliates of two early investors of the Company (the “Bridge Financing Investors”), for a total investment amount of approximately $13.4 million (the “Initial Financing”) pursuant to a reaffirmation agreement and omnibus amendment agreement dated November 6, 2023 (the “Initial Financing Agreement”). This Initial	The Initial Financing includes (1) a purchase from the Bridge Financing Investors of the remaining $8.0 million aggregate principal amount of the Senior Note and associated Warrants (the “Existing Warrants”) to purchase up to 1.5 million in shares of Astra’s Class A common stock from the Senior Note Investor, pursuant to which Company was in default under as of	each share of Class A Common Stock or Class B Common Stock (each a “Common Share”) that is that is owned by any direct or indirect wholly owned subsidiary of the Company, or by Parent, Merg Merger Sub, in each case, issued and outstanding immediately prior to the Effective Time, will autom cease to exist (the “Canceled Common Shares”);

8(J)(i) and 8(J)(iii) of the Senior Note.		Financing is connected to the Company’s announcement in a current report on Form 8-K filed with the SEC on October 23, 2023 of the execution of a non-binding term sheet (the “Term Sheet”). The Term Sheet contemplates a financing of at least $15.0 million, from the Investors and other potential investors, and up to $25.0 million (the “Proposed Financing”).	October 30, 2023 (see *Defaults under Senior Note* above), (2) a loan by the Investors to the Company and its subsidiaries in the aggregate principal amount of approximately $3.05 million evidenced by senior secured bridge notes (the “Bridge Notes”) that will come due on November 17, 2023, that will rank equally as to payment and lien priority with the Senior Note, that will be secured by the same collateral as the Senior Note and that will be guaranteed by all of the subsidiaries of the Company, and (3) a sale to Bridge Financing Investors of warrants (the “New Warrants”) to purchase up to 5,314,201 shares of Astra’s Class A Common

Stock at a purchase price of $0.125 per New Warrant for an aggregate purchase price of approximately $664,275 that are immediately exercisable at an exercise price of $0.808 per

- each share of Class A Common Stock (each a "Class A Share") for which the holder thereof did not consent or vote in favor of the Merger Agreement and is entitled properly demands appraisal pursuant to the DGCL, and does not withdraw or otherwise lose the right to appraisal pursuant to the DGCL, will automatically be ca (subject to the appraisal rights of such holders) (such Common Shares, the "Dissenting Shares");
- each (i) Class A Share and (ii) Class A Share subject to a Director RSU Award (as defined below) that has fully vested as of the Effective Time, that is issue outstanding immediately prior to the Effective Time and held by Parent or its affiliates, including the Specified Stockholders (which constitute Mr. Kemp, Dr. London ar immediate family members and certain adjustments trusts or other entities in which either Mr. Kemp or Dr. London or their immediate family members hold proprietary, equity or other financial interests) and certain other holders of Class A Shares (the "Rollover Shares"), as of immediately prior to the Effective Time as a re having been acquired by Parent or its affiliates pursuant to a rollover agreement in a form mutually acceptable to Parent and the Company (each, a "Rollover Agreeme in connection with the funding of a capital commitment set forth in an Equity Commitment Letter (as defined below), will be canceled and cease to exist (the "Roll provided that expire on August 4, 2028. the Rollover will be permitted only if no Class B Shares are issued and outstanding;

Table of Contents

Pursuareach Class A Share (other than (i) the Rollover Shares, (ii) any Canceled Common Shares and (iii) any applicable Dissenting Shares) issued and outstanding imme prior to the Initial Financing Agreement, Effective Time (such Class A Shares, the Bridge Financing Investors have agreed "Converted Shares"):

- o will automatically be canceled and converted into the right to waive certain existing and prospective defaults and events of default under the Senior Note, including the events of default under the Senior Note described above in *Defaults under Senior Note*, and the requirement for the Company to comply with the minimum liquidity financial covenant in the Senior Note until November 17, 2023 to provide the Company with time to raise additional liquidity through various capital raising and cost cutting initiatives and strategic transactions (the "Strategic Plan"). There can be no assurances that the Bridge Financing Investors will waive additional defaults or continue to waive the existing defaults under the Senior Note, the Bridge Notes, the Existing Warrants, the New Warrants, the Initial Financing Agreement or any other agreements or documents arising from or related to the Initial Financing, as applicable.

The Company is in continuing discussions concerning the Proposed Financing (described above) with the Bridge Financing Investors. The funding contemplated by the Term Sheet is conditioned upon execution of final definitive documentation among the Company and the Bridge Financing Investors; however there can be no assurance that the Company and the Bridge Financing Investors will be able to negotiate definitive documentation on the terms specified in the Term Sheet or to consummate the Proposed Financing at all.

The Bridge Notes and the New Warrants have not been and will not be, and any securities issued in connection with the Proposed Financing will not be, registered under the Securities Act of 1933, as amended (the "Securities Act") or the securities laws of any other jurisdiction. The Bridge Notes, the New Warrants and any securities issued in connection with the Proposed Financing may not be offered or sold in the United States absent registration or an applicable exemption from the registration requirements.

Offer to Purchase Outstanding Common Stock

On November 8, 2023, the co-founders of the Company, Chris Kemp and Adam London delivered a non-binding proposal to the special committee of the Company's Board of Directors (the "Special Committee"), offering to acquire all of the outstanding common stock of the Company not currently owned by

Mr. Kemp and Dr. London, for an indicative purchase price of receive $1.50 0.50 per share in cash, without interest (the "Proposal" "Merger Consideration"). This offer price represents ;

- o will no longer be outstanding and cease to exist;
- o each certificate formerly representing any such shares (each, a premium "Certificate") or the applicable number of uncertificated shares represented by bool (each, a "Book-Entry Share") will thereafter represent only the right to receive the Merger Consideration in accordance with the Merger Agreement; and

- 103% each share of common stock of Merger Sub (each, a "Merger Sub Share") issued and outstanding immediately prior to the closing price Effective Time will automatically be converted into and become one authorized, validly issued, fully paid and nonassessable share of common stock, par value $0.74 0.0001 per share, of the surviving corporation (each, a "Surviving Company Common Share").

Following the execution of the Merger Agreement, and pursuant to the terms of the Merger Agreement, the Company (i) deposited into a segregated bank account of Astra Space Operations LLC (the "Segregated Account") an amount in cash equal to $3.5 million (the "Segregated Funds").The Segregated Funds will be managed by the Company at the reasonable direction of the Special Committee of the Board of Directors acting in accordance with its fiduciary duties.

All outstanding Convertible Notes will, immediately after the Merger becomes effective, be converted into shares of Series A preferred stock, par value $0.0001 per share, of Parent (the "Parent Series A Preferred Stock") in accordance with a noteholder conversion agreement, by and among Parent, Merger Sub, and each holder of Convertible Notes (the "Noteholder Conversion Agreement"). The Original Warrants and Company Warrants will, immediately after the Merger becomes effective, be exchanged for warrants to purchase Parent Series A Preferred Stock in accordance with a warrant exchange agreement, by and among Parent, Merger Sub, and each holder of Company Warrants (the "Warrant Exchange Agreement").

Pursuant to the Company's Merger Agreement, at the Effective Time, each outstanding option to purchase Class A Shares (each, a "Company Option") other than a Company Option with an exercise price equal to or greater than the Merger Consideration (an "Underwater Option"), that is outstanding immediately prior to the Effective Time, whether vested or unvested, will be assumed by Parent and converted into an option (the "Converted Options") to purchase shares of class A common stock, par value $0.0001 per share, of Parent (the "Class "Parent Class A Common Stock" Shares"), on November 8, 2023. The Converted Options will continue to be subject to substantially the same terms and a premium of 83% conditions as were applicable to such Company Options immediately prior to the Company's 20-day volume weighted average Effective Time, except that (i) each Converted Option will be exercisable for that number of Parent Class A Shares equal to the number of Class A Shares subject to such option immediately prior to the Effective Time and (ii) the per share exercise price for each Parent Class A Share issuable upon exercise of $0.82a Converted Option will be equal to the exercise price per share of Class A Common Stock as Shares of such option immediately before the Effective Time. Each Underwater Option will be canceled for no consideration at the Effective Time. As of May 28, 2024, all Company Options were Underwater Options.

In addition, at the Effective Time, each outstanding restricted stock unit with respect to Class A Shares (a "Company RSU Award" and collectively with the Company Options, the "Company Equity Awards") held by any director of the close Company who is not an employee of the Company (a "Director RSU Award") will be accelerated in full. At the Effective Time, each Company RSU Award that has vested in accordance with its terms, or so accelerated in the case of Director RSU Awards (except for Rollover Shares that are issued upon acceleration of Director RSU Awards) will be canceled and will only entitle the holder of such Company RSU Award to receive (without interest) an amount in cash equal to (i) the number of Class A Shares subject to such Company RSU Award immediately prior to the Effective Time multiplied by (ii) the Merger Consideration. At the Effective Time, each Company RSU Award that has not vested in accordance with its terms or so accelerated will be canceled for no consideration.

The execution and delivery of the Merger Agreement, subject to the requisite stockholder approval was recommended by the Special Committee to the Board on November 8, 2023 March 5, 2024. On March 5, 2024, the Board, with Mr. Kemp, Dr. London and Mr. Stanford abstaining, approved the execution and delivery of the Merger Agreement and recommended the adoption of the Merger Agreement and the Merger to the stockholders of the Company. On March 7, 2024, following the execution of the Merger Agreement, Mr. Kemp and Dr. London, are the sole holders of all outstanding shares of Class B common stock, par value $0.0001, of the Company (the "Class B who on such date beneficially owned Common Stock"). The Class B Common Stock constitutes Shares representing approximately 66 66.2% of the total voting power of the Company. Mr. Kemp outstanding Common Shares, executed and Dr. London serve as directors delivered to the Company a written consent adopting the Merger Agreement and approving the Merger (the "Written Consent"). No further action by any other Company stockholder is required under applicable law or the Merger Agreement (or otherwise) in connection with the adoption of the Company, and serve the Company as chief executive officer and chief technology officer, respectively. Mr. Kemp also serves as chairman of the Board of Directors. Merger Agreement.

Note 15 — Subsequent Events

The Company's Board Additional Purchases of Directors previously formed the Special Committee to consider certain financing Convertible Notes and strategic transaction proposals, including from related parties. The Special Committee consists of the Company's independent directors (other than Scott Stanford). The Special Committee has retained Freshfields Bruckhaus Deringer LLP as its legal counsel and has engaged Houlihan Lokey Capital Inc. as its financial advisor. The Special Committee, in consultation with its legal and financial advisors, will carefully review and consider the Proposal and pursue the course of action that it believes is in the best interests of all of the Company's unaffiliated stockholders. The Company's stockholders do not need to take any action at this time. Company Warrants under Subsequent Financing Agreement

There can be no assurance that a definitive agreement relating to On April 22, 2024, RBH Ventures purchased $0.4 million in Convertible Notes under the Proposal or any other transaction will be entered into Subsequent Financing Agreement. No Company Warrants were purchased as part of this investment. Net proceeds received by the Company, or that any transaction will be consummated, whether with Mr. Kemp and Dr. London or otherwise. The Company assumes no obligation to comment on or disclose further developments regarding the Special Committee's consideration of the Proposal, except as required by law. after deducting issuance costs,

Related Party Transaction

Scott Stanford, a member of the Company's board of directors, is the manager of SherpaVentures Fund II GP, LLC, the general partner of SherpaVentures Fund II, LP, one of the

Bridge Financing Investors (“Sherpa”). Sherpa’s participation in the Initial Financing was approved by the Company’s audit committee under the Company’s related party transaction policy. On November 8, 2023, Mr. Stanford resigned as the lead independent director and as a member of the compensation committee. Mr. Stanford remains a member of the board of directors. Michael Lehman was appointed by the Board as the new lead independent director. 23

Table of Contents

were $0.4 million. As of May 26, 2024, RBH holds Convertible Notes having an outstanding principal balance, including PIK interest, of $3.5 million and Company Warrants to purchase 1,295,607 shares of Class A Common Stock.

On May 13, 2024, Astera Institute purchased $5.0 million in Convertible Notes and Company Warrants to purchase 2,165,842 shares of Class A Common Stock for consideration of $0.3 million. Net proceeds received by the Company, after deducting issuance costs, were $5.2 million. As of May 26, 2024, Astera holds Convertible Notes having an outstanding principal balance, including PIK interest, of $10.1 million and Company Warrants to purchase 4,331,684 shares of Class A Common Stock

Amendments to Subsequent Financing Agreement and Convertible Notes

The Company and the holders of the Convertible Notes and Company Warrants amended or modified the Subsequent Financing Agreement and the Convertible Notes on April 10, 2024 (the “April 10 Amendment”) and on April 30, 2024 (the “April 30 Amendment”).

The April 10 Amendment extended the date by which a Subsequent Closing (as defined the Subsequent Financing Agreement) may occur without the consent of a majority-in-interest of the Convertible Notes from April 30, 2024, to June 30, 2024, It also amended the Subsequent Financing Agreement by extending all obligations of the Company that are due on May 1, 2024 (other than the amortization payment due under the Convertible Notes) to August 1, 2024, as well as extending the date by which the Company must obtain the Stockholder Approval required under Section 4(cc) of the Subsequent Financing Agreement to the later to occur of (i) August 1, 2024, or (ii) the first annual meeting of stockholders to take place after November 21, 2023.

Pursuant to the April 30 Amendment, the Company and the holders of Convertible Notes agreed that no Amortization Payment (as defined in the Convertible Note) shall be due on May 1, 2024 and the first Amortization Payment shall instead be due and payable on June 1, 2024, in an amount equal to 22.22% of the then outstanding aggregate Stated Principal Amount of the Convertible Notes, which amount comprises both the deferred Amortization Payment originally due on February 1, 2024, *plus* the Amortization Payment originally due May 1, 2024. Each such payment was originally in an amount equal to 11.11% of the Stated Principal Amount of the Convertible Notes.

Table of Contents

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

The following discussion and analysis of the financial condition and results of operations of Astra Space, Inc. should be read together with our audited consolidated financial statements as of and for the years ended December 31, 2022 December 31, 2023 and 2021 2022 and unaudited condensed consolidated financial statements as of and for the three and nine months ended September 30, 2023 March 31, 2024 and 2022, 2023, together with related notes thereto. This discussion may contain forward-looking statements based upon current expectations that involve risks and uncertainties. This quarterly report on Form 10-Q contains “forward-looking statements” within the meaning of Section 27A of the Securities Act of 1933, as amended, and Section 21E of the Securities Exchange Act of 1934, as amended (the “Exchange Act”). These forward-looking statements can generally be identified by the use of forward-looking terminology, including the terms “anticipate,” “expect,” “estimate,” “seek,” “plan,” “project,” “aim,” “believe,” “could,” “should,” “intend,” “will,” and other similar expressions that predict or indicate future events or trends or that are not statements of historical matters. These forward-looking statements may include projections of financial information; statements about historical results that may suggest trends for our business; statements of the plans, strategies, and objectives of management for future operations; and statements of expectation or belief regarding future events (including any acquisitions we may make), technology developments, our products, product sales, expenses, liquidity, cash flow and growth rates. Such statements are based on management’s current expectations, estimates, forecasts and projections of our performance, our industry’s performance and macroeconomic conditions, judgment, beliefs, views on current trends and market conditions. Such forward-looking statements inherently involve risks and uncertainties that may cause actual results to differ materially from those contained in the forward-looking statements. We derive most of our forward-looking statements from our operating budgets and forecasts, which are based upon many detailed assumptions. While we believe that our assumptions are reasonable, we caution that it is very difficult to predict the impact of known factors, and it is impossible for us to anticipate all factors that could affect our actual results. Accordingly, we caution readers not to place undue reliance on these statements. Forward-looking statements in this prospectus supplement, the accompanying prospectus, the documents incorporated by reference may include, for example, statements about:

- the commencement of commercial operations related to our launch system currently in development and the shifting of the flight dates for the launch of payloads cu under contract with our customers;
- our ability to raise financing in the future;
- factors relating to our business, operations and financial performance, including:
  - our ability to grow and manage growth profitably;
  - our ability to maintain relationships with customers and suppliers; and
  - competing in the global space industry:
- market conditions and global and economic factors beyond our control, general economic conditions, unemployment and our liquidity, operations and personnel;
- future exchange and interest rates;
- the delisting of our Class A Common Stock from Nasdaq due to our failure to maintain compliance with the applicable listing requirements and our ability to maint listing of our Class A Common Stock on Nasdaq in the future;
- risks associated with the Merger and financing transactions generally, such as the inability to obtain, or delays in obtaining, any required approvals or other consents;
- the failure to consummate or delay in consummating the Merger for other reasons;
- the risk that a condition to closing of the Merger may not be satisfied;
- the occurrence of any event, change or other circumstances that could give rise to the termination of the Merger Agreement;
- the failure of the Company to raise sufficient interim capital to continue its business operations through the consummation of the Merger;
- the outcome of any legal proceedings that may be instituted following announcement of the Merger;
- failure to obtain the financing required to consummate the Merger or financing transactions generally, including the breach by any of the Equity Commitment Parties obligations under the Equity Commitment Letters; and
- future exchange unfavorable reaction to the Transactions by customers, suppliers and interest rates. employees.

These forward-looking statements are based on information available as of the date of this quarterly report on Form 10-Q and on management's current expectations, forecasts and assumptions. These forward-looking statements involve a number of judgments, risks and uncertainties. Important factors could cause actual results to differ materially from those indicated or implied by forward-looking statements such as those contained in documents we have filed with the SEC. Accordingly, forward-looking statements should not be relied upon as representing our views as of any subsequent date, and we do not undertake any obligation to update or revise

Table of Contents

forward-looking statements to reflect events or circumstances after the date they were made, whether as a result of new information, future events or otherwise, except as may be required under applicable securities laws. As a result of a number of known and unknown risks and uncertainties, our actual results or performance may be materially different from those expressed or implied by these forward-looking statements. For a discussion of the risks involved in our business, see the section entitled, "Risk Factors" in our annual report on Form 10-K for the year ended December 31, 2022 December 31, 2023, filed with the SEC on March 30, 2023, as updated by factors disclosed in the section titled "Risk Factors" in our Quarterly Reports on Form 10-Q for the three months ended March 31, 2023, filed with the SEC on May 15, 2023, and the three and six months ended June 30, 2023, filed with the SEC on August 14, 2023 April 18, 2024 ("2023 Annual Report"). Should one or more of these risks or uncertainties materialize, or should any of the underlying assumptions prove incorrect, actual results may vary in material respects from those expressed or implied by these forward-looking statements. Investors should not place undue reliance on these forward-looking statements.

Certain amounts may not foot due to rounding. Unless the context otherwise requires, all references in this section to "the Company" "Astra," "us," "our" or "we" refer to Astra Space, Inc.

A discussion regarding our financial condition and results of operations for the three and nine months ended September 30, 2023 March 31, 2024 and 2022 2023 is presented below. All prior period share and per share amounts (unless otherwise noted) included in our discussion of our financial condition and results of operations have been restated on a 1 to 15 reverse stock split basis, which became effective September

Table of Contents

13, 2023. September 13, 2023. For additional information of related to our Reverse Stock Split, See see Note 1 — — Description of Business, Basis of Presentation and Significant Accounting Policies included under the caption, Reverse Stock Split in the Notes to the Unaudited Condensed Consolidated Financial Statements, included in Item I. Part I. of this Quarterly Report.

Overview

Astra's mission is to launch a new generation of Launch Services and Space Products to Improve Life on Earth from Space® by launching a new generation of space products and services. . These products and services are enabled by new constellations of small satellites in Low Earth Orbit ("LEO"), which have rapidly become smaller, cheaper, and many times more numerous than traditional legacy satellites. We believe that frequent, reliable, dedicated launches Launch vehicles, however, have not evolved in the same way—most rockets remain focused on serving legacy satellites and space products enabled by scaled manufacturing are human spaceflight missions and we aim to provide the keys to accelerating the growth of the space economy. Currently, our business consists of two segments, a mobile orbital launch system ("Launch Services") and a space products business that produces the Astra Spacecraft Engine™ products ("Space Products").

Launch Services

Astra aims to develop and operate a mass-producible dedicated mobile world's first mass produced orbital launch system. Our system consists of a small launch vehicle that can be transported inside standard shipping containers primary focus remains the growth and mobile ground launch infrastructure that we designed to be rapidly deployed anywhere in the world we are licensed to operate and where our spaceports are located. This system is designed by Astra and manufactured in Astra's vertically-integrated rocket factory in Alameda, California, which we have designed to manufacture and integrate the majority of the components. Our launch system requires a launch site with little more than a concrete pad and we expect to ultimately be able to conduct a launch with six Astra employees at the launch site. Our system is designed to meet the needs of modern LEO satellite constellations, allowing precise and rapid placement of individual satellites into their required orbits. We believe this makes Astra's system more responsive and affordable than other launch alternatives for the thousands of LEO satellites which commercial companies and governments plan to launch in the coming decade.

On November 20, 2021, we successfully launched launch vehicle LV0007 into orbit at an inclination of 86.0 degrees, an altitude of 500 kilometers and velocity of 7.61 kilometers per second, making Astra one of the fastest U.S. companies to have successfully demonstrated the orbital placement of a test payload. We commenced paid commercial launch services in 2022, including our most recent paid commercial launch of launch vehicle LV0010 in June 2022. We have conducted launch operations from Pacific Spaceport Complex in Kodiak, Alaska and Cape Canaveral Space Force Station in Cape Canaveral, Florida.

In total, we conducted three commercial launches and delivered 23 satellites into low earth orbit using the previous version of our launch system, Launch System 1. During the third quarter of 2022, we decided to focus on the development and production of the next version of our launch system, which we announced at our inaugural Spacetech Day on May 12, 2022. As a result, we have discontinued the production of launch vehicles supported by Launch System 1, and commenced development of our new launch system, Launch System 2. On April 25, 2023, Astra hosted its second annual Spacetech Day at both our Alameda Skyhawk factory Services and Sunnyvale Oakmead facility where we unveiled Rocket 4, which is part of our Launch System 2.

As part of the development cycle for Rocket 4, we expect to conduct one or more test launches of this new launch system. The timing of test launches is driven by our development progress, which has been delayed by resource allocations and prioritization away from Launch Systems development in favor of our Space Products business, primarily focused offerings to support our overall mission to Improve Life on the Astra Spacecraft Engine Earth from Space™®. As a result, we expect delays We manage our business and report our financial results in the timing of the initial test launch or launches using this new launch system. Our ability to conduct paid commercial launches in 2024 and beyond will depend on the ultimate timing and success of the initial test launches which will in turn depend on the resources that we are able to devote to Launch Systems development in the coming quarters. Our new launch system is intended to serve a market focused on delivering LEO satellites directly to their desired orbits, and as such is applicable to deployment and replenishment of both small and large constellations, as well as single-satellite or rapid response missions. We have designed the new version of our launch system to support more payload capacity, greater reliability, and a more frequent launch cadence, which we believe will allow us to offer our customers more variable and dependable services, and increases the addressable market that we can serve with our two segments: Launch Services business.

Space Products

Our Space Products business offers high quality space products to operators of LEO satellite constellations. Currently, we offer an industry leading spacecraft engine platform consisting of propulsion systems. Our typical offering consists of the design and delivery of a fully integrated propulsion module comprised of a thruster, a power processing unit, a tank and a feed system, called the Astra Spacecraft Engine™. The Astra Spacecraft Engine™ can be configured with multiple thrusters and power processing units to handle a wide range of missions, from the smallest earth observation satellites up to large communications satellites with multiple kilowatts of solar power, and is designed to use either Xenon or Krypton as a propellant. In 2022, we began delivery of our Astra Spacecraft Engines™ to our customers and in 2023, we commenced operation of our spacecraft engine production facility in Sunnyvale, California.

We have recently added the Spacecraft Propulsion Kit to our space products offering. The Spacecraft Propulsion Kit disaggregates the four subsystems of the Astra Spacecraft Engine™ module, enabling satellite builders to take advantage of shorter lead times to access key components of their propulsion system that they can customize and integrate into their spacecraft for their unique missions.

Table of Contents

We believe that these two operating segments will create an integrated space services platform that will allow our customers to focus on innovative applications rather than investing in bespoke satellite development and separately contracting launch services. Our ability to achieve these goals and objectives by our planned timelines are conditional upon a number of factors, including our ability to successfully and timely develop our launch vehicles and our ability to effectively market and sell our services and products. See the information provided under the heading "Risk Factors" in this prospectus supplement and the accompanying prospectus, and in the documents incorporated by reference into this prospectus supplement and the accompanying prospectus.

Strategic Restructuring

On August 4, 2023, the Company announced a strategic restructuring of a portion of its workforce, reallocating approximately 50 engineering and manufacturing personnel from Launch Services to Space Products. This reallocation includes a combination of permanent reassignments and temporary assignments to support customer programs and increasing production and test capacity through the end of the year. The restructuring is intended to focus additional resources on serving contractual commitments in our Space Products business in the near term and leveraging the growth opportunities in Space Products given customer interest in Astra Spacecraft Engine™, while we continue to develop our Launch System 2.

We continue to be focused on the development of Launch System 2 and the servicing of its existing launch contracts, the prioritization of some of our resources away from Launch Services in favor of the Space Products business, including in connection with this strategic restructuring, will affect the timing of our future test launches and thus paid commercial launch operations. As a result, we expect delays in the timing of the initial test launch or launches using this new launch system. Our ability to conduct paid commercial launches in 2024 and beyond will depend on the ultimate timing and success of the initial test launches which will in turn depend on the resources that we are able to devote to Launch Systems development in the future.

In addition to this reallocation, the Company has reduced its overall workforce by approximately 25% since the beginning of the quarter, including a reduction of approximately 70 employees that was announced on August 4, 2023. Cumulative reductions in workforce are expected to result in over $4.0 million of quarterly cost savings beginning in the fourth quarter of 2023, which when combined with ongoing reductions in capital expenditures and operating expenses, is expected to result in substantial reductions to operating cash use over future quarters. The affected employees primarily supported the Company's selling, general and administrative, shared services and launch services functions and were paid their base compensation for a period of 60 days consistent with the Company's normal pay periods.

Recent Developments

Bridge Financing Merger Agreement

On November 6, 2023, we closed an initial financing with affiliates of two early investors in us (the "Bridge Financing Investors"), for a total investment amount of approximately $13.4 million pursuant to a reaffirmation agreement and omnibus amendment agreement dated November 6, 2023 (the "Initial Financing"), including a purchase of our Senior Note issued in August 2023 (the "Senior Note"). This Initial Financing is connected to our announcement in a report on Form 8-K filed with the SEC on October 23, 2023 of the execution of a non-binding term sheet (the "Term Sheet"). The Term Sheet contemplates a financing of at least $15.0 million, from the Bridge Financing Investors and other potential investors, including our co-founders, Chris Kemp and Adam London, and up to $25.0 million (the "Proposed Financing"). Mr. Kemp and Dr. London, who also serve as directors and our chief executive officer and chief technology officer, respectively, have committed to invest up to $3.0 million, in the aggregate, in the Proposed Financing.
In connection with the Initial Financing, the Bridge Financing Investors have agreed to waive certain existing and prospective defaults and events of default under the Senior Note, including the events of default As described in *Part I, Item 1, Note 13 – Subsequent Events* of this Quarterly Report on Form 10-Q, and the requirement us to comply with the minimum liquidity financial covenant in the Senior Note until November 17, 2023 to provide us with time to raise additional liquidity through various capital raising and cost cutting initiatives and strategic transactions.

For additional information regarding the Initial Financing and the events of default under our Senior Note, see *Note 13 – Subsequent Events* to the Notes to the *Unaudited Condensed Consolidated Financial Statements,* included in Part I, Item 1 of this Quarterly Report, which are incorporated by reference here, as well as *Part II, Item 2 Sale of Unregistered Securities, Use of Proceeds*, and *Part II, Item 3, Defaults upon Senior Securities* later in this quarterly report on Form 10-Q. Please also refer to to "Liquidity and Capital Resources" for more information about the Initial Financing.

We are in continuing discussions concerning the Proposed Financing with the Bridge Financing Investors. The funding contemplated by the Term Sheet is conditioned upon execution of final definitive documentation among the Bridge Financing Investors and us; however there can be no assurance that we or the Bridge Financing Investors will be able to negotiate definitive documentation on the terms specified in the Term Sheet or to consummate the Proposed Financing at all.

Settlement of Contingent Consideration

Table of Contents

In August 2023, we reached a settlement of our contingent consideration obligation with the former shareholders of Apollo Fusion for total consideration of $10.0 million. Under the terms of the Settlement Agreement and General Release, and in full settlement of our contingent consideration, we elected to pay $10.0 million in total consideration composed of a payment $2.0 million and the issuance of $8.0 million in shares of our freely tradeable common stock, the number of which is defined based on a volume adjusted weighted average trading price of our shares over a specified number of days.

On October 2, 2023, as required under the Settlement Agreement, we paid $2.0 million of cash and issued 3,708,520 shares of our common stock to the former Apollo shareholders. Under the Settlement Agreement, the $8.0 million in shares was determined be the equivalent of 4,915,085 shares. We were unable to issue the full share settlement on October 2, 2023, due to the Nasdaq rule limiting share issuance to 20%, without prior stockholder approval. We entered into an amendment to the Settlement Agreement which provides us 60 days to obtain stockholder approval and issue the remaining shares required to settle the shortfall of approximately $0.9 million. For additional information, see *Note – 3 Fair Value Measurements* to the *Notes to the Unaudited Condensed Consolidated Financial Statements*, included in Part I, Item 1 of this Quarterly Report.

Reverse Stock Split

On September 12, 2023, we filed amendments to our Second Amended and Restated Certificate of Incorporation (the 'Amendment") with the Delaware Secretary of State, which became effective at 4:01 PM Eastern Time on September 13, 2023 (the "Effective Time"), thereby giving effect to the 1 for 15 Reverse Stock Split. All prior period share and per share amounts included in this Quarterly Report have been restated to reflect the Reverse Stock Split. See *Note 1 – — Description of Business, Basis of Presentation and*

*Significant Accounting Policies*subheading Reverse Stock Split, and*included*Note 14 – *Merger Agreement,* on March 7, 2024, the Company entered into the Merger Agreement with Parent and Merger Sub. Upon the terms and subject to the conditions provided in the *Notes to the Unaudited Condensed Consolidated Financial Statements.* We conducted the Reverse Stock Split to regain compliance Merger Agreement, and in accordance with the Nasdaq listing standards.

Notes Delaware General Corporation Law (the "DGCL"), at the effective time of the Merger (the "Effective Time"), Merger Sub will merge with and Warrants Offering

In August 2023, we entered into the Company, with the Company continuing as the surviving corporation. As a securities purchase agreement (the "Purchase Agreement") with an institutional investor whereby result of the investor agreed to purchase shares of our common stock which Merger, the Company will sell cease to be a publicly traded company and issue will be wholly owned by the Parent.

At the Effective Time, by virtue of the occurrence of the Merger, the following will occur:

- each Common Share that is owned by the Company as treasury shares and each Common Share that is owned by any direct or indirect wholly owned subsidiary Company, or by Parent, Merger Sub, or any direct or indirect wholly owned subsidiary of Parent or Merger Sub, in a registered direct offering to the investor. $12.5 mi aggregate principal of senior notes (the "Initial Note") along with warrants (the "Initial Warrants") to purchase up to 1.5 million shares of our common stock (22.5 millio case, issued and outstanding immediately prior to the Reverse Stock Split). Effective Time, will automatically be canceled without payment of any consideration theref cease to exist (the "Canceled Common Shares");

- Net proceeds from each share of Class A Share for which the offering, after deducting holder thereof did not consent or vote in favor of the placement agent fees Merger offering expenses, were approximately $10.8 million is entitled to and we intend properly demands appraisal pursuant to use the net proceeds for ge purposes.

  The Senior Note bear interest at 9.0% per annum, mature on November 1, 2024, DGCL, and are secured by does not withdraw or otherwise lose the ri pursuant to the DGCL, will automatically be canceled (subject to the appraisal rights of such holders) (such Common Shares, the "Dissenting Shares");

- each (i) Class A Share and (ii) Class A Share subject to a first priority security interest in all Director RSU Award (as defined below) that has fully vested as of our ass Effective Time, that is issued and our subsidiaries. The Initial Warrants are outstanding immediately exercisable upon issuance at an exercise price of $6.75 per sh $0.45 per share prior to the Reverse Stock Split) Effective Time and held by Parent or its affiliates, including the Specified Stockholders (which constitute Mr. Ker London and their immediate family members and certain trusts or other entities in which either Mr. Kemp or Dr. London or their immediate family members hold proprietary, equity or other financial interests) and certain other holders of Class A Shares (the "Rollover Shares"), subject to certain adjustments, and will expire on 4, 2028.

  Refer to "Liquidity and Capital Resources" for more information about the terms as of the Securities Purchase Agreement, these notes and warrants as well as av issuance of subsequent notes and warrants, and affirmative and negative covenants imposed on the Company. See also *Note 6 – Senior Note and Warrants Notes immediately prior to the Unaudited Condensed Consolidated Financial Statements,* included Effective Time as a result of having been acquired by Paren affiliates pursuant to a rollover agreement in Part I, Item 1 of this Quarterly Report for additional information including fair value of warrants, discounts a form m acceptable to Parent and issuance costs and net carrying value of the notes after applying all discounts. See *Note 13 – Subsequent Events* for information regarding and waiver of failing to maintain the minimum cash requirements and additional financing actions we have taken.

  ATM Program

  In July 2023, we entered into Company (each, a Sales Agreement (the "Sales "Rollover Agreement") with Roth Capital Partners, LLC ("Roth") for the offer and sale Class A Common Stock (the "ATM Shares"), from time to time through an "at the market offering" program (the "ATM Program") under which Roth acts as sales a principal. We filed a prospectus supplement, dated July 10, 2023, with the SEC in connection with the offer funding of a capital commitment set forth in an Commitment Letter (as defined below), will be canceled and sale of the ATM Shares, pursuant cease to which we may offer and sell up to $65.0 million of ATM Share (the "Rollover"); provided that while the Notes Rollover will be permitted only if no Class B Shares are outstanding, we are required to have available issued and capacity to generate gross proceeds of at least $20.0 million under the ATM Program. outstanding;

26

Through September 30, 2023, through the ATM, we have issued 241,877 shares of our Class A common stock for proceeds of $0.8 million, net of broker commissions and fees of $23 thousand and third-party issuance costs $0.1 million. The average price of shares sold under the Sales Agreement during the period was $3.41 per share.

Refer to "Liquidity and Capital Resources" for more information about the terms of the Sales Agreement, certain restrictions imposed by the Purchase Agreement related to the Senior Notes. See also *Note 9. Shareholders' Equity* in the *Notes to the Unaudited Condensed Consolidated Financial Statements,* included in Part I, Item 1 of this Quarterly Report for additional information including fair value of warrants, discounts and issuance costs and net carrying value of the note after applying all discounts.

B.Riley Common Stock Purchase Agreement

33

- each Class A Share (other than (i) the Rollover Shares, (ii) any Canceled Common Shares and (iii) any applicable Dissenting Shares) issued and outstanding imme prior to the Effective Time (such Class A Shares, the "Converted Shares"):
  - o will automatically be canceled and converted into the right to receive $0.50 per share in cash, without interest (the "Merger Consideration");
  - o will no longer be outstanding and cease to exist;
  - o each certificate formerly representing any such shares (each, a "Certificate") or the applicable number of uncertificated shares represented by book-entry (e "Book-Entry Share") will thereafter represent only the right to receive the Merger Consideration in accordance with the Merger Agreement; and
  - o each share of common stock of Merger Sub (each, a "Merger Sub Share") issued and outstanding immediately prior to the Effective Time will automatic converted into and become one authorized, validly issued, fully paid and nonassessable share of common stock, par value $0.0001 per share, of the su corporation (each, a "Surviving Company Common Share").

Effective July 5, 2023 Following the execution of the Merger Agreement, and pursuant to the terms of the Merger Agreement, the Company deposited into a segregated bank account of Astra Space Operations LLC (the "Segregated Account") an amount in cash equal to $3.5 million (the "Segregated Funds"). The Segregated Funds are managed by the Company at the reasonable direction of the Special Committee of the Board of Directors acting in accordance with its fiduciary duties. At the request of the Special Committee, the Company purchased on April 11, 2024 additional Directors and Officers insurance coverage at a cost of $937,500. Thus, reducing the total amount in the Segregated Account to $2.6 million.

All outstanding Convertible Notes will, immediately after the Merger becomes effective, be converted into shares of Series A preferred stock, par value $0.0001 per share, of Parent (the "Parent Series A Preferred Stock") in accordance with a noteholder conversion agreement, by and among Parent, Merger Sub, and each holder of Convertible Notes (the "Noteholder Conversion Agreement") at a conversion rate of $0.404. The Original Warrants and Company Warrants will, immediately after the Merger becomes effective, be exchanged for warrants to purchase Parent Series A Preferred Stock at an exercise price of $0.404 per share in accordance with a warrant exchange agreement, by and among Parent, Merger Sub, and each holder of Company Warrants. (the "Warrant Exchange Agreement").

The execution and delivery of the Merger Agreement, subject to the requisite stockholder approval was recommended by the Special Committee to the Board on March 5, 2024. On March 5, 2024, the Board, with Mr. Kemp, Dr. London and Mr. Stanford abstaining, approved the execution and delivery of the Merger Agreement and recommended the adoption of the Merger Agreement and the Merger to the stockholders of the Company. On March 7, 2024, following the execution of the Merger Agreement, Mr. Kemp and Dr. London, who on such date beneficially owned Common Shares representing approximately 66.2% of the total voting power of the outstanding Common Shares, executed and delivered to the Company a Written Consent adopting the Merger Agreement and approving the Merger. No further action by any other Company stockholder is required under applicable law or the Merger Agreement (or otherwise) in connection with the entry adoption of the Sales Merger Agreement and the Company is currently in the process of responding to comments from the SEC on its preliminary information statement on Schedule 14C (and related amendments) and related Rule 13e-3 Transaction Statement on Schedule 13E-3 (and related amendments). Once we terminated resolve any outstanding comments from the SEC, we will file a definitive information statement and mail the information statement to holders of our Class A Common Stock Purchase Agreement between us and B. Riley Principal Capital II, LLC ("*B. Riley*") dated August 2, 2022. B. Riley did not at any time during the contract, up Stock. Subject to the termination date, hold satisfaction of closing conditions, we would expect to consummate the Merger some time after the delivery of the definitive information statement to holders of our Class A Common Stock.

Section 220 Demand in Connection with the Merger Agreement.

Following the announcement of the Merger Agreement, the Company has received demands to inspect the Company's books and records pursuant to 8 Del. C. § 220 ("Section 220"). Specifically, on April 5, 2024, purported stockholder Jonathan Horner delivered a Section 220 demand to the Company, which demand was supplemented on April 11, 2024. On April 17, 2024, another purported stockholder, Michael Krene, represented by the same law firm, delivered a second Section 220 demand to the Company. On April 22, 2024, a third purported stockholder, Jerry Hamelton, delivered a Section 220 demand to the Company (collectively, the "Section 220 Demands").

Although the specifics of each Section 220 Demand varies, they generally intend to investigate the events leading to execution of the Merger Agreement, to investigate the independence and disinterestedness of certain members of the Company's board of directors and officers in connection with the Merger Agreement and the Merger, and to determine whether such directors and officers properly discharged their fiduciary duties, investigate the Company's disclosures regarding the Merger Agreement and the Merger. The Section 220 Demands seek to inspect the Company's books and records to determine whether wrongdoing, mismanagement, and/or material non-disclosure has taken place such that it would be appropriate to file an action against the Board, the officers, the Company, or any Registrable Securities. Accordingly, our obligations other relevant person or entity, to value each stockholder's shares, and to consider any other courses of action that the investigation might warrant pursuing.

The Company is evaluating each of the Section 220 Demands and intends to defend vigorously any allegation of wrongdoing, mismanagement and/or non-disclosure. Due to the early stage of these investigations, neither the likelihood that a loss, if any, will be realized, nor an estimate of the possible loss or range of loss, if any, can be determined.

Subsequent Issuances of Convertible Notes and Company Warrants

Since December 31, 2023, the Company has closed on subsequent financings under the Registration Rights Subsequent Financing Agreement were also terminated as (as further amended or modified on January 19, 2024, January 31, 2024, February 26, 2024, March 7, 2024,April 10, 2024 and April 30, 2024) on January 19, 2024, February 26, 2024, March 5, 2024, March 7, 2024, March 8, 2024, March 15, 2024, April 22, 2024 and May 13, 2024. As of July 5, 2023.

Additional Financing Activities

In addition to the Notes and Warrants Offering and ATM Program, we continue to evaluate the financing opportunities available to us to strengthen our financial position and we remained focused on thoughtfully pursuing opportunities to raise additional capital. Refer to *Liquidity and Capital Resources* for more information about our liquidity. See also *Note 1. Description of Business, Basis of Presentation and Summary of Significant Accounting Policies*, included in Part I, Item 1 date of this Quarterly Report, the aggregate principal amount of all outstanding Convertible Notes (including any paid-in-kind interest) was $37.8 million and there were Company Warrants (including warrants issued on August 4, 2023) outstanding to purchase 16,989,759 shares of Class A Common Stock at an exercise price of $0.808, subject to certain adjustments, and that expire on dates ranging from August 4, 2028 to May 13, 2029. The investors participating in the Subsequent Financings were the Kemp Trust, Dr. London, MH Orbit, LLC, an affiliate of JMCM, RBH Ventures Astra SPV, LLC, Astera Institute, ERAS Capital, LLC and Ulrich Gall.

AST License Agreement

On March 6, 2024, a subsidiary of the Company, entered into a Royalty Bearing Manufacturing License (the “Manufacturing License”) with Astra Space Technologies Holding, Inc ("AST"). The Company and AST are parties to a Supply and Manufacturing Agreement, dated April 28, 2022 (the “Supply Agreement”), pursuant to which the Company manufactures certain spacecraft engines, flight sets, power processing units and feed systems (the “AST Products”) for additional information including liquidity and our ability AST. The Manufacturing License, among other things, provides AST a license to continue manufacture the AST Products for its internal use as a going concern. means to increase the quantity of AST Products available in the future and to provide an alternative source of supply for a critical component. The Manufacturing License is a limited, non-exclusive, non-transferable, irrevocable, non-sublicensable, fully paid license to make and have made a specified number of AST Products. In consideration of the Manufacturing License, on March 6, 2024, AST paid the Company $2.5 million, representing the royalties due for the initial AST Products to be manufactured under the Manufacturing License. At AST’s option, AST will pay the Company, on a quarterly basis, additional royalties per AST Product manufactured during the prior quarter after the initial AST Products. In addition, on March 6, 2024, the Company and AST entered into an order addendum to the Supply Agreement pursuant to which AST purchased additional AST Products from the Company for a total of $1.05 million with $420,000 due in April 2024 and additional payments due in the second half of the year upon delivery of additional AST Products.

Consolidation of Operations at our Skyhawk Facility

Management has begun the process of consolidating its operations into its existing facility in Alameda, California (Skyhawk). As a result, management expects to relocate its employees and equipment from its facility in Sunnyvale, California to Skyhawk by the end of the third quarter of 2024.

Critical Accounting Estimates

Our financial statements have been prepared in accordance with U.S. generally accepted accounting principles, or U.S. GAAP. Preparation of the financial statements requires our management to make a number of judgments, estimates and assumptions relating to the reported amount of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the reporting period. We consider an accounting judgment, estimate or assumption to be critical when (1) the estimate or assumption is complex in nature or requires a high degree of judgment and (2) the use of different judgments, estimates and assumptions could have a material impact on our consolidated financial statements. We have made no updates

---

Table of Contents

or made additions to our significant accounting policies as described in *Note 1 Description of Business, Basis of Presentation and Significant Accounting Policies* in our 2022 2023 Annual Report.

During the nine months ended September 30, 2023, as described below, our critical accounting estimates were updated for the impact of probability assessments on stock-based compensation related to our performance-based options as compared to those critical accounting estimates previously disclosed in “Critical Accounting Estimates” in “Management’s Discussion and Analysis of Financial Condition and Results of Operations” included in the 2022 Annual Report.

Stock-Based Compensation

We use the fair value method of accounting for our stock-based awards granted to employees to measure the cost of employee services received in exchange for the stock-based awards. Certain stock options include service, market and performance conditions (“Performance-based stock options”). The fair value of performance-based stock options is estimated on the date of grant using the Monte Carlo simulation model. Awards that include performance conditions are assessed at the end of each reporting period whether those performance conditions are met or probable of being met and involves significant judgment. If such operational milestone becomes probable any time after the grant date, we will recognize a cumulative catch-up expense from the grant date to that point in time. If the related share price milestone is achieved earlier than achievement of the related operational milestone, then the stock-based compensation expense will continue to be recognized over the expected achievement period for the operational milestone. We reverse all previously recognized costs for unvested performance-based stock options in the period it is determined that the operational milestone, or performance condition, is deemed improbable of achievement within the service period.

During the three months ended June 30, 2023, in conjunction with the cancellation of the Performance-based stock options, we assessed the probability of achieving the underlying performance condition and determined it was no longer probable. As a result, we reversed stock-based compensation expenses recognized to date of $6.8 million associated with the awards.

Table of Contents

Results of Operations

Comparison of the three and nine months ended September 30, 2023 March 31, 2024 and 2022 2023

	Three Months Ended September 30,		Period over period change		Nine Months Ended September 30,		Period over period change		Three Months Ended March 31,		Period over period change	
(in thousands, except percentages)	**2023**	**2022**	**($)**	**(%)**	**2023**	**2022**	**($)**	**(%)**	**2024**	**2023**	**($)**	**(%)**
Revenues:												
Launch services	$—	$—	$—	n.m.	$—	$ 5,899	$ (5,899)	n.m.	$ —	$ —	$ —	NM
Space products	256	2,777	(2,521)	91%	963	3,471	(2,508)	72%	285	—	285	100%
Total revenues	256	2,777	(2,521)	91%	963	9,370	(8,407)	90%	285	—	285	100%
Cost of revenues:												
Launch services	—	—	—	n.m.	—	28,193	(28,193)	n.m.	—	—	—	NM
Space products	232	1,071	(839)	78%	620	1,337	(717)	54%	128	—	128	100%
Total cost of revenues	232	1,071	(839)	78%	620	29,530	(28,910)	98%	128	—	128	100%
Gross profit (loss):												
Segment gross profit:												

Launch services	—	—	—	n.m.	—	(22,294)	22,294	n.m.	—	—	—	NM
Space products	24	1,706	(1,682)	99%	343	2,134	(1,791)	84%	157	—	157	100%
Total gross profit (loss)	$ 24	$ 1,706	$ (1,682)	99%	$ 343	$ (20,160)	$ 20,503	102%				
Total segment gross profit									$ 157	$ —	$ 157	100%

n.m. = not meaningful.

Revenues

Space Products

We commenced delivery of Space Products to our customers during the year ended December 31, 2022. We recognized revenues of $0.3 million and $1.0 million for the three and nine months ended September 30, 2023, respectively, and $2.8 million and $3.5 million for the three and nine months ended September 30, 2022, respectively, all of which were related to deliveries made to our Space Products customers.

Launch Services

We commenced our first paid commercial launch in February 2022 with vehicles LV0008 followed by paid commercial launches of LV0009 and LV0010 in March and June 2022, respectively. The orbital launch of LV0009 conducted in March 2022, represented our first paid delivery of customer payloads into Earth orbit. In August 2022, we discontinued the production of launch vehicles supported by our Launch System 1. Therefore, we did not conduct any further commercial launches in late 2022 during the three months ended March 31, 2024 and 2023, as we shifted resources to the development of our Launch System 2. We recognized revenues of $0 million and $5.9 million related to our Launch Services activities for the three and nine months ended September 30, 2022, respectively.

We do not anticipate any revenues related to Launch Services in 2023 2024 as we continue to work to develop and test the next version of our launch system: Rocket 4 (aka Launch System 2).

Space Products

Revenues of $0.3 million for the three months ended March 31, 2024, all of which were related to deliveries made to our Space Products customers. We had no Space Products revenues for the three months ended March 31, 2023.

Cost of Revenues

Cost of revenues consist primarily of direct material, direct labor, manufacturing overhead, other personnel-related expenses, which include salaries, bonuses, benefits, stock-based compensation expense, and depreciation expense. Cost of revenues also includes inventory write-downs to reduce the carrying value of inventory related to Launch Services when the carrying value exceeds its estimated net realizable value.

Space Products

Costs of revenues were $0.2 million and $1.1 million for the three months ended September 30, 2023 and 2022, respectively, and $0.6 million and $1.3 million for the nine months ended September 30, 2023 and 2022, respectively, and was primarily related to deliveries to our Space Products customers.

Launch Services

As with revenues, we do not anticipate any costs of revenues related to our Launch Services in 2023. 2024.

Cost Space Products

Costs of revenues related to Space Products were $28.2 million $128.0 million for the nine three months ended September 30, 2022, which included $18.8 million March 31, 2024 and was primarily related to inventory write-downs and $6.9 million deliveries to our Space Products customers. We had no costs of revenues related to paid commercial launch activities in Space Products for the first half of 2022. The $18.8 million of inventory write-downs was driven by $10.2 million related to the discontinuance of launch vehicles supported by our current launch system, $5.5 million three months ended March 31, 2023.

[Table of Contents](#)

related to the net realizable value write-downs and $3.1 million of other write-downs. The cost of launch services does not reflect the actual gross margins as certain inventory values were recorded at net realizable value.

Operating Expenses

	Three Months Ended September 30,		Period over period change		Nine Months Ended September 30,		Period over period change		Three Months Ended March 31,		Period over period change	
(in thousands, except percentages)	2023	2022	($)	(%)	2023	2022	($)	(%)	2024	2023	($)	(%)
Gross profit (loss)	$ 24	1,706	$ (1,682)	99%	$ 343	$ (20,160)	$ 20,503	102%				
Segment gross profit									$ 157	$ -	$ 157	100%
Operating expenses:												
Research and development	21,677	32,821	(11,144)	34%	77,154	111,546	(34,392)	31%	12,641	31,082	(18,441)	59%
Sales and marketing	1,630	4,052	(2,422)	60%	4,764	13,452	(8,688)	65%	865	2,484	(1,619)	65%
General and administrative	9,834	19,222	(9,388)	49%	33,096	60,816	(27,720)	46%	11,036	15,682	(4,646)	30%
Impairment expense	—	75,116	(75,116)	100%	—	75,116	(75,116)	100%				
Goodwill impairment	—	58,251	(58,251)	100%	—	58,251	(58,251)	100%				

(Gain) Loss on change in fair value of contingent consideration	(4,510)	11,949	(16,459)	138%	(23,900)	29,249	(53,149)	182%				
Gain on change in fair value of contingent consideration									—	(2,765)	2,765	100%
Total operating expenses	28,631	201,411	(172,780)	86%	91,114	348,430	(257,316)	74%	24,542	46,483	(21,941)	47%
Operating loss	(28,607)	(199,705)	171,098	86%	(90,771)	(368,590)	277,819	75%	(24,385)	(46,483)	22,098	48%
Interest income	99	616	(517)	84%	1,813	1,146	667	58%	5	1,330	(1,325)	100%
Interest expense	(1,339)	—	(1,339)	0%	(1,339)	—	(1,339)	0%				
Other income (expense), net	101	(25)	126	504%	1,654	314	1,340	427%				
Loss before taxes	(29,746)	(199,114)	169,368	85%	(88,643)	(367,130)	278,487	76%				
Other income, net									232	260	(28)	11%
Gain on change in fair value of Convertible Notes									47,270	-	47,270	0%
Gain on change in fair value of warrants									15,007	—	15,007	0%
Income (loss) before taxes									38,129	(44,893)	83,022	185%
Provision for income tax	—	—	—	n.m.	—	—	—	n.m.	—	—	-	n.m.

Net loss	$ (29,746)	$ (199,114)	$ 169,368	85%	$ (88,643)	$ (367,130)	$ 278,487	76%
Net income (loss)	$ 38,129	$ (44,893)	$ 83,022	185%				

n.m. = not meaningful.

Research and Development

Our R&D expenses consist primarily of internal and external expenses incurred in connection with our research activities and development programs. These expenses include, but are not limited to, development supplies, testing materials, personnel and personnel-related costs (including salaries, bonuses, benefits, and stock-based compensation expense), depreciation expense, amortization of intangible assets, overhead allocation (consisting of various support and facility costs), and consulting fees. R&D costs are expensed as incurred. We allocate R&D costs by function rather than by project, as a significant majority of our historical R&D spending was related to the initial development and testing of our underlying technology, including preparation for multiple test launches. A change in the outcome of any of these variables could delay the development of our launch systems and Space Products, which in turn could impact the timing of commercialization of our offerings.

Our Space Products business is focused on scaling our new production facility, though some R&D activities will continue to further improve the current product, develop and potentially introduce other versions of the Astra Spacecraft Engine™, and potentially develop and introduce other Space Products to the marketplace.

Currently, as a result of our resource allocations and prioritization away from Launch Systems development in favor of our Space Products business, our Launch Services business is investing in the R&D activities necessary to complete the design, build, and qualification of Launch System 2, which we expect will bring significantly more capability to the market as compared to the prior version of our Launch System.

R&D costs were $21.7 million $12.6 million and $32.8 million $31.1 million for the three months ended September 30, 2023 March 31, 2024 and 2022, 2023, respectively. The $11.1 million $18.5 million decrease mainly reflected a $3.5 million an $8.7 million reduction in stock-based compensation expense, $2.0 million decrease in expensed R&D equipment, and licensed technology, $2.5 million reduction in depreciation and amortization, a $1.4 million increase in inventory cost capitalization, a $1.1 million reduction in professional services, $0.6 million $7.0 million decrease in personnel-related costs due to lower headcount in R&D departments, partially offset by $0.5 million increase in facilities.

R&D costs were $77.2 million for the nine months ended September 30, 2023, compared to $111.5 million for the nine months ended September 30, 2022. The $34.4 million decrease mainly reflected a $12.1 million $1.2 million reduction in stock-based compensation, expense, $12.1 million a $0.9 million reduction in personnel-related costs due to lower headcount in R&D departments, $5.8 million licensed technology, a $0.5 million reduction in professional services, $3.6 million reduction in R&D materials costs, $6.0 million a $0.4 million reduction in depreciation and amortization $2.0 million decrease in expensed and a $0.1 million reduction of other R&D equipment and licensed technology, $1.8 million reduction in licensed technology costs, partially offset by $9.6 million reduction a $0.3 million increase in inventory capitalization.

Table of Contents

facilities costs.

Sales and Marketing

Sales and marketing expenses consist of personnel and personnel-related expenses (including stock-based compensation expense) for our business development team as well as advertising and marketing expenses. We expect to increase our sales and marketing activities in order to grow our customer base and increase market share in the future.

Sales and marketing expenses were $1.6 million $0.9 million and $4.1 million $2.5 million for the three months ended September 30, 2023 March 31, 2024 and 2022, 2023, respectively. The $2.5 million $1.6 million decrease mainly reflected a $1.1 million reduction in stock-based compensation expense, $0.7 million $1.3 million reduction in personnel-related costs a $0.3 million reduction in professional services and $0.3 million reduction in other sales and marketing costs.

Sales and marketing expenses were $4.8 million for the nine months ended September 30, 2023, compared to $13.5 million for the nine months ended September 30, 2022. The $8.7 million decrease mainly reflected a $4.7 million reduction in stock-based compensation expense, $2.5 million reduction in personnel-related costs, $0.8 million reduction of depreciation and amortization and $0.3 million reduction in professional services.

General and Administrative

General and administrative expenses consist primarily of personnel and personnel-related costs (including salaries, bonuses, benefits, and stock-based compensation expense) for personnel in executive, finance, accounting, corporate development and other administrative functions. General and administrative expenses also include legal fees, professional fees paid for accounting, auditing, consulting, tax, and investor relations services, insurance costs, facility costs not otherwise included in R&D expenses and costs associated with compliance with the rules and regulations of the SEC and the stock exchange.

General and administrative expenses were $9.8 million $11.0 million and $19.2 million $15.7 million for the three months ended September 30, 2023 March 31, 2024 and 2022, 2023, respectively. The $9.4 million $4.7 million decrease was primarily due to a $4.3 million reduction in stock-based compensation expense, $3.9 million $4.5 million reduction in personnel-related costs, $3.1 million reduction in professional services costs, a $1.0 million $1.1 million reduction in facilities costs, a $0.7 million $0.6 million reduction in insurance costs, a $0.6 million reduction in stock-based compensation and a $0.3 million $0.2 million reduction in depreciation expense. The decreased general and administrative costs also included R&D materials expense, partially offset by a $1.0 million decrease increase in professional services, a $0.7 million increase in licensed technology costs, a $0.3 million increase in other general and administrative costs. expenses primarily related to strategic financing costs and a $0.3 million increase in depreciation expense.

Table of Contents

General and administrative expenses were $33.1 million for the nine months ended September 30, 2023, compared to $60.8 million for the nine months ended September 30, 2022. The $27.7 million decrease was primarily due to a $18.8 million reduction in stock-based compensation expense, a $5.9 million reduction in employee related costs, a $3.5 million reduction in professional services costs, $1.9 million reduction in insurance costs. The decreased general and administrative costs were partially offset by a $0.7 million decrease in licensed technology costs.

Impairment Expense

We incurred no impairment expense for the three and nine months ended September 30, 2023. Impairment expense was $75.1 million for the three and nine months ended September 30, 2022 and was triggered by the existence of substantial doubt about the Company's ability to continue as a going concern, a sustained decrease in the Company's share price and macroeconomic factors. The impairment expense reflects charges of $70.3 million in property, plant and equipment, $2.7 million in definite-lived intangible assets, and $2.1 million in indefinite-lived intangible assets. No impairment charges were recorded for the three and nine months ended September 30, 2021.

Goodwill Impairment

Goodwill impairment was $58.3 million for the three and nine months ended September 30, 2022 and was triggered by the existence of substantial doubt about the Company's ability to continue as a going concern, a sustained decrease in the Company's share price and other macroeconomic factors. The expense reflects the full impairment of the Company's goodwill balance.

Gain/(Loss) Loss on Change in Fair Value of Contingent Consideration

Gain We settled our contingent consideration obligation during the fourth quarter of 2023 and have no remaining obligation in 2024. The loss on change in fair value of contingent consideration of $4.5 million and $23.9 million for the three and nine months ended September 30, 2023, as compared to the loss of $11.9 million and $29.2 million on the change in fair value of contingent consideration $2.8 million during the three and nine months ended September 30, 2022, was primarily due to the settlement and general lease of our contingent consideration obligations during the three and nine months ended September 30, 2023, resulting in our payment of $2.0 million along with issuing $8.0 million in shares of our Class A common stock to the prior Apollo Holders. The loss during the three and nine months ended September 30, 2022 March 31, 2023 was primarily the result of lower revenues forecasted in estimating than those used to forecast our estimates of the fair value of contingent consideration.

Table of Contents

Interest Income

Interest income was less than $0.1 million for the three months ended September 30, 2023 March 31, 2024 was insignificant as compared to $0.6 million $1.3 million for the corresponding period in 2022. This was mainly due to $0.4 million in interest income related to investment in marketable securities during the three months ended September 30, 2022.

Interest income was $1.8 million for the nine months ended September 30, 2023, compared to interest expense of $1.1 million for the nine months ended September 30, 2022 March 31, 2023. The $0.7 million increase $1.3 million in interest income in the prior year's quarter was primarily due to increased interest income related earned on securities held prior to investment in liquidation of our marketable securities during the nine months ended September 30, 2023.

Interest Expense, net

Interest expense was $1.3 million for the three and nine months ended September 30, 2023. There was no interest expense recognized portfolio in the corresponding periods in 2022. The $1.3 million is mainly due to interest expense related to the Senior Note. third quarter of 2023.

Other Income/(Expense), Net

Other income (expense), net primarily consists of income from government research and development contracts.

Other income, net was $0.1 million $0.2 million for the three months ended September 30, 2023 as compared to other expense of less than $0.1 million for the corresponding period in 2022.

Other income, net was $1.7 million for the nine months ended September 30, 2023, compared March 31, 2024 and is comparable to $0.3 million for the nine three months ended September 30, 2022 March 31, 2023.

Gain on Change in Fair Value of Warrant Liabilities

As of March 31, 2024, we had 14,823,917 Company Warrants issued and outstanding, including warrants issued on August 4, 2023, all of which were issued concurrently with financing transactions, including the sale and issuance of the Convertible Notes, during the year ended December 31, 2023 and the three months ended March 31, 2024. The increase Company Warrants are recorded at fair value each reporting date and any changes in other income fair value during the reporting period are recognized in the consolidated statements of operations. As of March 31, 2024, the aggregate fair value of the Company Warrants was primarily $5.8 million and we recognized a gain of $15.0 million during the three months ended March 31, 2024 due to the change in fair value of the Company Warrants.

Gain on Change in Fair Value of Convertible Notes

We have elected the fair value option to account for our Convertible Notes and, therefore, any changes in fair value during the reporting period are recognized in the consolidated statements of operations. As of March 31, 2024, the aggregate fair value of our Convertible Notes was $28.2 million. During the three months ended March 31, 2024, we recognized a gain of $47.3 million related to $1.5 million higher income the change in fair value of our Convertible Notes, which resulted primarily from government research our understanding from discussions with the Parent and development contracts, which is partially offset by other miscellaneous expenses. related filings of affiliates of the Parent that, pursuant to the noteholder conversion agreements entered into with the holders of the Convertible Notes and the Parent, the Convertible Notes will be converted into shares of Series A Preferred Stock of the Parent at a conversion rate of $0.404 upon the consummation of the Merger.

Provision for Income Tax

Our provision for income tax consists of an estimate for U.S. federal and state income taxes based on enacted rates, as adjusted for allowable credits, deductions, uncertain tax positions, changes in deferred tax assets and liabilities, and changes in the tax law. We maintain a valuation allowance against the full value of our U.S. and state net deferred tax assets because we believe the recoverability of the tax assets is not more likely than not.

We did not incur income tax expense for the three and nine months ended September 30, 2023 March 31, 2024 and 2022. 2023.

Liquidity and Capital Resources

Our As of March 31, 2024, the Company's existing sources of liquidity are cash and cash equivalents of $6.6 million, which includes $3.5 million in funds that are maintained required to be set aside in highly liquid investments with remaining maturities a segregated account under the terms of 90 days or less at the time Merger Agreement and used only for specified purposes, and restricted cash of purchase. $0.5 million related to a letter of credit issued to secure our performance obligations under a customer contract. We cannot access this restricted cash until we have begun delivery of flight sets for this customer's program, which is expected to be in November 2024 pursuant to the contract schedule.

We measure liquidity in terms The Company believes that its current level of our ability to fund the cash requirements of our research and development activities and our current business operations, including our capital expenditure needs, contractual obligations and other commitments and our ability cash equivalents is not sufficient to fund commercial scale production and sale of its services and products. Since December 31, 2023, through the date of this Quarterly Report, the Company has raised gross proceeds of approximately $19.9 million through the sale of our products Convertible Notes and services. Our current liquidity needs relate to our business operations, research and development activities, mainly in connection with the ongoing development of our technology, products and services, lease obligations and capital expenditures and pursuing capital raising activities.

The terms of our Senior Note require that we maintain a minimum of $15.0 million cash balance at all times. The loan further requires we maintain a certain level of quarterly cash burn, beginning with the fourth quarter of 2023, as well as imposes limits to other investments and financing arrangements. Beginning October 11, 2023, we have been unable to maintain the minimum unrestricted cash balance requirement and have obtained a waiver through October 31, 2023. On November 6, 2023, we entered Company Warrants, exercisable into a reaffirmation agreement and omnibus amendment agreement (the "Initial Financing Agreement") with affiliates of two of our early investors (the "Bridge Financing Investors") pursuant to which (i) they purchased the remaining $8.0 million aggregate principal amount 7,793,132 shares of the Senior Note and associated Warrants (the "Existing Warrants") to purchase up to 1.5 million shares of our Class A common stock from the Senior Note Investor, (2) the Bridge Financing Investors loaned to us and our subsidiaries in the aggregate principal amount of approximately $3.05 million evidenced by senior secured bridge notes (the "Bridge Notes") that will come due on November 17, 2023, that will rank equally as to payment and lien priority with the Senior Note, that will be secured by the same collateral as the Senior Note and that will be guaranteed by all of our subsidiaries and (3) a sale to Bridge Financing Investors of warrants (the "New Warrants') to purchase up to 5,314,201 shares of Astra's Company's Class A Common Stock at a purchase price of $0.125 per Warrant for an aggregate purchase price of approximately $664,275 that are immediately exercisable at an exercise price of $0.808 per share of Class A Common Stock, subject to certain adjustments and that expire on August 4, 2028 (collectively, Stock. Notwithstanding the "Initial Financing"). Net proceeds raised from the Initial Financing, after deducting estimated offering expenses, were approximately $2.6 million. In connection with issuance of these additional Convertible Notes and Company Warrants, the Initial Financing, Company expects it will need to continue to raise substantial additional funds through the Bridge Financing Investors agreed issuance of additional debt, equity or both in order to waive certain existing execute on its business plan and prospective defaults continue its business operations through to the closing of the Merger Agreement.

Under the terms of the Merger Agreement, the Company is restricted from incurring new debt or issuing equity except through the offer and events sale of default the Convertible Notes and Company Warrants. The Merger Agreement further prohibits the Company from issuing Convertible Notes or Company Warrants to any person prior to the consummation of the Merger unless (i) such person becomes a noteholder under the Senior Note, including the events of default described above, and the requirement for us to comply with the minimum liquidity financial covenant in the Senior Note until November 17, 2023 to provide us with time to raise additional liquidity through various capital raising and cost cutting initiatives and strategic transactions. There can be no assurances that the Bridge Financing Investors will waive additional defaults Noteholder Conversion Agreement or continue to waive the existing defaults a holder under the Senior Note, the Bridge Notes, the Existing Warrants, the New Warrants, Warrant Exchange Agreement as described in,

Table of Contents

the Initial Financing Agreement or any other agreements or documents arising from or related to the Initial Financing, as applicable. See *Note 6 – Senior Noteand Warrants* and *Note 13 – Subsequent Events*, both in *Notes to the Unaudited Condensed Consolidated Financing Statements* contained in Part I,for additional information and events impacting our financing arrangements. On October 23, 2023, we disclosed in respectively, by executing a current report on Form 8-K that we had executed a non-binding term sheet (the "Term Sheet") with the Bridge Financing Investors for the potential issuance of senior secured convertible notes in a potential principal amount of up to $25.0 million (the "Proposed Financing"). The Initial Financing was connected with the Proposed Financing described joinder agreement substantially in the Term Sheet. We are form attached to such agreement and delivering the same to each of Merger Sub and Parent and (ii) holders of a majority in continuing discussions concerning interest of the Proposed Financing with the Bridge Financing Investors. The funding contemplated by the Term Sheet is conditioned upon execution of final definitive documentation among the Bridge Financing Investors Convertible Notes or Company Warrants, as applicable, then outstanding consent to such issuance and us; however there can be no assurance that we or the Bridge Financing Investors will be able to negotiate definitive documentation on the terms specified in the Term Sheet or to consummate the Proposed Financing at all.

On November 8, 2023, we received a non-binding proposal from our co-founders, Chris Kemp and Adam London, to acquire joinder, all of which may affect the outstanding common stock of the Company not currently owned by Mr. Kemp and Dr. London, for an indicative purchase price of $1.50 per share in cash (the "Proposal"). The Proposal is currently being considered by a Special Committee of the Board of Directors consisting of the independent directors (other than Mr. Stanford). There can be no assurance that a definitive agreement relating to the Proposal or any other transaction will be entered into by us, or that any transaction will be consummated, whether with Mr. Kemp and Dr. London or otherwise.

Given our current liquidity position and historical operating losses, and despite these financing and capital raising activities, we believe there is substantial doubt that we can continue as a going concern. Substantial doubt about an entity's Company's ability to continue as a going concern exists when conditions and events, considered in the aggregate, indicate that it is probable that the entity will be unable to meet its obligations as they become due within one year after the date that the financial statements are issued.

We have, however, prepared the unaudited condensed consolidated financial statements included elsewhere in this Quarterly Report on a going concern basis, assuming that our financial resources will be sufficient to meet our capital needs over the next twelve months. Accordingly, our financial statements do not include adjustments relating to the recoverability and realization of assets and classification of liabilities that might be necessary should we be unable to continue in operation.

Even with the receipt of proceeds from the financing arrangements both raise additional funds from the sale of its Convertible Notes and Company Warrants on the Senior Note and Existing Warrants and timing needed. If the Initial Financing described above and the sale of shares of our Class A common stock under our at-the-market program, we have limited cash Company is unable to obtain sufficient financial resources, and will need additional capital to fund commercial scale production and thesale of our services and products. Our current liquidity may not be sufficient to meet the required long-term liquidity needs associated with continued use of cash from operating activities at historical levels, other liquidity needs associated with capital expenditures, as well as other investing needs or the continued operation of our business. We are actively evaluating other sources of liquidity to further support long-term its business, operations and continue to discuss opportunities to close the Proposed Financing with the Bridge Financing Investors. As of September 30, 2023, we are not party to any off-balance sheet arrangements that have, or are reasonably likely to have, a current or future material effect on our financial condition and results of operations liquidity, capital expenditures, or capital resources. will be materially and adversely affected. The cash requirements for the upcoming 12 months relate to our leases and operating and capital purchase commitments.

As of September 30, 2023, our existing sources of liquidity included cash and cash equivalents of $13.9 million and restricted cash of $5.0 million. We have a limited history of operations and have incurred negative cash flows from operating activities and loss from operations in the past as reflected in the accumulated deficit of $1.9 billion as of June 30, 2023. We expect to continue to incur operating losses due to the investments we intend to make in our business, including the development of our products and services, although we expect those losses to be partially offset by revenues recognized through the delivery of our Space Products in the future. We remain focused on managing cash expenditures, including but not limited to, reducing capital expenditures, consulting services and limiting hiring efforts to key positions within our Space Products business.

On August 4, 2023, the Company announced a strategic restructuring of a portion of its workforce, reallocating approximately 50 engineering and manufacturing personnel from Launch Services to Space Products. This reallocation includes a combination of permanent reassignments and temporary assignments to support customer programs and increasing production and test capacity through the end of the year. The restructuring is intended to focus additional resources on serving contractual commitments in our Space Products business in the near term and leveraging the growth opportunities in Space Products given customer interest in Astra Spacecraft Engine™, while we continue to develop our Launch System 2.

We continue to be focused on the development of Launch System 2 and the servicing of its existing launch contracts, the prioritization of some of our resources away from Launch Services in favor of the Space Products business, including in connection with this strategic restructuring, will affect the timing of our future test launches and thus paid commercial launch operations. As a result, we expect delays in the timing of the initial test launch or launches using this new launch system. Our ability to conduct paid commercial launches in 2024 and beyond will depend on the ultimate timing and success of the initial test launches which will in turn depend on the resources that we are able to devote to Launch Systems development in the future.

Table of Contents

In addition to this reallocation, the Company has reduced its overall workforce by approximately 25% since the beginning of the quarter, including a reduction of approximately 70 employees that was announced on August 4, 2023. Cumulative reductions in workforce are expected to result in over $4.0 million of quarterly cost savings beginning in the fourth quarter of 2023, which when combined with ongoing reductions in capital expenditures and operating expenses, is expected to result in substantial reductions to operating cash use over future quarters. The affected employees primarily supported the Company's selling, general and administrative, shared services and launch services functions and were paid their base compensation for a period of 60 days consistent with the Company's normal pay periods.

In addition, we continue to evaluate opportunities to strengthen our financial position, including through the issuance of additional equity securities or by entering into new financing arrangements, as appropriate and we remain focused on thoughtfully pursuing opportunities to raise additional capital. To that end, on July 10, 2023, we entered into a Sales Agreement with Roth Capital Partners LLC, under which we are selling shares of our Class A common stock in at-market transactions. Through September 30, 2023, we have sold 241,877 shares under the Sales Agreement, resulting net proceeds to us of approximately $0.8 million, net of broker fees and other third-party issuance costs. See "ATM Program" below for more information. We also entered in a securities purchase agreement and commenced an completed an offering of a Senior Note and Warrants, which closed on August 4, 2023. We received net proceeds from the Notes and Warrant Offering of $10.8 million. See "Notes and Warrant Offering" below for more information.

We have also been in discussions with a number of potential lenders and investors and have discussed a range of possible financing transactions, including through the issuance of debt securities or additional equity securities. The terms of any such financings, if available, may involve restrictive covenants, may require us to pledge collateral as security and could restrict our ability to manage our business as we had intended. Further, the terms of any such financings may be dilutive to existing investors, may require us to sell equity at a discount to market prices, provide warrants to purchase additional equity securities and could require us to give an investor certain governance or similar rights to control our management. As a result, we may be required to delay, limit, reduce or terminate our its product development activities or future commercialization efforts. efforts or cease business operations, including through a petition for voluntary relief under Chapter 7 of the United States Bankruptcy Code (a "Chapter 7 Liquidation").

Notes At various points during the second half of 2023 and Warrants Offering

Securities Purchase Agreement

On August 4, 2023, we entered into a securities purchase agreement (the "Securities Purchase Agreement") with an institutional investor (the "Senior Note Investor") pursuant thus far in 2024, the Company has considered and even begun preparations to which the Senior Note Investor agreed to purchase, and we agreed to issue and sell in a registered direct offering to the Investor (the "Offering"), $12.5 million aggregate principal amount of senior secured notes (the "Senior Note") and warrants (the "Initial Warrants") to purchase up to 1.5 million shares file for voluntary relief under either Chapter 11 or Chapter 7 of the Company's Class A common stock (the "Class A common stock" and such shares of Class A common stock issuable upon exercise of Bankruptcy Code because the Initial Warrants, the "Warrant Shares"), subject Company faced an inability to customary closing conditions.

The Senior Note Investor purchased the Senior Note at a discount to their face value for a total purchase price of $12.1 million. We received net proceeds of $10.8 million, after deducting the placement agent fee and offering expenses. fund its ongoing operations.

As described in more detail below, subject a result of these uncertainties, and notwithstanding management's plans and efforts to date, there is substantial doubt about the satisfaction of the conditions in the Purchase Agreement, we may issue and sell to the Investor up to an additional $7.5 million aggregate principal amount of senior secured notes (the "Additional Notes" and, together with the Senior Note, the "Notes") and warrants (the "Additional Warrants" and, together with the Initial Warrants, the "Warrants") to purchase the aggregate number of shares of Class A common stock equal to 65% of the aggregate principal amount of the Additional Notes issued divided by the Market Stock Price (as defined in the Notes).

The Securities Purchase Agreement contains customary representations, warranties and agreements by us, obligations of the parties, termination provisions and closing conditions. Pursuant to the Securities Purchase Agreement, we have agreed to indemnify the Investor against certain liabilities. The representations, warranties and covenants contained in the Securities Purchase Agreement were made only for purposes of such agreement and as of specific dates, were solely for the benefit of the parties to such agreement, and may be subject to limitations agreed upon by the contracting parties. The Securities Purchase Agreement also includes certain covenants that, among other things, limit our Company's ability to issue certain types of securities continue as a going concern for specified periods of time.

Subject to the satisfaction of the conditions in the Securities Purchase Agreement, we may issue and sell to the Investor up to an additional $7.5 million aggregate principal amount of Additional Notes (issuable incrementally in up to two separate subsequent closings) and Additional Warrants to purchase the aggregate number of shares of Class A common stock equal to 65% of the aggregate principal amount of the Additional Notes issued divided by the Market Stock Price (as defined in the Notes). Certain of those conditions in the Purchase Agreement include, but are not limited to: (i) the daily VWAP (as defined in the Warrants) of the Class A Common Stock on Nasdaq is not less than $1.00, (ii) after giving pro forma effect to the proposed subsequent closings, our pro forma indebtedness does not exceed certain specified relative percentages of our market capitalization, (iii) the last funding date under the Securities Purchase Agreement was at least 90 days prior to the proposed subsequent closing, (iv) on the subsequent closing date, we will have aggregate capacity to generate gross proceeds a period of at least $20.0 million under an approved at-the-market equity program and/or equity line; and (v) if we report cash and cash equivalents of less than $50.0 million at the end of the calendar quarter immediately preceding the date of such Additional Notes purchase, our Available Cash (as defined in the Purchase Agreement) on the last calendar day of such

Table of Contents

quarterly period must be greater than or equal to (x) the sum of our cash and cash equivalents on the last calendar day of the immediately preceding calendar quarter, less (y) $10.0 million. No offer to sell Additional Notes to the Investor may occur earlier than two trading days following our public announcement of our earnings for the fiscal one year ended December 31, 2023 and no later than August 4, 2024.

The Securities Purchase Agreement also provides that for (i) 60 calendar days after August 4, 2023 and (ii) 45 days after each subsequent closing date pursuant to the Securities Purchase Agreement, we and our subsidiaries may not, directly or indirectly, register, offer, sell, grant any option or right to purchase, issue or otherwise dispose of, including make any filing to do the same, any equity or equity-linked securities, subject to limited exceptions, including without limitation, sales under the ATM Program.

So long as the Notes are outstanding, the Securities Purchase Agreement provides that we may not, directly or indirectly, offer, sell, grant any option to purchase or otherwise dispose of any of its or its subsidiaries' equity, equity-linked, equity equivalent securities or securities convertible into or exercisable for equity (excluding offerings of Class A common stock through an approved at-the-market equity program) unless the Company offers certain participation rights to the holders of the Notes, subject to limited exceptions.

So long as any Notes or Warrants are outstanding, the Securities Purchase Agreement also provides that we and our subsidiaries may not effect or enter into any "Variable Rate Transactions" (as defined in the Purchase Agreement). Sales of Class A common stock pursuant to an approved at-the-market equity program, including the Sales Agreement, will not be considered Variable Rate Transactions.

Notes

The Notes were not issued pursuant to an indenture. The Senior Notes (which are referred to in our condensed consolidated financial statements as the "Senior Note") mature on November 1, 2024; provided, that the maturity date may be extended for up to an additional year by our written agreement with the holders thereof. The Notes were issued at a 3% discount and bear interest at 9.0% per annum, which interest rate would increase to 15% per annum upon the existence of an Event of Default (as defined in the Notes). Beginning November 1, 2023, we are required to make quarterly cash amortization payments of $2.5 million plus accrued and unpaid interest on the Notes. The Notes are secured by first-priority security interests in all tangible and intangible assets, now owned and hereafter created or acquired, of us and our subsidiaries.

We may redeem all (or a portion thereof not less than $5.0 million) of the Notes at a price of 105% of the then-outstanding principal amount at any time. Upon a Fundamental Change (as defined in the Notes), a holder may require that we repurchase the Notes at a price equal to 105% of the aggregate principal amount of the Notes to be repurchased.

The Notes impose certain customary affirmative and negative covenants upon us, as well as covenants that, among other things, restrict the Company and its subsidiaries from incurring any additional indebtedness or suffering any liens, subject to specified exceptions and restrict the ability of us and our subsidiaries from making certain investments, subject to specified exceptions. If an event of default under the Notes occurs, the holders of the Notes can elect to accelerate all amounts due under the Notes for cash equal to 115% of the then-outstanding principal amount of the Notes, plus accrued and unpaid default interest, which accrues at a rate per annum equal to 15% from the date of issuance of these consolidated financial statements. If the Company is unable to raise substantial additional capital in the near term and as necessary to continue the Company's business operation to a default closing of the Merger, the Company's operations and production plans will be further scaled back or event of default.

Warrants

The Initial Warrants curtailed and the Company may be required to file a Chapter 7 Liquidation. If the funds raised are immediately exercisable upon issuance at an exercise price of $6.75 per share (or $0.45 per share prior insufficient to provide a bridge to the Reverse Stock Split), subject to certain adjustments. The exercise price closing of the Warrants, Merger, or, in the case of a termination of the Merger Agreement, full commercial production at a profit, the Company's operations could be severely curtailed or cease entirely and the number of Warrant Shares potentially issuable upon exercise of the Warrants, will Company may be adjusted proportionately if we subdivide our shares of common stock into a greater number of shares or combines our shares of common stock into a smaller number of shares. In addition, until the earlier to occur of (i) such date as the Company has completed Equity Issuances (as defined in the Warrants) after August 4, 2023 for gross proceeds of at least $20.0 million, and (ii) August 4, 2024, if the Company grants, issues or sells or is deemed to have granted, issued or sold, any shares of Class A common stock (excluding any Excluded Securities (as defined in the Warrants) for a consideration per share (the "New Issuance Price") less than a price equal to the Warrant exercise price in effect immediately prior to such granting, issuance or sale or deemed granting, issuance or sale (such Exercise Price then in effect is referred to herein as the "Applicable Price") (the foregoing a "Dilutive *Issuance*"), then immediately after such Dilutive Issuance, the Warrant exercise price then in effect will be reduced to an amount equal to the New Issuance Price. The current exercise price on the Warrants is $0.808.

Events of Default

Under the Senior Note, we are required to have at least $15.0 million of cash file a Chapter 7 Liquidation and cash equivalents in one or more deposit accounts subject to one or more control agreements entered into in favor of the Senior Note Investor (the "Cash Requirement"). Additionally, we are also required to deliver to the Senior Note Investor on or prior to the first business day of each month a compliance certificate, certifying whether or not the Company has satisfied specified requirements during the immediately preceding calendar month (the "Compliance Certificate"). Each of the failure to meet the Cash Requirement and the failure to deliver the Compliance Certificate is an event of default under the Senior Note. Beginning on October 11, 2023, we did not maintain the Cash Requirement, but as of such date, the Senior Note Investor agreed to waive the event of default through October 31, 2023 (the "Waiver") provided that the Company maintained at least $10.5 million of cash and cash equivalents in one or more deposit accounts subject to one or more control agreements

Table of Contents

entered into in favor of the Senior Note Investor (the "Revised Cash Requirement") and made an payment to the Senior Note Investor of approximately $2.1 million, plus accrued interest, of which $2.0 million was applied as a principal reduction on the Senior Note. Beginning on October 30, 2023, the Revised Cash Requirement was not maintained by the Company in accordance with the terms of the Waiver and no additional waivers were obtained. The Company also did not deliver the Compliance Certificate required to be delivered on or before November 1, 2023. Therefore, as of October 30, 2023, an event of default was in effect under the Senior Note. These events of default were waived until November 17, 2023 by the Bridge Financing Investors in connection with the Initial Financing.

On November 1, 2023, the Company paid the Investor a scheduled amortization payment in the amount of approximately $3.1 million, consisting of the $2.5 million amortization payment paid at the 115.0% event of default rate, plus accrued and unpaid interest at a rate of 15% (the "Default Interest rate").

As of November 1, 2023, the aggregate principal amount outstanding under the Note is $8.0 million. Interest continues to accrue on the Senior Note at the Default Interest rate.

See *Note 6 – Senior Note and Warrants* and *Note 13 – Subsequent Events* in the *Notes to the Unaudited Condensed Consolidated Financial Statements*, included in Part I, Item I of this Quarterly Report for additional information regarding our Senior Note and Warrants and financing related events occurring after September 30, 2023.

Committed Equity Purchases/ATM Program

On August 2, 2022, we entered into a $100.0 million Class A common stock purchase agreement with B. Riley to support working capital and other general corporate needs. No shares were sold to B. Riley under this Agreement and effective July 5, 2023, we terminated this agreement so that we could enter into a Sales Agreement with Roth Capital Partners LLC ("Roth") on July 10, 2023.

The Sales Agreement provides for the offer and sale of up to $65.0 million of our newly issued Class A common stock, par value $0.0001 per share, from time to time through an "at the market offering" program. We will specify the parameters for the sale of the shares of Class A common stock, including the number of shares to be issued, the time period during which sales are requested to be made, any limitation on the number of shares that may be sold in any one trading day and any minimum price below which sales case, may not be made. We may offer and sell up to $65.0 million of shares of Class A common stock pursuant to the Sales Agreement. Actual sales of Class A Common stock under the Sales Agreement will depend on a variety of factors including, among other things, market conditions and the trading price of the Class A Common Stock, and the full amount of capital may not be fully realized. The terms of the Securities Purchase Agreement and Senior Notes require that we maintain an approved at-the-market equity program and/or equity line that, at all times, shall have available and unused capacity to generate at least $20.0 million of gross proceeds to the Company, which restriction will limit the Company's ability to use the full capacity of this Sales Agreement while the Notes are outstanding.

Bridge Financing

Information related to the bridge financing is described earlier in this section of the Quarterly Report as the "Initial Financing." Net proceeds realize any significant value from the Initial Financing, after deducting estimated offering expenses, were approximately $2.6 million. The Bridge Notes issued in connection with the Initial Financing mature on November 17, 2023. The principal balance liquidation of the Bridge Notes is $3.05 million.

Use of Proceeds from Notes and Warrants Offering, ATM Program and Bridge Financing

We intend to use the net proceeds from both our Notes and Warrants Offering and sales of our shares of Class A common stock under the Sales Agreement, if any, for general corporate purposes. Our general corporate purposes include, but are not limited to, pursuing our growth strategies, continuing the development of our Launch System 2 and expansion of our Astra Spacecraft Engine™ business, capital expenditures, funding strategic investments, working capital, capital raising activities and satisfaction of other obligations and other liabilities. its assets.

Summary Statement of Cash Flows for the Nine Three Months Ended September 30, 2023 March 31, 2024 and 2022 2023

The following table sets forth the primary sources and uses of cash and cash equivalents for the periods presented below:

	Nine Months Ended September 30,		**Period over period change**		**Three Months Ended March 31,**		**Period over period change**	
(in thousands)	**2023**	**2022**	**$**	**%**	**2024**	**2023**	**$**	**%**
Net cash used in operating activities	$ (87,554)	$ (134,615)	$ 47,061	(35)%	$ (12,593)	$ (35,999)	$ 23,406	(65)%
Net cash provided by (used in) investing activities	60,511	(124,088)	184,599	(149)	(33)	18,719	(18,752)	(100)
Net cash provided by financing activities	12,269	1,304	10,965	841	14,302	441	13,861	3,143
Net decrease in cash, cash equivalents and restricted cash	$ (14,774)	$ (257,399)	$ 242,625	(94)%				
Net decrease in cash and cash equivalents					$ 1,676	$ (16,839)	$ 18,515	(110)%

Cash Flows from Operating Activities

Our cash flows from operating activities are significantly affected by our cash expenditures to support the growth of our business in areas such as research and development and general and administrative and working capital. Our operating cash inflows include cash

from milestone billing under certain Space Products contracts in 2023 and Launch Services contracts in 2022. These cash inflows are offset by our payments to suppliers for production materials and parts used in our manufacturing process as we ramp up our production for space products, payments to our employees and other operating expenses.

For the nine three months ended September 30, 2023 March 31, 2024, net cash used in operating activities was $87.6 million $12.6 million. The primary factors affecting our operating cash flows during the period were a net income of $38.1 million and non-cash charges of $56.3 million including a gain on change in fair value of Convertible Notes of $47.3 million, a gain on change in fair value of warrants of $15.0 million, partially offset by stock-based compensation expense of $3.5 million, depreciation and amortization expense of $1.7 million, an increase in non-cash lease expense of $0.8 million. Changes in operating working capital items were mainly due to an increase in contract liabilities of $9.2 million, an increase in accounts payable of $0.6 million and in prepaid and other current assets of $0.4 million. These increases were partially offset by a decrease in accrued expenses and other current liabilities of $2.0 million, a decrease in inventories of $1.5 million, a decrease in lease liabilities of $0.8 million and a decrease in trade accounts receivable of $0.5 million.

For the three months ended March 31, 2023, net cash used in operating activities was $36.0 million. The primary factors affecting our operating cash flows during the period were a net loss of $88.6 million and $44.9 million. This is offset by non-cash charges of $9.0 million $4.4 million including stock-based compensation expense of $5.3 million, depreciation and amortization expense of $1.3 million and non-cash lease expense of $0.9 million, partially offset by a gain on change in fair value of contingent consideration of $23.9 million and accretion on marketable securities of $0.7 million , partially offset by stock-based compensation expense of $8.0 million, depreciation and amortization expense of $4.0 million, an increase in non-cash lease expense of $2.5 million and amortization of discount on Senior Note of $1.1 million $2.8 million. Changes in operating working capital items were are mainly due to an increase in accounts payable of $7.6 million $7.0 million, an increase in accrued liabilities of $6.4 million, an increase in other non-current liabilities of $6.5 million and an increase partially offset by a decrease in trade accounts receivable of $3.8 million. The increases were partially offset by a decrease of $14.2 million, a decrease in inventories of $9.5 million, $1.5 million and a decrease in prepaid and other current assets of $2.3 million, and a decrease in lease liabilities of $2.2 million.

For the nine months ended September 30, 2022, net cash used in operating activities was $134.6 million. The primary factors affecting our operating cash flows during the period were a net loss of $367.1 million. This is offset by non-cash charges including stock-based compensation expense of $43.6 million, inventory reserves including write-offs and net realizable value write-downs of $18.8 million, loss on change in fair value of contingent consideration of $29.2 million, depreciation and amortization expense of $12.1 million and non-cash lease expense of $1.4 million. Changes in operating working capital items is mainly due to decrease in inventories of $15.5 million, trade accounts receivable of $3.1 million, accrued expense and other current liabilities of $2.1 million, other non-current assets of $1.3 million, and lease liabilities of $1.2 million. Changes in operating working capital items were partially offset by an increase in other non-current liabilities of $10.4 million, prepaid and other current assets of $3.8 million and accounts payable of $3.0 million.

Cash Flows from Investing Activities

For the nine three months ended September 30, 2023 March 31, 2024, net cash provided by used in investing activities was $60.5 million $33.0 thousand, which was comprised mainly of purchases of property, plant and equipment related to leasehold improvements at our corporate headquarters in Alameda, California.

For the three months ended March 31, 2023, net cash used in investing activities was $18.7 million, which was comprised mainly of maturities of marketable securities of $61.0 million, proceeds from sales of marketable securities of $9.0 million $23.8 million, partially offset by $9.5 million $5.0 million of purchases of property, plant and equipment related to leasehold improvements at our Sunnyvale manufacturing facility and production equipment at our manufacturing facility and corporate headquarters in Alameda, California.

For the nine months ended September 30, 2022, net cash used in investing activities was $124.1 million, which was comprised mainly of purchases of marketable securities of $136.4 million, purchases of property, plant and equipment of $40.0 million mainly related to the construction of our manufacturing facility and acquisition of an indefinite-lived intangible trademark asset of $0.9 million. This was partially offset by proceeds from maturities of marketable securities of $47.3 million and proceeds from sales of marketable securities of $6.0 million.

Cash Flows from Financing Activities

For the nine three months ended September 30, 2023 March 31, 2024, net cash provided by financing activities of $12.3 million $14.3 million was comprised of $12.1 million $12.0 million proceeds from the Senior Note issued, net sale of discount, $0.8 million of Convertible Notes and $2.3 million proceeds from the issuance of sale Company Warrants and the issuance of shares of the Company's Class A common stock under equity plans and $0.7 million of proceeds from the sale of shares of our Class A common stock Common Stock under our at-the-market offering. These were partially offset by $1.3 million of third-party issuance costs related to the Senior Note and Warrants. equity plans.

For the nine three months ended September 30, 2022 March 31, 2023, net cash provided by financing activities amounted to $1.3 million $0.4 million and consisted primarily of $1.3 million of proceeds from the issuance of shares of Class A common stock under equity plans.

Compliance with the Continued Listing Standards of the Nasdaq Capital Market ("Nasdaq")

On October 6, 2022 We are not in compliance with Rules 5450(a)(1), we 5550(b)(1) and 5250(c)(1) of the listing requirements. We received a deficiency written notice from Nasdaq that we were not of the listing of our failure to be in compliance with Rule 5450(a)(1) of the listing requirements (the "Minimum "Minimum Bid Price Requirement") on April 17, 2024. On April 23, 2024, we received written notice from Nasdaq of our failure to be in compliance with Rule 5550(b)(1) of the listing requirements (the "Minimum Stockholders' Equity Requirement") because . On May 22, 2024, we received written notice from Nasdaq that, due to our failure to timely file this Quarterly Report, we no longer comply with Nasdaq's Listing Rules as set forth under Rule 5250(c)(1) (the "Timely Filing Requirement").

These notices of noncompliance have no immediate impact on the continued listing or trading of the Company's Class A Common Stock, which will continue to be listed and traded on Nasdaq, subject to the Company's compliance with the other continued listing requirements.

With respect to the Minimum Bid Price Requirement, the Company has 180 calendar days, or until October 14, 2024, to regain compliance with the Minimum Bid Price Requirement. Nasdaq's notice stated that if, at any time before October 14, 2024, the per share closing bid price had been below of the Company's Class A Common Stock is at least $1.00 for thirty a minimum of ten consecutive business days.

On March 13, 2023, we submitted an application to Nasdaq for an additional 180-day period (the "Extended Compliance Period") to comply days, Nasdaq's staff will provide the Company written notice that it complies with the minimum bid price requirement. On April 10, 2023, we received a letter from Nasdaq notifying us that, while we have Minimum Bid Price Requirement. If the Company does not regained regain compliance with the Minimum Bid Price Requirement by October 14, 2024, the Staff has determined that Astra is Company may be eligible for an additional 180 calendar day period, or until October 2, 2023, compliance period. To qualify, Astra would need to, regain compliance. In connection with our request among other things, meet the continued listing requirement for extension to cure our notice market value of deficiency, we transferred our Class A Common Stock from the Nasdaq Global Select Market to the Nasdaq Capital Market, effective April 12, 2023.

On September 12, 2023, the Company amended its existing Second Amended publicly held shares and Restated Certificate of Incorporation (the "Prior Certificate"), to implement the Reverse Stock Split by filing the Certificate of Amendment to Second Amended and Restated Certificate of Incorporation (the "Amendment") all other initial listing standards for NASDAQ, with the Secretary exception of State of the State of Delaware. For additional information about the Reverse

Table of Contents

Stock Split, including retroactive restatement of previously reported prior period share and per share amounts, see *Note 1 – Description of Business, Basis of Presentation and Significant Accounting Policies, Reverse Stock Split,* included in the *Notes to the Unaudited CondensedConsolidated Financial Statements*, included in Part I, Item I of this Quarterly Report.The Amendment became effective at 4:01 PM Eastern Time on September 13, 2023 (the "Effective Time"), thereby giving effect to the Reverse Stock Split. The Class A common stock began trading on a Reverse Stock Split-adjusted basis on the Nasdaq Capital Market at the opening of trading on September 14, 2023. The trading symbol for the Class A common stock remained "ASTR." The Class A common stock was assigned a new CUSIP number (04634X202) following the Reverse Stock Split. The closing per share price of our Class A common stock, as of September 14, 2023 on the Nasdaq Capital Market was $2.13.

On September 28, 2023, we received notice from Nasdaq Capital Market that we had regained compliance with Nasdaq's minimum price requirement. There is no assurance that our per share closing price will remain at or above the $1.00 Minimum Bid Price Requirement. If we are unable to maintain the Minimum Bid Price Requirement, we may be subject and provide written notice to a subsequent deficiency notice from Nasdaq and if unable that it intends to cure the deficiency for 30 consecutive business days, it could result in during the delisting of our second compliance period. If Nasdaq concludes that the Company will not be able to cure the deficiency during the second compliance period, or the Company does not make the required representations, then Nasdaq will give notice that Astra's Class A common stock from Nasdaq. Common Stock is subject to delisting and Astra will be able to appeal that delisting before a Nasdaq hearings panel.

Compliance with Recently Released Final Rules of the Securities and Exchange Commission

Cybersecurity Risk Management, Strategy, Governance and Incident Reporting

On July 26, 2023, the SEC released its final rule, *Cybersecurity Risk Management, Strategy, Governance and Incident Reporting,* which becomes effective 30 days after publication in the Federal Register.

Cybersecurity Risk Management, Strategy and Governance Annual Disclosures

In annual report on form 10-K, registrants must describe their process, if any, for assessing, identifying, and managing material risks from cybersecurity threats, including whether cybersecurity is part of the overall risk management program, engages consultants, auditors or other third-parties, and processes to oversee and identify risks from use of third-parties. Disclosures must also include whether and how any risks from cybersecurity threats have materially affected or are reasonably likely to materially affect the registrant's business strategy, results of operations, or financial condition.

Material cybersecurity incident reporting

Under the new rule, registrants are required to report "material" cybersecurity incidents on a Form 8-K within four business days of materiality determination and must include a description of the nature, scope, and timing of the incident and the material impact or reasonably likely material impact on the registrant. Materiality determination should be based on federal securities law materiality, including consideration of quantitative and qualitative factors.

Effective Date

The material incident disclosure requirements will become effective on or after December 18, 2023. Smaller reporting companies have a 180-day deferral. Disclosures for risk management, strategy and governance are effective for all registrants for fiscal years ending on or after December 15, 2023. We will be required to provide our risk management strategy and governance disclosures on its Annual Report on Form 10-K for the year ending December 31, 2023. We will be required to report material cybersecurity incidents on Form 8-K beginning June 2024.

Insider Trading Arrangements and Related Disclosures

Effective February 23, 2023, the SEC has adopted final rules on the amendments to the *Insider Trading Arrangements and Related Disclosures*. The amendments include new requirements for registrants to disclose insider trading policies and procedures in accordance with Rule 10b5-1, which will require disclosure of directors and executives 10b5-1 plans in detail on a quarterly and annual basis.

Registrants other than Small Reporting Companies must begin providing disclosure with reports for periods that begin on or after April 1, 2023. Smaller Reporting Companies must begin providing scaled disclosures with reports covering the first full period that begins on or after October 1, 2023, the Company must begin providing the scaled disclosures as required under the amendments in its Annual Report on Form 10-K to be filed in 2024 for all 10b5-1 plans adopted or terminated during the three months ended December 31, 2023, with reporting under the requirements on a quarterly basis on Form 10-Q thereafter. No Section 16 officer or director currently has entered a 10b5-1 plan with With respect to the sale Minimum Stockholders' Equity Requirement, the Company has 45 calendar days, or purchase of securities of the Company.

Reporting of Daily Share Repurchase Activity

On May 3, the SEC adopted amendments that expand existing share repurchase disclosure requirements for domestic corporate issuers, foreign private issuers (FPIs) until June 7, 2024, and listed closed-end funds. The final amendments require reporting of daily repurchase activity, as well as increased reporting regarding the rationale and objectives for share repurchase plans. Tabular disclosure of quantitative daily share repurchase data will be required including the following:

- number of shares purchased,

44

[Table of Contents](#)

- average price paid per share,
- number of shares purchased under publicly announced plans,
- aggregate maximum number of shares or approximate dollar value that may still be purchased under a publicly announced plan,
- number of shares purchased on the open market,
- total number of shares purchased that are intended to qualify for the safe harbor in Rule 10b-18, and
- total number of shares purchased under submit a plan that is intended to satisfy the affirmative defense conditions of Rule 10b5-1(c), referred to as a "10b5-1 arrangement."

Reporting entities will also be required to indicate whether certain officers and directors purchased or sold shares subject to a repurchase plan within four business days of the announcement of the plan.

Registrants will be required to comply beginning regain compliance with the filing that covers Minimum Stockholders' Equity Requirement. If the first full fiscal quarter that begins on Company's plan is accepted, the Company may be granted 180 additional calendar days from April 23, 2024, or after October 1, 2023. For example, a calendar year-end entity until October 20, 2024, to evidence compliance with a fourth quarter beginning on October 1, 2023 would be required the Minimum Stockholders' Equity Requirement. In the event the plan to comply beginning regain compliance with its December 31, 2023 Form 10-K (covering activity in that fourth quarter), and in Form 10-Q filings thereafter.

Executive Compensation Claw Back Rule

On October 26, 2022, the SEC adopted new Exchange Act Rule 10D-1 directing US securities exchanges to establish standards that require registrants to develop and implement a written policy for the recovery of erroneously awarded incentive-based compensation received Minimum Stockholders' Equity Requirement is not accepted by current and former executive officers Nasdaq, or, in the event of a required accounting restatement. plan is accepted and an extension period is granted but Company fails to regain compliance within that period, the Class A Common Stock will be subject to delisting. The new rule and related amendments also require registrants Company would have the right to file their recovery policy as an exhibit to their annual report and to provide other disclosures. appeal that decision before a Nasdaq hearing panel. The new rule, which was proposed in 2015 and reopened for comment in 2021 and 2022, is intended to implement hearing request would stay any suspension or delisting action pending the requirements of Section 954 conclusion of the Dodd-Frank Act. hearing process and the expiration of any additional extension period granted by the panel following the hearing.

The SEC has approved the amendments With respect to the proposed compensation clawback listing rules submitted by Timely Filing Requirement, we have until July 22, 2024, to submit to Nasdaq thereby establishing a plan to regain compliance with the effective date of October 2, 2023. The Company must adopt a compliant clawback policy under Timely Filing Requirement. If Nasdaq accepts the new plan, Nasdaq Listing Rule 5608 may grant up to an additional 180 calendar days or until November 18, 2024, to regain compliance.

There can be no later than December 1, 2023, all incentive-based compensation received by the Company's executives on or after October 2, 2023 is subject to clawback; and assurance that the Company is required will regain compliance with the Minimum Bid Price Requirement or the Minimum Stockholders' Equity Requirement, that it will be granted an exception to must make compensation clawback disclosures the Timely Filing Requirement or that it will otherwise remain in annual reports and proxy and information statements filed on or after October 2, 2023. compliance with the other listing requirements for Nasdaq.

On November 8, 2023 As discussed earlier in this report, the Company entered into a Merger Agreement on March 7, 2024, if the Board of Directors Merger is consummated, the Company's Class A Common Stock will be delisted from the Nasdaq Capital Market in connection with the consummation of the Company adopted a compliant clawback policy that is effective with respect to incentive-based compensation received by the Company's executives on or after October 2, 2023. Merger.

Item 3. Quantitative and Qualitative Disclosures About Market Risk

We have not, to date, been exposed to material market risks given our early stage of operations. As we expand our commercial operations, we expect to be exposed to foreign currency exchange rate and commodity price risks, particularly related to rocket

33

Table of Contents

propellants, helium, and aluminum, among others, and potentially other market risks, including those related to interest rates or valuation of financial instruments, among others. There were no material changes in our market risk since the year ended December 31, 2022 December 31, 2023.

Item 4. Controls and Procedures

Evaluation of disclosure controls and procedures

We maintain disclosure controls and procedures (as that term is defined in Rules 13a-15(e) and 15d-15(e) under the Exchange Act) that are designed to ensure that information required to be disclosed in our reports filed or submitted under the Exchange Act is recorded, processed, summarized and reported within the time periods specified in the SEC's rules and forms, and that such information is accumulated and communicated to our management, including our Chief Executive Officer, who serves as our principal executive officer, and Chief Financial Officer, who serves as our principal financial officer, as appropriate, to allow for timely decisions regarding required disclosures. In designing and evaluating our disclosure controls and procedures, management recognizes that 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 are resource constraints, and that management is required to apply judgment in evaluating the benefits of possible controls and procedures relative to their costs.

Our management, with the participation of our Chief Executive Officer and Chief Financial Officer, evaluated, as of the end of the period covered by this Quarterly Report on Form 10-Q, the effectiveness of our disclosure controls and procedures. Based on that evaluation, our Chief Executive Officer and Chief Financial Officer concluded that our disclosure controls and procedures were not effective as of September 30, 2023 March 31, 2024, due to the material weaknesses in our internal control over financial reporting described below.

Material Weaknesses in Internal Control over Financial Reporting

45

Table of Contents

A material weakness is a deficiency, or a combination of deficiencies, in internal control over financial reporting such that there is a reasonable possibility that a material misstatement of our annual or interim financial statements will not be prevented or detected on a timely basis. Specifically, material weaknesses identified are:

Control Environment

We did not design and maintain an effective control environment to enable the identification and mitigation of risks of material misstatement which contributed to the following material weaknesses:

- We did not design and maintain effective information technology ("IT") general controls for information technology systems that are relevant to the preparation financial statements. Specifically, we did not design and maintain:
  - o program change management controls to ensure that program and data changes are identified, tested, authorized and implemented appropriately,
  - o user access controls to ensure appropriate segregation of duties and to adequately restrict user and privileged access to appropriate personnel,
  - o computer operations controls to ensure that processing and transfer of data, and data backups and recovery are monitored, and
  - o program development controls to ensure that new software development is tested, authorized and implemented appropriately.
- We did not design and maintain effective controls over formalizing certain policies and procedures.
- We did not design and maintain effective controls over business processes related to and including the preparation and recording of journal entries within our acco systems related thereto.
- We did not design and maintain effective controls over accounting for complex transactions and instruments, including, the inaccurate accounting for Public and I Placement Warrants and the inaccurate application of conversion accounting related to our convertible instruments.

Risk Assessment

We did not design and maintain controls over an effective risk assessment, including: (i) identifying, assessing, and communicating appropriate objectives, (ii) identifying and analyzing risks to achieve these objectives, and (iii) identifying and assessing changes in the business that could impact our internal control over financial reporting.

Control Activities

We did not design and maintain effective control activities as the control activities did not adequately (i) address relevant risks, (ii) provide evidence of performance, (iii) provide appropriate segregation of duties, or (iv) operate at a sufficient level of precision.

Information and Communication

34

[Table of Contents](#)

We did not design and maintain controls over information and communication relating to communicating accurate information internally and externally, including providing information pursuant to objectives, responsibilities, and functions of internal control.

Monitoring Activities

We did not design and maintain effective monitoring controls to ascertain whether the components of internal control are present and functioning.

These material weaknesses resulted in a restatement to additional paid-in-capital, accumulated deficit and adjustment to redemption value on convertible preferred stock for the quarterly period ended June 30, 2021. These material weaknesses also resulted in audit adjustments and immaterial errors to our accounts and disclosures, as of and for the years ended December 31, 2022 December 31, 2023 and 2021. 2022.

Additionally, these material weaknesses could result in a misstatement of substantially all of our account balances or disclosures that would result in a material misstatement to the annual or interim consolidated financial statements that would not be prevented or detected.

Remediation Plan

Our Through the year ended December 31, 2023, our executive management team, including our Chief Executive Officer and Chief Financial Officer, continue continued to work to design and implement both a short-term and a long-term remediation plan to correct the material weaknesses in our internal control over financial reporting as described below. We are were focused on enhancing the design and implementation of effective internal control measures to improve our internal control over financial reporting and remediate these material weaknesses.

To This included the following areas to address the material weaknesses, and management has had completed, or is were in the process of:

46

[Table of Contents](#)

completing:

- Expanding the management and governance over IT system controls including the strengthening of;
    - o program change management controls to ensure that program and data changes are identified, tested, authorized and implemented appropriately and aligne business and IT requirements,
    - o user access controls to ensure appropriate segregation of duties and to adequately restrict user and privileged access to appropriate personnel,
    - o computer operations controls to ensure that processing and transfer of data, and data backups and recovery are monitored, and
    - o program development controls to ensure that new software development is tested, authorized and implemented appropriately.
- We are in the process of formalizing Formalizing accounting, and other key business process policies and procedures.
- We are implementing Implementation and enhancing enhancement of comprehensive business process controls over the preparation and review of journal entries, inc the deployment of a new ERP system in the third quarter of 2022, and establishing additional controls to verify transactions are properly classified in the fi statements.
- We are enhancing Enhancing our processes to identify and appropriately apply applicable accounting requirements to better evaluate and understand the nuances complex accounting standards for complex transactions and instruments as well as the hiring of additional experienced internal resources. We have provided enh access to accounting literature, research materials, and documents as well as increased communication with third-party consultants and specialists with whom we c regarding the application of accounting standards over complex transactions and instruments to supplement our internal resources.
- We are in the process of enhancing and have completed some enhancements Enhancements to our implementation of all of the components of the "Internal Co Integrated Framework (2013)" issued by the Committee of Sponsoring Organizations of the Treadway Commission (COSO). This includes improvements to our Sar Oxley program, an overall Company-wide risk assessment process and assessing the effectiveness of control activities to contribute to the mitigation of risks and s achievement of objectives facilitated by Internal Audit. In addition, we have completed the assignment of responsibilities, internal and external, associated w performance of internal controls over financial reporting and will continue to monitor the need to hire additional resources, contracting external resources, and co providing additional training to existing resources as appropriate.

As we continue During the first quarter of 2024, while the Company continued to operate, and make improvements in our evaluation and assess control environment, our primary focus has been to maintain the effectiveness of our internal control over financial reporting going forward, management may modify the actions described above or identify and take additional measures to address control deficiencies. While we prioritize achieving the effectiveness of our internal control over financial reporting and disclosure existing controls and procedures, until our remediation efforts, including any additional measures management identifies as necessary, are completed, validated and tested over a sustained period, the material weaknesses described above will continue to exist and management will not be able to conclude that they are remediated. We are committed to continuous improvement and will continue to diligently review our internal control over financial reporting. processes.

Changes in Internal Control over Financial Reporting

35

Table of Contents

There have been no changes in our internal control over financial reporting (as that term is defined in Rules 13a-15(f) and 15d-15(f) under the Exchange Act) during the three months ended September 30, 2023 March 31, 2024 that have materially affected, or are reasonably likely to materially affect, our internal control over financial reporting.

Table of Contents

PART II—OTHER INFORMATION

Item 1. Legal Proceedings

Discussion of legal matters is incorporated by reference from Part I, Item 1, *Note 8- Commitments and Contingencies,* of this Quarterly Report on Form 10-Q, and should be considered an integral part of Part II, Item 1, “Legal Proceedings.”

Item 1A. Risk Factors

There have been no material changes from the risk factors previously disclosed in our Annual Report on Form 10-K for the period ended December 31, 2022 December 31, 2023, filed with the SEC on March 30, 2023 (as amended on March 31, 2023) and our Quarterly Reports on Form 10-Q for the periods ended March 31, 2023, filed with the SEC on May 15, 2023 and August 14, 2023, respectively. April 18, 2024.

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

On November 6, 2023, the Company sold affiliates of two early investors of the Company (the “Bridge Financing Investors”) warrants to purchase up to 5,314,201 shares of the Company’s Class A Common Stock at a purchase price of $0.125 per warrant for an aggregate purchase price of approximately $664,275 that are immediately exercisable at an exercise price of $0.808 per share of Class A Common Stock, subject to certain adjustments and that expire on November 6, 2028. The Company intends to use the proceeds of the sale of the warrants for general corporate purposes. None.

The warrants were issued in connection with the closing by the Bridge Financing Investors of our Senior Note and a loan of approximately $3.05 million to the Company (the “Initial Financing”).The warrants and any warrant shares issuable upon exercise of the warrants (collectively, the “*Securities*”) have not been, and will not be, registered under the Securities Act, or the securities laws of any other jurisdiction. The Securities were, and will be, offered and sold to the Bridge Financing Investors in a transaction exempt from registration under the Securities Act in reliance on Section 4(a)(2) thereof and Rule 506(b) of Regulation D thereunder. The Bridge Financing Investors are “accredited investors,” as defined in Regulation D, and are acquiring the Securities for investment only and not with a view towards, or for resale in connection with, the public sale or distribution thereof. Accordingly, the Securities may not be offered or sold in the United States absent registration or an exemption from registration under the Securities Act and any applicable state securities laws.

Item 3. Defaults Upon Senior Securities

Discussion of defaults under our Senior Note is incorporated by reference from Part I, Item 1, *Note 13 – Subsequent Events* of this Quarterly Report on Form 10-Q, and should be considered an integral part of Part II, Item 3, “Defaults Upon Senior Securities.”

Following our defaults under our Senior Note, the Senior Note was acquired by the Bridge Financing Investors as part of the Initial Financing. In connection with the Initial Financing, the Bridge Financing Investors have agreed to waive certain existing and prospective defaults and events of default under the Senior Note, including the events of default described in *Part I, Item 1, Note 13 – Subsequent Events* of this Quarterly Report on Form 10-Q, and the requirement for the Company to comply with the minimum liquidity financial covenant in the Senior Note until November 17, 2023 to provide the Company with time to raise additional liquidity through various capital raising and cost cutting initiatives and strategic transactions. None.

Item 4. Mine Safety Disclosures

None.

Item 5. Other Information

None. No director or Section 16 officer of the Company entered into or amended any 10b5-1 trading arrangement during the first quarter of 2024, and no such director or Section 16 officer of the Company has any such 10b5-1 trading arrangement.

Table of Contents

Item 6. Exhibits

Exhibit Number	Description	Incorporated by Reference Form	SEC File No.	Exhibit	Filing Date
3.1	Certificate of Amendment to the Third Amended and Restated Certificate of Incorporation of Astra Space, Inc.	8-K	001-39426	3.1	September 13, 2023
4.1	Form of Initial Note under Securities Purchase Agreement dated August 4, 2023	8-K	001-39426	4.1	August 4, 2023
4.2	Form of Initial Warrant under Securities Purchase Agreement dated August 4, 2023	8-K	001-39426	4.2	August 4, 2023
4.3	Form of Secured Bridge Note	8-K	001-39426	4.1	November 8, 2023
4.4	Form of Common Stock Purchase Warrant	8-K/A	001-39426	4.2	November 13, 2023
10.1	Sales Agreement between Astra Space, Inc. and Roth Capital Partners, LLC dated July 10, 2023	8-K	001-39426	1.1	July 10, 2023
10.2	Securities Purchase Agreement, dated August 4, 2023, by and among Astra Space, Inc. and each of the investors party thereto	8-K	001-39426	10.1	August 4, 2023
10.3	Settlement and General Release, dated August 14, 2023, between Astra Space, Inc. and Fortis Advisors, LLC	8-K	001-39426	10.1	August 16, 2023
10.4	Reaffirmation Agreement and Omnibus Amendment Agreement, dated November 6, 2023, by and among Astra Space, Inc., each of the subsidiaries of Astra Space, Inc. party thereto. JMCM Holdings LLC, SherpaVentures Fund II, LP and GLAS Americas LLC, in its capacity as collateral agent	8-K	001-39426	10.1	November 8, 2023
31.1*	Certification of Chief Executive Officer Pursuant to Rules 13a-14(a) and 15d-14(a) under the Securities Exchange Act of 1934, as Adopted Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.				
31.2*	Certification of Chief Financial Officer Pursuant to Rules 13a-14(a) and 15d-14(a) under the Securities Exchange Act of 1934, as Adopted Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.				
32.1**	Certification of Chief Executive Officer Pursuant to 18 U.S.C. Section 1350, as Adopted Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.				
32.2**	Certification of Chief Financial Officer Pursuant to 18 U.S.C. Section 1350, as Adopted Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.				
101.INS	Inline XBRL Instance Document – the instance document does not appear in the Interactive Data File because XBRL tags are embedded within the Inline XBRL document.				
101.SCH	Inline XBRL Taxonomy Extension Schema Document				
101.CAL	Inline XBRL Taxonomy Extension Calculation Linkbase Document				
101.DEF	Inline XBRL Taxonomy Extension Definition Linkbase Document				
101.LAB	Inline XBRL Taxonomy Extension Label Linkbase Document				
101.PRE	Inline XBRL Taxonomy Extension Presentation Linkbase Document				
104	Cover Page Interactive Data File (embedded within the Inline XBRL document)				

Exhibit Number	Description	Incorporated by Reference Form	SEC File No.	Exhibit	Filing Date

4.1	Form of Common Stock Purchase Warrant	8-K	001-39426	4.2	November 24, 2023
4.2	Form of Senior Secured Convertible Note due 2025	8-K	001-39426	4.1	February 6, 2024
4.3	Form of Senior Secured Convertible Note due 2025, amending and restating Exhibit 4.2 of this Quarterly Report.	8-K	001-39426	4.1	March 1, 2024
4.4	Form of Senior Convertible Note due 2025, amending and restating Exhibit 4.3 of this Quarterly Report.	8-K	001-39426	4.1	April 15, 2024
4.5	Form of Senior Secured Convertible Note due 2025, amending and restating Exhibit 4.4 of this Quarterly Report.	8-K	001-39426	4.1	May 1, 2024
4.6	Warrant Agreement, dated February 3, 2023, by and between Astra Space, Inc. and ShareIntel-Shareholder Intelligence Services, LLC.	10-K	001-39426	4.2	March 30, 2023
10.1	Securities Purchase Agreement, dated August 4, 2023, by and among Astra Space, Inc. and each of the investors party thereto	8-K	001-39426	10.1	August 4, 2023
10.2	Omnibus Amendment No. 3 Agreement, dated as of November 21, 2023, between Astra Space, Inc., its subsidiaries, the Investors and GLAS Americas, LLC, as collateral agent.	8-K	001-39426	10.1	November 24, 2023
10.3	Amendment to Securities Purchase Agreement, dated January 19, 2024, by and among Astra Space, Inc., each of the subsidiaries of Astra Space, Inc. party thereto, the Investors and GLAS Americas LLC, which Securities Purchase Agreement is Exhibit 10.1 to this Quarterly Report and was amended and restated as an exhibit to Exhibit 10.2 of this Quarterly Report.	8-K	001-39426	10.1	January 25, 2024
10.4	Agreement Regarding Omnibus Amendment No. 3 Agreement, dated as of January 22, 2023, between Astra Space, Inc., its subsidiaries, and the Investors.	10-K	001-39426	10.29	April 18, 2024
10.5	Amendment to Senior Secured Convertible Notes, dated as of January 31, 2024, by and among Astra Space, Inc., its subsidiaries, and the Holders.	8-K	001-39426	10.1	February 6, 2024
10.6	Second Amendment to Securities Purchase Agreement and Second Amendment to Senior Secured Convertible Notes, dated February 26, 2024, by and among Astra Space, Inc., each of the subsidiaries of Astra Space, Inc. party thereto, the Investors and GLAS Americas LLC.	8-K	001-39426	10.1	March 1, 2024
10.7	Limited Waiver and Consent to Senior Secured Convertible Notes and Common Stock Purchase Warrant and Reaffirmation of Transaction Documents, dated as of March 7, 2024, by and among Astra Space, Inc., each of the subsidiaries of Astra Space, Inc. party thereto and each of the investors party thereto.	8-K	001-39426	10.1	March 12, 2024
10.8	Royalty Bearing Manufacturing License between AST & Science, LLC and the Company, dated March 6, 2024.	10-K	001-39426	10.34	April 18, 2024
10.9	Third Amendment to Securities Purchase Agreement and Third Amendment to Senior Secured Convertible Notes, dated April 10, 2024, by and among Astra Space, Inc., each of the subsidiaries of Astra Space, Inc. party thereto, the investors party thereto and GLAS Americas, LLC.	8-K	001-39426	10.1	April 15, 2024

Table of Contents

10.10	Fourth Amendment to Senior Secured Convertible Notes, dated as of April 30, 2024, by and among Astra Space, Inc., its subsidiaries, and the Holders.	8-K	001-39426	10.1	May 1, 2024
31.1*	Certification of Chief Executive Officer Pursuant to Rules 13a-14(a) and 15d-14(a) under the Securities Exchange Act of 1934, as Adopted Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.				

31.2*	Certification of Chief Financial Officer Pursuant to Rules 13a-14(a) and 15d-14(a) under the Securities Exchange Act of 1934, as Adopted Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.
32.1**	Certification of Chief Executive Officer Pursuant to 18 U.S.C. Section 1350, as Adopted Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.
32.2**	Certification of Chief Financial Officer Pursuant to 18 U.S.C. Section 1350, as Adopted Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.
101.INS	Inline XBRL Instance Document – the instance document does not appear in the Interactive Data File because XBRL tags are embedded within the Inline XBRL document.
101.SCH	Inline XBRL Taxonomy Extension Schema Document
101.CAL	Inline XBRL Taxonomy Extension Calculation Linkbase Document
101.DEF	Inline XBRL Taxonomy Extension Definition Linkbase Document
101.LAB	Inline XBRL Taxonomy Extension Label Linkbase Document
101.PRE	Inline XBRL Taxonomy Extension Presentation Linkbase Document
104	Cover Page Interactive Data File (embedded within the Inline XBRL document)

* Filed herewith.

** Furnished herewith.

Table of Contents

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.

		Astra Space, Inc.
Date: November 16, 2023 May 28, 2024	By:	/s/ Chris C. Kemp
		Chris C. Kemp
		Chief Executive Officer and Chairman of Board and Principal Executive Officer
Date: November 16, 2023 May 28, 2024	By:	/s/ Axel Martinez
		Axel Martinez
		Chief Financial Officer, Principal Financial Officer and Principal Accounting Officer

Exhibit 31.1

CERTIFICATION PURSUANT TO
RULES 13a-14(a) AND 15d-14(a) UNDER THE SECURITIES EXCHANGE ACT OF 1934,
AS ADOPTED PURSUANT TO SECTION 302 OF THE SARBANES-OXLEY ACT OF 2002

I, Chris Kemp, certify that:

1. I have reviewed this Quarterly Report on Form 10-Q of Astra Space, 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 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, res 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(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 m information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in whi 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 reas assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted acc 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 disc 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 regis 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 fi 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 th 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 aff 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 16, 2023 May 28, 2024

By: /s/ Chris C. Kemp
Chris C. Kemp
Chief Executive Officer

Exhibit 31.2

CERTIFICATION PURSUANT TO
RULES 13a-14(a) AND 15d-14(a) UNDER THE SECURITIES EXCHANGE ACT OF 1934,
AS ADOPTED PURSUANT TO SECTION 302 OF THE SARBANES-OXLEY ACT OF 2002

I, Axel Martinez, certify that:

1. I have reviewed this Quarterly Report on Form 10-Q of Astra Space, 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 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, res 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(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 m information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in whi 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 reas assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted acc 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 disc 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 regis 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 fi 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 th 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 aff 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 16, 2023 May 28, 2024

By: /s/ Axel Martinez
Axel Martinez
Chief Financial Officer

Exhibit 32.1

CERTIFICATION PURSUANT TO
18 U.S.C. SECTION 1350, AS ADOPTED PURSUANT TO
SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002

In connection with the Quarterly Report of Astra Space, Inc. (the "Company") on Form 10-Q for the period ended September 30, 2023 March 31, 2024 as filed with the Securities and Exchange Commission on the date hereof (the "Report"), I certify, pursuant to 18 U.S.C. § 1350, as adopted pursuant to § 906 of the Sarbanes-Oxley Act of 2002, that:

(1) The Report fully complies with the requirements of section 13(a) or 15(d) of the Securities Exchange Act of 1934; and

(2) The information contained in the Report fairly presents, in all material respects, the financial condition and result of operations of the Company.

Date: November 16, 2023 May 28, 2024

By: /s/ Chris C. Kemp
Chris C. Kemp
Chief Executive Officer

Exhibit 32.2

CERTIFICATION PURSUANT TO
18 U.S.C. SECTION 1350, AS ADOPTED PURSUANT TO
SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002

In connection with the Quarterly Report of Astra Space, Inc. (the “Company”) on Form 10-Q for the period ended September 30, 2023 March 31, 2024 as filed with the Securities and Exchange Commission on the date hereof (the “Report”), I certify, pursuant to 18 U.S.C. § 1350, as adopted pursuant to § 906 of the Sarbanes-Oxley Act of 2002, that:

(1) The Report fully complies with the requirements of section 13(a) or 15(d) of the Securities Exchange Act of 1934; and

(2) The information contained in the Report fairly presents, in all material respects, the financial condition and result of operations of the Company.

Date: November 16, 2023 May 28, 2024

By: /s/ Axel Martinez
Axel Martinez
Chief Financial Officer

DISCLAIMER

THE INFORMATION CONTAINED IN THE REFINITIV CORPORATE DISCLOSURES DELTA REPORT™ IS A COMPARISON OF TWO FINANCIALS PERIODIC REPORTS. THERE MAY BE MATERIAL ERRORS, OMISSIONS, OR INACCURACIES IN THE REPORT INCLUDING THE TEXT AND THE COMPARISON DATA AND TABLES. IN NO WAY DOES REFINITIV OR THE APPLICABLE COMPANY ASSUME ANY RESPONSIBILITY FOR ANY INVESTMENT OR OTHER DECISIONS MADE BASED UPON THE INFORMATION PROVIDED IN THIS REPORT. USERS ARE ADVISED TO REVIEW THE APPLICABLE COMPANY'S ACTUAL SEC FILINGS BEFORE MAKING ANY INVESTMENT OR OTHER DECISIONS.