

REFINITIV

DELTA REPORT

10-K

INTUITIVE MACHINES, INC.

10-K - DECEMBER 31, 2023 COMPARED TO 10-K - DECEMBER 31,
2022

The following comparison report has been automatically generated

TOTAL DELTAS 5039

■ CHANGES	37
■ DELETIONS	1958
■ ADDITIONS	3044

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

FORM 10-K

(Mark One)

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

ANNUAL REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934
For the fiscal year ended December 31, 2022

December 31, 2023

OR

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

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: file number 001-40823

INTUITIVE MACHINES, INC.

Intuitive Machines, Inc.

(Exact name of Registrant as specified in its Charter)

charter)

Delaware
(State or other jurisdiction of
incorporation or organization)

36-5056189
(I.R.S. Employer
Identification No.)

3700 Bay Area Blvd 13467 Columbia Shuttle
Street
Houston, TX
Texas

7705877059

(Address of principal executive offices) Principal
Executive Offices

(Zip Code)

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

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

Title of each class	Trading Symbol(s)	Name of each exchange on which registered
Class A Common Stock, par value \$0.0001 per share	LUNR	The Nasdaq Stock Market LLC (The Nasdaq Global Market)
Warrants to purchase one share of Class A Common Stock, each at an exercise price of \$11.50 per share	LUNRW	The Nasdaq Stock Market LLC (The Nasdaq Global Market)

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

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

Yes **No**

Indicate by check mark if the registrant is not required to file reports pursuant to Section 13 or Section 15(d) of the Act. Yes No

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

o

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 o

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 x

No o

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

(Check one):

Large accelerated filer o

Accelerated filer o

Non-accelerated filer x

Small reporting company x

Emerging growth company x

x

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. o

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

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

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

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

No x

The aggregate market value of the voting and non-voting stock held by non-affiliates of Inflection Point Acquisition Corp. ("IPAX"), predecessor of the registrant on June 30, 2022 June 30, 2023, based on the closing price of \$9.69 \$8.19 for shares of IPAX's Class A ordinary shares, was approximately \$319,527,750. As of June 30, 2022, the registrant's Class A Common Stock as reported by the Nasdaq Stock Market, was approximately \$131.5 million.

As of March 15, 2024, the Registrant had 51,080,059 shares of Class A common stock, was not publicly traded.

As of March 29, 2023, there were 84,172,557 \$0.0001 par value, 0 shares of the registrant's Class B common stock, \$0.0001 par value, and 70,909,012 shares of Class C common stock, \$0.0001 per share, par value, outstanding.

DOCUMENTS INCORPORATED BY REFERENCE

None.

INTUITIVE MACHINES, INC.

Table of Contents

Page	ii Page
<u>BASIS OF PRESENTATION</u>	<u>ii</u>
<u>MARKET AND INDUSTRY DATA</u>	<u>ii</u>
<u>CAUTIONARY</u>	
<u>NOTE</u>	
<u>REGARDING</u>	
<u>FORWARD-</u>	
<u>LOOKING</u>	
<u>STATEMENTS</u>	<u>iii</u>
<u>Summary Risk Factors</u>	<u>SUMMARY RISK FACTORS</u>
<u>PART I</u>	<u>IV</u>
<u>Item 1. Business</u>	<u>1</u>
<u>Item 1. Business.</u>	<u>1</u>
<u>Item 1A. Risk Factors.</u>	<u>810</u>
<u>Item 1B. Unresolved Staff Comments.</u>	<u>2729</u>
<u>Item 1C. Cybersecurity</u>	<u>29</u>
<u>Item 2. Properties.</u>	<u>2731</u>
<u>Item 3. Legal Proceedings.</u>	<u>2731</u>
<u>Item 4. Mine Safety Disclosures.</u>	<u>2731</u>
<u>PART II</u>	<u>28</u>
<u>Item 5. Market for the Registrant's Common Equity, Related Stockholder Shareholder Matters and Issuer Purchases of Equity Securities.</u>	<u>2832</u>
<u>Item 6. [Reserved].</u>	<u>2832</u>
<u>Item 7. Management's Discussion and Analysis of Financial Condition and Results of Operations.</u>	<u>2933</u>
<u>Item 7A.7A. Quantitative and Qualitative Disclosures About Market Risk.</u>	<u>3650</u>
<u>Item 8.8. Financial Statements and Supplementary Data.</u>	<u>3651</u>
<u>Item 9. Changes in and Disagreements with Accountants on Accounting and Financial Disclosure.</u>	<u>3693</u>
<u>Item 9A.9A. Controls and Procedures.</u>	<u>3693</u>
<u>Item 9B. Other Information.</u>	<u>3795</u>
<u>Item 9C. Disclosure Regarding Foreign Jurisdictions that Prevent Inspections.</u>	<u>3795</u>
<u>PART III</u>	<u>38</u>
<u>Item 10. Directors, Executive Officers and Corporate Governance.</u>	<u>3896</u>
<u>Item 11. Executive Compensation.</u>	<u>40103</u>
<u>Item 12. Security Ownership of Certain Beneficial Owners and Management and Related Stockholder</u>	<u>46107</u>

<u>Matters. Matters</u>	
<u>Item 13. Certain Relationships and Related Transactions and Director Independence. Independence</u>	48110
<u>Item 14. Principal Accountant Fees and Services. Services</u>	52116
<u>PART IV. IV</u>	53
<u>Item 15. Exhibits15. Exhibits and Financial Statement Schedules. Schedules</u>	53117
<u>Item 16. Form 10-K Summary. Summary</u>	54119
<u>Signatures</u>	120

CAUTIONARY NOTE REGARDING FORWARD-LOOKING STATEMENTS

i

BASIS OF PRESENTATION

Intuitive Machines, Inc. (“Intuitive Machines”) (formerly known as Inflection Point Acquisition Corp. or “IPAX”) was a blank check company originally incorporated on January 27, 2021 as a Cayman Islands exempted company for the purpose of effecting a merger, share exchange, asset acquisition, share purchase, reorganization or similar business combination with one or more businesses. On September 24, 2021, IPAX consummated an initial public offering, after which its securities began trading on the Nasdaq Stock Market LLC (“Nasdaq”). On September 16, 2022, IPAX entered into that certain Business Combination Agreement (the “Business Combination Agreement”) by and between IPAX and Intuitive Machines, LLC, a Delaware limited liability company (formerly, a Texas limited liability company) (“Intuitive Machines OpCo” or “Legacy Intuitive Machines”).

On February 13, 2023 (the “Closing Date”), we consummated the previously announced business combination (the “Business Combination”) and related transactions (the “Transactions”) contemplated by the Business Combination Agreement, following which IPAX was renamed “Intuitive Machines, Inc.” On February 14, 2023, our shares of Class A common stock, par value \$0.0001 per share (the “Class A Common Stock”) and warrants to purchase the Class A Common Stock at an exercise price of \$11.50 per share (the “Public Warrants”) began trading on Nasdaq under the symbols, “LUNR” and “LUNRW,” respectively.

As a result of the Transactions, we are a holding company, all of whose assets are held directly by, and all of whose operations are conducted through, Intuitive Machines OpCo and whose only direct asset consists of equity ownership of Intuitive Machines OpCo. As the managing member of Intuitive Machines OpCo, we have all management powers over, and full control of, the business of Intuitive Machines OpCo, including the power to take all action we deem necessary, appropriate, advisable, incidental, or convenient to accomplish the purposes of Intuitive Machines OpCo set forth in its operating agreement (the “A&R Operating Agreement”), except with respect to actions that require the approval of the members of Intuitive Machines OpCo or as otherwise provided in the A&R Operating Agreement.

Unless otherwise indicated, the historical financial information included in this [This](#) Annual Report on Form 10-K (the “Annual Report”), including [contains](#) “forward-looking statements” within the audited financial statements and the notes thereto in Part II. Item 8 and the information in Part II. Item 7. “Management’s Discussion and Analysis of Financial Condition and Results of Operations” are that of IPAX prior to the consummation [meaning](#) of the Transactions. The audited consolidated financial statements [Private Securities Litigation Reform Act of](#) Intuitive Machines OpCo will be included in Amendment No. 2 to the Company’s Current Report on Form 8-K, which is anticipated to be filed with the Securities and Exchange Commission (the “SEC”) on or about March 30, 2023.

The Business Combination will be accounted for [1995](#), as a common control transaction, with no goodwill or other intangible assets recorded, in accordance with GAAP. Under this method of accounting, IPAX will be treated as the “acquired” company for financial reporting purposes. Under the guidance in Financial Accounting Standards Board’s Accounting Standards Codification Topic 805, Business Combinations for transactions between entities under common control, the assets, liabilities, and noncontrolling interests of Intuitive Machines OpCo and IPAX are recognized at their carrying amounts on the date of the Business Combination. Intuitive Machines OpCo has been determined to be the predecessor to the combined entity. Accordingly, in future reporting periods, our financial statements will be prepared on a consolidated basis with the financial statements of Intuitive Machines OpCo beginning on the Closing Date and will represent a continuation of the financial statements of Intuitive Machines OpCo.

Unless otherwise noted or the context otherwise requires, references to the “Company,” “Intuitive Machines,” “Intuitive Machines, Inc.,” “we,” “us,” or “our” refer to the business of Intuitive Machines OpCo, which became the business of Intuitive Machines, Inc. and its subsidiaries following the consummation of the Transactions.

References to a year refer to our fiscal years ended on December 31 of the specified year.

Certain monetary amounts, percentages and other figures included herein have been subject to rounding adjustments. Accordingly, figures shown as totals in certain tables and charts may not be the arithmetic aggregation of the figures that precede them, and figures expressed as percentages in the text may not total 100% or, as applicable, when aggregated may not be the arithmetic aggregation of the percentages that precede them.

MARKET AND INDUSTRY DATA

This Annual Report includes estimates regarding market and industry data and forecasts, which are based on our own estimates utilizing our management’s knowledge of and experience in, as well as information obtained from our subscribers, trade and business organizations, and other contacts in the market sectors in which we compete, and from statistical information obtained from publicly available information, industry publications and surveys, reports from government agencies, and reports by market research firms. We confirm that, where such information is reproduced herein, such information has been accurately reproduced and that, so far as we are aware and are able to ascertain from information published by publicly available sources and other publications, no facts have been omitted that would render the reproduced information inaccurate or misleading. Industry publications, reports, and other published data generally state that the information contained therein has been obtained from sources believed to be reliable, but we cannot assure you that the information contained in these reports, and therefore the information contained in this Annual Report that is derived therefrom, is accurate or complete. Our estimates of our market position may prove to be inaccurate because of the method

by which we obtain some of the data for our estimates or because this information cannot always be verified with complete certainty due to the limits on the availability and reliability of raw data, the voluntary nature of the data gathering process, and other limitations and uncertainties. As a result, although we believe our sources are reliable, we have not independently verified the information and cannot guarantee its accuracy and completeness.

CAUTIONARY NOTE REGARDING FORWARD-LOOKING STATEMENTS

This Annual Report contains forward-looking statements, amended. All statements other than statements of historical facts contained in this Annual Report are forward-looking statements. This includes, without limitation, statements regarding our vision and business strategy, including the plans and objectives of management for our future operations; our market opportunities, our future revenue opportunities; and our future performance and financial condition. Such statements can be identified by the fact that they do not relate strictly to historical or current facts. When used in this Annual Report, words such as "anticipate," "believe," "continue," "could," "estimate," "expect," "intend," "may," "might," "plan," "possible," "potential," "predict," "project," "should," "strive," "would," and "strategy," "outlook," the negative of these words or other similar expressions may identify forward-looking statements, but the absence of these words does not mean that a statement is not forward-looking. Forward-looking These forward-looking statements include, but are not limited to statements regarding our expectations and plans relating to our first mission to the Moon, including the expected timing thereof and our progress and preparation thereof; our expectations with respect to, among other things, demand for our product portfolio, our submission of bids for contracts; our expectations regarding protests of government contracts awarded to us; our operations, our financial performance and our industry; our business strategy, business plan, and plans to drive long term sustainable shareholder value; and our expectations on revenue and cash generation. These forward-looking statements reflect our predictions, projections or expectations based upon currently available information and other data. Our actual results, performance or achievements may differ materially from those expressed or implied by the forward-looking statements, about future events that and you are based cautioned not to place undue reliance on current expectations these forward-looking statements. The following important factors and assumptions and, as a result, are subject to risks and uncertainties. Many factors uncertainties, among others, could cause actual future events outcomes or results to differ materially from those indicated by the forward-looking statements in this Annual Report, Report:

- our reliance upon the efforts of our Board of Directors (the "Board") and key personnel to be successful;
- our limited operating history;
- our failure to manage our growth effectively;
- competition from existing or new companies;
- unsatisfactory safety performance of our spaceflight systems or security incidents at our facilities;
- failure of the market for commercial spaceflight to achieve the growth potential we expect;
- any delayed launches, launch failures, failure of our satellites or lunar landers to reach their planned orbital locations, significant increases in the costs related to launches of satellites and lunar landers, and insufficient capacity available from satellite and lunar lander launch providers;
- our customer concentration;
- risks associated with commercial spaceflight, including but not any accident on launch or during the journey into space;
- risks associated with the handling, production and disposition of potentially explosive and ignitable energetic materials and other dangerous chemicals in our operations;
- our reliance on a limited to: number of suppliers for certain materials and supplied components;
- failure of our products to operate in the expected manner or defects in our products;
- counterparty risks on contracts entered into with our customers and failure of our prime contractors to maintain their relationships with their counterparties and fulfill their contractual obligations;

- failure to comply with various laws and regulations relating to various aspects of our business and any changes in the funding levels of various governmental entities with which we do business;
- our failure to protect the confidentiality of our trade secrets and know how;
- our failure to comply with the terms of third-party open source software our systems utilize;
- our ability to maintain an effective system of internal control over financial reporting, and to address and remediate existing material weaknesses in our internal control over financial reporting;
- the U.S. government's budget deficit and the national debt, as well as any inability of the U.S. government to complete its budget process for any government fiscal year, and our dependence on U.S. government contracts;
- our failure to comply with U.S. export and import control laws and regulations and U.S. economic sanctions and trade control laws and regulations;

|

- uncertain global macro-economic and political conditions (including as a result of a failure to raise the "debt ceiling") and rising inflation;
- our history of losses and failure to achieve profitability in the future or failure of our business to generate sufficient funds to continue operations;
 - our ability to adequately market our products and services, and to develop additional products and product offerings;
- our public securities' potential liquidity and trading; and
- and other factors detailed under the section titled "Summary Risk Factors" and Part I, Item 1A. "Risk Factors" in this Annual Report.
 - our ability to manage our growth effectively, including through acquisitions;
 - failure to maintain and protect our reputation for trustworthiness and independence;
 - our ability to attract, develop, and retain capable management, editors, and other key personnel;
 - our ability to grow market share in our existing markets or any new markets we may enter;
 - adverse or weakened conditions in the financial sector, global financial markets, and global economy;
 - our ability to respond to and adapt to changes in technology and consumer behavior;
 - failure to successfully identify and integrate acquisitions, or dispose of assets and businesses;

- our public securities' potential liquidity and trading;
- our ability to raise financing in the future and to comply with restrictive covenants related to long-term indebtedness;
- our ability to maintain an effective system of internal control over financial reporting, and to address and remediate existing material weaknesses in our internal control over financial reporting;
- our ability to maintain and protect our intellectual property; and
- other factors detailed under the section "Summary of Risk Factors" and Part I. Item 1A. "Risk Factors" in this Annual Report.

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

Act").

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

ii

SUMMARY RISK FACTORS

iii

SUMMARY RISK FACTORS

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

•

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

- Our securities may be delisted from Nasdaq from trading on its exchange, which could limit investors' ability to make transactions in our securities and subject us to additional trading restrictions.
- Our limited operating history makes it difficult to evaluate our future prospects and the risks and challenges we may encounter.
- Competition from existing or new companies could cause us to experience downward pressure on prices, fewer customer work orders, reduced margins, the inability to take advantage of new business opportunities, and the loss of market share.
- If we fail to manage our growth effectively, we may be unable to execute our business plan and our business, results of operations, and financial condition could be harmed.
- Unsatisfactory safety performance of our spaceflight systems or security incidents at our facilities could have a material adverse effect on our business, financial condition and results of operation.
- The market for commercial spaceflight has not been established with precision. It is still emerging and may not achieve the growth potential we expect or may grow more slowly than expected.
- We may experience a total loss of our technology and products and our customers' payloads if there is an accident on launch or during the journey into space, and any insurance we have may not be adequate to cover our loss. Also, due to the inherent risks associated with commercial spaceflight, there is the possibility that any accident or catastrophe could lead to the loss of human life or a medical emergency.
- We rely on a limited number of suppliers for certain materials and supplied components. We may not be able to obtain sufficient materials or supplied components to meet our manufacturing and operating needs, or obtain such materials on favorable terms.
- Our business is substantially dependent on contracts entered into with customers in the ordinary course of business. As such, we are subject to counterparty risk. If a counterparty to one of our contracts were to default or otherwise fail to perform or be delayed in its performance on any of its contractual obligations to us, such default,

failure to perform or delay could have a material adverse effect on our business, financial condition and results of operations.

- Our business with various governmental entities is subject to the policies, priorities, regulations, mandates and funding levels of such governmental entities and may be negatively or positively impacted by any change thereto.
- We are subject to stringent U.S. export and import control laws and regulations and U.S. economic sanctions and trade control laws and regulations.
- We depend significantly on U.S. government contracts, which often are only partially funded, subject to immediate termination, and heavily regulated and audited. The termination or failure to fund, or negative audit findings for, one or more of these contracts could have an adverse impact on our business, financial condition, results of operations and cash flows.
- Our actual operating results may differ significantly from our guidance.
- Our financial results may vary significantly from quarter to quarter.

iii

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

- We are a "controlled company" within the meaning of the Nasdaq listing standards and, as a result, will qualify for, and intend to rely on, exemptions from certain corporate governance requirements. You will not have the same protections afforded to stockholders of companies that are subject to such requirements.

iv

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

PART I

- Our limited operating history makes it difficult to evaluate our future prospects and the risks and challenges we may encounter.
- If we fail to manage our growth effectively, we may be unable to execute our business plan and our business, results of operations, and financial condition could be harmed.
- Competition from existing or new companies could cause us to experience downward pressure on prices, fewer customer orders, reduced margins, the inability to take advantage of new business opportunities, and the loss of market share.
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- Our business is substantially dependent on contracts entered into with customers in the ordinary course of business. As such, we are subject to counterparty risk. If a counterparty to one of our contracts were to default or otherwise fail to perform or be delayed in its performance on any of its contractual obligations to us, such default, failure to perform or delay could have a material adverse effect on our business, financial condition and results of operations.
- Our business with various governmental entities is subject to the policies, priorities, regulations, mandates and funding levels of such governmental entities and may be negatively or positively impacted by any change thereto.
- We are subject to stringent U.S. export and import control laws and regulations and U.S. economic sanctions and trade control laws and regulations.
- We depend significantly on U.S. government contracts, which often are only partially funded, subject to immediate termination, and heavily regulated and audited. The termination or failure to fund, or negative audit findings for, one or more of these contracts could have an adverse impact on our business, financial condition, results of operations and cash flows.
- Our actual operating results may differ significantly from our guidance.
- Our financial results may vary significantly from quarter to quarter.
- Our principal asset is our interest in Intuitive Machines OpCo, and, accordingly, we will depend on distributions from Intuitive Machines OpCo to pay our taxes and expenses, including payments under the Tax Receivable Agreement (as defined in Part I. Item 7. "Management's Discussion and Analysis of Financial Condition and Results of Operations" of this Annual Report), and to pay dividends. Intuitive Machines OpCo's ability to make such distributions may be subject to various limitations and restrictions.
- We are a "controlled company" within the meaning of the Nasdaq listing standards and, as a result, will qualify for, and intend to rely on, exemptions from certain corporate governance requirements. You will not have the same protections afforded to shareholders of companies that are subject to such requirements.

Item 1. Business.**Business****Overview**

The following discussion reflects We are a space infrastructure and services company founded in 2013 that is contributing to the establishment of lunar infrastructure and commerce on the Moon. We believe we have a leading position in the development of lunar space operating in four business of Intuitive Machines, as currently embodied by Intuitive Machines.

Our Vision: A diversified space company lines described further below. We are initially focused on establishing the lunar infrastructure and basis for commerce to inform and sustain human presence off Earth. We believe our business is well positioned for continued growth and expansion:

•

Right Now: Servicing the National Aeronautics and Space Administration (“NASA”) and a worldwide set of commercial payload customers, working to provide access to the lunar surface, cislunar space and data transmission for science, technology, and infrastructure.

•

Tomorrow: Working to provide a thriving, diverse lunar economy, creating new opportunities and markets to enable on-orbit applications, a permanent presence on the Moon, and expand the commercial space exploration marketplace.

We are currently working to provide access to the lunar surface and collect and transmit cislunar data for science, technology, and infrastructure purposes. As of December 31, 2022, we infrastructure. We are one of a select few companies servicing NASA and a worldwide set of commercial payload customers. We believe we have a strong position with a first mover advantage, as evidenced by three Commercial Lunar Payload Services (“CLPS”) awards to date more than any of our competitors as of December 31, 2022 December 31, 2023. On February 22, 2024, Intuitive Machine’s Machines’ Nova-C lander is intended to become became the first U.S. vehicle to softly land on the lunar surface since 1972. The 1972 and landed the vehicle further south than any vehicle in the world has ever soft-landed on the Moon. Our Nova-C lander is capable of carrying up to 130 on the IM-1 mission carried approximately 100 kilograms of cargo payloads and is designed to execute shuttled numerous experiments and technology demonstrations to the lunar surface in 2023, near the south pole. Our goal is for these missions to be followed up by follow the successful IM-1 mission with IM-2, which is intended will continue to become the first object to land execute experiments and technology demonstrations at the South Pole of Shackleton Connecting Ridge at the Moon in human history, lunar south pole, and IM-3, our third CLPS award, which will land at Reiner Gamma. These missions, along with additional expeditions, are in partnership with NASA, Nokia Corporation, SpaceFlight Inc., Columbia Sportswear Company, Aegis Aerospace, Inc. and other commercial players.

We offer our Intuitive Machines offers its customers the flexibility needed to pioneer a thriving, and diverse lunar economy designed and to enable a permanent presence in lunar orbit and on the Moon.

Additionally, the U.S. Space Forces’ (the “Space Force”) requirement to ensure freedom of action in space is driving their initial focus on cislunar Space Domain Awareness sensors and xGEO Position Navigation and Timing solutions as a result of the ongoing efforts by the United States and the People’s Republic of China (“China”) to return to the lunar surface in a sustainable manner. We believe the U.S. Department of Defense funding for cislunar activities will drive the Space Force to rely on purchasing cislunar com

mercial services for the next five plus years, as opposed to acquiring and operating new government systems. This funding provides an opportunity for companies such as Intuitive Machines to sell Space Domain Awareness, Position Navigation and Timing, and secure communications to the Space Force, especially given that the commercial sector will

be the driving force in providing cislunar products and services due to the capital that is flowing to new space entrants. This, along with other domestic and foreign allied policies, enhances our belief in the growing space economy and why we are well-positioned.

Our Industry

We believe the commercial lunar economy is poised for growth given a number of key factors, including reduced barriers to entry in space, rising geopolitical tensions, and growing demand and program funding from the U.S. government.

Reduced Barriers to Entry: The barriers to entry of the lunar economy have diminished significantly over the past decade. In particular, the costs of launch and lunar exploration have decreased meaningfully since the Apollo missions of the 1960s and early 1970s. NASA currently estimates that the upcoming Artemis I mission will cost approximately \$28 billion to fund. Further, public-private partnerships, such as NASA's commercial lunar payload contract program, are helping private companies pursue innovation and make lunar exploration more affordable than in past decades.

Rising Geopolitical Tensions: Additionally, there is geopolitical and policy alignment with the return to the Moon. As described in the 2022 Defense Intelligence Agency report titled *Challenges to Security in Space*, "China and Russia value superiority in space. As a result, we expect them to seek ways to strengthen their space and counterspace programs and determine ways to better integrate them into their respective militaries." Specifically, the Chinese Lunar Exploration Program is already well underway. In 2020, Chang'e 5 successfully returned samples from the Moon. Over the next five years, three more Chang'e 5 missions are planned with the aim of generating products using lunar materials, a practice called in-situ resource utilization. The success of countries, such as, China, India and Japan, highlights the values placed on superiority in space by other countries, such as Russia, has ignited a 21st-century 21st-century space race that is well underway.

1

Market Push: As a result of the aforementioned factors, government funding for lunar missions has significantly grown as evidenced by the NASA Artemis program. The Artemis program is a bipartisan initiative to return humans to the Moon and eventually achieve human exploration of Mars. Unlike the Apollo program, the Artemis program is relying heavily upon partnership with the private sector in order to accomplish its goals in a more cost-effective manner. Total NASA spending on the Artemis program is expected to reach \$93 billion by FY 2025, according to a recent audit by the NASA Office of Inspector General. The program aims to conduct its first human landing in 2025 and achieve a sustainable human presence on the Moon with a powered habitable base camp by the late 2020s. The \$2.6 billion CLPS program that we lead was created to deliver scientific instruments to the Moon to gather data in preparation for the human landing and eventually to deliver support equipment for human presence. Beyond Artemis and CLPS, the Lunar Gateway and Tipping Point contracts (with an approximately value of over \$1.0 billion) are incremental evidence of the significant traction in the lunar market. Lunar Gateway is a series of three elements that will create a space station in lunar orbit scheduled to launch in 2024. Tipping Point is a NASA program that seeks industry-developed space technologies that can foster the development of commercial space capabilities and benefit future NASA missions.

Our Opportunity

Our Opportunity

We believe we are well-positioned to help ignite the cislunar economy by reducing cost of access while providing reliable missions on a defined schedule. We intend to accomplish this goal by integrating proven commercial technologies where they exist and solving the hardest problems in a vertically integrated manner. We believe we have already demonstrated success in this approach with our Propulsion and Guidance, Navigation and Control (“GN&C”) systems, both of which were designed and are produced in-house. We believe that space is the next economic frontier and the increased demand from governments, intelligence agencies, commercial industries, and private individuals has created multiple avenues for long-term growth. We are strongly positioned to exploit this growing market and become a leader with ~~its~~ our proprietary technology technologies and ~~active~~ growing backlog of customers.

The end markets that Intuitive Machines addresses represent over \$175.0 billion in annual ~~we address includes annual spending and include~~ associated with the 2024 President’s Budget of approximately \$24.9 billion for NASA’s Space Exploration (estimated NASA spending of \$25.0 billion in 2022), and \$40.9 billion for U.S. National Security Space (estimated (which includes the Space Force SDA and MDA spending of \$30.0 billion in 2022) and the Missile Defense Agency). In addition, Commercial Satellite Services (estimated spending reached approximately \$113 billion during FY 2022, according to the 2023 State of \$123.0 billion in 2022), the Satellite Industry Report provided by the Satellite Industry Association. Within these markets, our Lunar Services and Earth Orbital Services business units are the primary addressable markets for Intuitive Machines and each represent we believe represents a more than \$100.0 billion growing opportunity over the next decade.

Lunar Services (estimated market size to be approximately \$105.0 billion from 2021-2030): Services: We expect crewed missions, infrastructure, transportation, robotics, communication, and science and technology as significant market drivers. Through our Lunar Access Services and Lunar Data Services business units, we believe we are well positioned to be able to grow our business through our lunar landers and market leading capabilities.

Orbital Services (estimated market size to be approximately \$14.0 billion from 2022-2031): Services: We believe there are broad opportunities within the orbital services market segment, including life extension, robotics, salvage, Space Situational Awareness (SSA), de-orbiting, and relocation. Our Orbital Services business unit is being built to promote ancillary services, including satellite servicing and refueling, space station servicing, satellite repositioning, and orbital debris removal. We believe that deploying and supporting satellites in certain unique Earth orbits will allow us to optimize this market.

Our Business Units, Products and Services

We are a premier provider and supplier of space products and services that we believe will enable sustained robotic and human exploration to the Moon, Mars, and beyond. Our core technologies underpin our capabilities in four business units: Lunar Access Services, Orbital Services, Lunar Data Services and Space Products and Infrastructure.

We expect to achieve leading time to market across these business lines driven by our short design to manufacture process, enabled through vertical integration and ~~rapidly~~ rapid iterative testing. This has been demonstrated with our GN&C and propulsion systems, which have passed multiple validation tests in preparation for our first lunar mission as well as our operational lunar data network. These technologies can be leveraged to capture orbital services and we expect successful lunar landings will demonstrate our capability as an agile space company, supporting our continued expansion into Space Products and Infrastructure.

Lunar Access Services

We intend to utilize our proprietarily developed lunar lander vehicles to service CLPS contracts to fly NASA scientific equipment and commercial ~~cargo~~ payloads to the lunar surface and support experiments.

Our Nova-C lander flying that flew on the IM-1 is designed to be mission in February 2024 was the first U.S. vehicle to softly land on the lunar surface since 1972. 1972 and was the first object in human history to land at the South Pole. Powered by our VR900 proprietary engine, and replete with innovative avionics for advanced guidance, navigation and control, IM-1 is capable of carrying up to 130 the Nova-C lander carried approximately 100 kilograms of cargo, payloads, and is intended to ferry shuttled numerous experiments technology demonstrations to the lunar surface in 2023. surface. Our goal is for the IM-1 mission to be followed up by IM-2, is intended which will continue to succeed IM-1 as our second flight, as we attempt to make it the first object in human history to land at the South Pole execute experiments and technology demonstrations, including deployment of the Moon and deploy the Moon's first drill to test for water ice while also deploying our micro-Nova "hopper" —, a drone to test the Nokia LTE network in space. The workhorse of the Nova-C lander is the VR900 LOX/Methane engine, which is a fully additively manufactured (3D printed) rocket engine, which we designed and manufacture in-house. Building off the solid framework of our Nova-C lander systems and structures, we have designed a scalable path for the development and construction of additional vehicles. The Nova-D thanks lander intends to its two VR900 engines incorporate technologies developed for the Nova-C, and stretched tanks, will have a projected payload capacity of 500-750 kilograms and 500-2500 kilograms. The Nova-D has completed System Definition Review (SDR). Our largest lander, lander, the Nova-M, will will rely on its two VR3500 engines to carry approximately 5,000-7,500 kilograms of payload to the lunar surface. Nova-M is a future development effort. These options are designed to afford flexibility for our customers as we pioneer a thriving, diverse lunar economy and enable a permanent presence on the Moon. Importantly, they are also all based on the same LOX/Methane engine, which is designed and manufactured in-house.

We also offer lunar surface mobility through the lunar rocket-fueled drone, μNova. The μNova is a small robotic, deployable spacecraft that is designed to provide a novel type of mobility to reach extreme lunar environments, such as pits and craters. Acting as a payload on a lander like the Nova-C, μNova deploys once on the lunar surface and uses its own propulsion system to autonomously fly, or "hop," between locations of interest. Capable of traveling up to 25 kilometers from its host lander with a payload of 5 kilograms, μNova enables a number of mission types, including regional surveys, prospecting of multiple dispersed sites, and accessing hard-to-reach locations like permanently shadowed regions, lunar pits, and craters. The technology is also designed to be scalable to provide similar access for larger payloads over a longer distance. The first μNova is intended to fly to the Moon on IM-2 and perform a demonstration mission at the lunar South Pole for the NASA Tipping Point program.

As of December 31, 2022 December 31, 2023, the contracted value of our Lunar Access Services business unit includes \$289.0 million \$292.4 million of NASA CLPS and Tipping Point contracts, and \$56.8 million \$25.1 million of commercial payloads, and \$17.5 million of rideshares contracted on IM-1, IM-2, and IM-3. In addition, as of December 31, 2022 December 31, 2023, we have \$1.6 million \$1.6 million in commercial sponsorships and content sales, which provides us with another source of revenue outside of our core operations. Our three lunar missions are contracted to fly on SpaceX's Falcon 9. Looking beyond our IM-3 mission, our contracted value for future missions is \$28.9 million and includes commercial landed and rideshare payloads. This mission profile primes the market to expect an annual cadence of lunar access missions so customers can begin to prepare their payloads and business cases now for future missions.

Revenue streams from lunar access are expected to include a lunar rocket-fueled drone (μNova), μNova, lunar surface rover services, fixed lunar surface services, lunar orbit delivery services, rideshare delivery services to lunar orbit, and content sales and marketing sponsorships.

Orbital Services

We will be operating missions and are currently developing technologies that are designed to enable services including satellite delivery and rideshare, satellite servicing and refueling, space station servicing, satellite repositioning, and orbital debris removal. Our Orbital Services segment business is designed to mainly support satellites and stations in Earth and lunar orbits.

Our Orbital Services consists of leveraging our technologies and government funds to establish a foothold in capturing the growing orbital services market. The technologies we are working to leverage include mechanism and robotics capabilities, propulsion, Nova-C optical navigation, and rendezvous and proximity operations, and satellite capture.

We have made significant progress to date in orbital services through four major milestones. First, services. Most recently in 2023, we on-boarded a satellite services team in order to add a world-class mechanisms/robotics team onto our Rendezvous Proximity Operations and Capture ("RPOC"). We also signed a \$6.0 million Commercial RPOC were awarded as the prime contractor by NASA on the OMES III contract with Axiom Space. Third, a value of up to \$720.0 million, where we have actively engaged in policy development for Active Debris Removal Funding and license two NASA Active Debris Removal patents pursuant to the In-License Agreement. Lastly, we have three rideshare contracts across IM-2 and IM-3 collectively worth \$18.45 million, with several others in discussion.

We are also pursuing two main strategic pursuits. We are pursuing a \$720.0 million prime engineering contract to will lead the NASA Landsat Servicing mission as well as a pursuit to mission. Additionally, we were also awarded the Joint Energy Technology Supplying On-Orbit Nuclear Power contract ("JETSON"), that further expands our relationship with NASA and emphasizes our capabilities in key technology focus areas. We are also pursuing work with National Security Space in order to leverage domain expertise for demonstrations of orbital servicing, debris removal, rideshares, and Space Domain Awareness.

Lunar Data Services

We believe that our Lunar Data Services offering is made up of a validated and complete lunar communications solution. Our Lunar Data Network ("LDN") consists of our Nova Control Lunar Operations Center, our existing global collection of dishes called the Lunar Telemetry, Tracking and Communications Network ("LTN"),

and a planned Cislunar Relay Constellation (Khon Satellites comprising our Khonstellation) to be deployed on future missions. We intend to leverage our six strategically positioned ground stations across Earth to offer continuous lunar coverage, facilitating secure lunar communications, navigation, and imagery. Providing Lunar Data Services is designed to allow us to provide lunar network services to NASA, the U.S. Space Force and commercial clients, which we believe will be an increasingly important priority given China's recent declaration that they intend to build their own lunar satellite network.

We believe that we are one of the few companies capable of providing a commercial lunar communication network as an alternative to NASA's aging and overtasked Deep Space Network (DSN) assets, which we believe will allow connectivity with the far side of the Moon and support robotic and human missions to the South Pole of the Moon. We are designing and building the required critical infrastructure and have existing agreements with global ground stations to provide coverage of the Moon. We believe that our Lunar Data Services offering is made up of a validated and complete lunar communications solution.

Our network consists is secured by layered levels of our protection including advanced architecture, CrowdStrike endpoint and antivirus, and Splunk advanced Security Information & Event Management ("SIEM") control. Our Nova Control Lunar Operations Center our global collection of dishes called the Lunar Telemetry, Tracking and Communications Network ("LTN"), and the Cislunar Relay Constellation (Khon Satellites comprising our Khonstellation). Our network is secured by IronNet cybersecurity. In addition to our own LTN, we have our own a world-class control center located at our headquarters in Houston, Texas. Built from the ground up by our highly experienced team, Nova Control enables collaboration, innovation and seamless operations, in this 24-hour facility that was designed to provide tracking, telemetry and communications support for cislunar space and the surface of the Moon.

Our lunar network can provide line of sight communication and will provide lunar South Pole and far-side coverage, lunar positioning services (GPS for the Moon), data relay, and data storage/caching.

We continue to bid for contracts including our recent submission to NASA solicitation for Near Space Network Services, a ten-year multi-award contract for communication services direct to / from earth and data relay and navigation services in and around the vicinity of the moon.

Space Products and Infrastructure

This **segment** business unit includes propulsion systems, navigation systems, engineering services contracts, lunar mobility vehicles (rovers and drones), power infrastructure (Fission Surface Power), and human habitation systems.

With extensive manufacturing capabilities, an in-house composites shop, and robust machine shop, we are able to find solutions for the prototyping or production challenges our customers face. **Intuitive Machines' Our** manufacturing facility currently houses two EOS M290 manufacturing machines capable of creating manufactured parts in several characterized materials, including Inconel (IN625) and Titanium (Ti64). Our facility also houses the IM 3D design studio and post processing facilities that enhance development of in-house, manufactured parts. With these capabilities, we are positioning ourselves to rapidly manufacture on-demand prototypes, development parts, flight units and spares with a focus on producing small series and high-quality serial productions of metal manufactured components.

We also have rich experience and unique capabilities with engines, ignitors, controllers, encoders, gimbals, and diverse test facilities that allow us to rapidly develop propulsion systems. **In a recent example, in February 2020, we** We successfully test-fired our VR3500 Moon lander engine for over 600 seconds, breaking the continuous test duration record on Marshall Space Flight Center's Test Stand 115 **—** within four months from contract award. Our LOX/Methane engines are unique for in-space propulsion, in that they have demonstrated safety in handling and testing here on the ground, as well as reliable performance in space, and will enable our vehicles to fly more direct trajectories to the Moon. This is important because higher performance allows us to transit the Van Allen belt once compared to lower thrust systems which require several transits, which greatly reduces the risk of damage to our vehicle avionics due to high energy particles (radiation). The workhorse of our engine fleet is the 900lbf thrust class VR900. This engine has undergone hundreds of hours of testing and design, and **will be used in** successfully powered our Nova-C lander as it returns the United States to the lunar **surface.** surface on IM-1 in February 2024. We also have engineered the VR3500 Engine. The VR3500 development and testing was performed on contract for Boeing's Human Landing System (HLS) NextSTEP-2 in support of NASA's Artemis program to return humans to the lunar surface. Our team designed, developed, built, and tested the engine within four months of contract award. This is an example of how our team combines innovation and experience to rapidly deliver results.

Our broad experience in automated systems includes avionics, communications, navigation, guidance and control systems, rendezvous and proximity operations, synthetic perception technology and human-machine interfaces. Specifically, our team brings extensive experience from NASA's Morpheus and ALHAT (Autonomous Landing and Hazard Avoidance Technology) projects and the efforts of the Precision Landing and Hazard Avoidance ("PLHA") (PLHA) community. We helped validate the Natural Feature Tracking (NFT) system for the OSIRIS-REx mission, which enabled precision landing on the asteroid Bennu. We have developed a PLHA system with Terrain Relative Navigation (TRN) using optical and laser measurements for precise and safe landing on a celestial body. We continue to mature our PLHA technology with the

4

support of a nationwide academic network for incorporation into our Nova-C missions to the lunar surface in 2023.

2024 under the IM-1 missions.

We employ some of the industry's most advanced software tools and processes to rapidly evolve and meet the complex and dynamic demands of our customers, and to build robust software solutions to ensure mission success. Concepts such as Agile software development, DevOps, and Digital Twins allows us to efficiently adapt our software to what is needed. From Low Earth Orbit to the lunar surface, we are capable of delivering complete mission solutions.

We have recently submitted a proposal to NASA to prime the Electrical Systems Engineering Support IV contract ("ESES") that will expand our capabilities in this business unit.

Our Customers and Partners

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

Our customers include, but are not limited to:

U.S. Government

- **NASA.** We are partnered with NASA Nokia Corporation, and service NASA through three missions to date under their CLPS contract program. We work to provide NASA with access to the lunar surface as well as cislunar data for science, technology, and infrastructure. The IM-2 mission is also contracted by NASA and will be the first spacecraft to drill for lunar ice. The mission will also be a part of NASA's Tipping Point with the μNova Hopper.
- **U.S. Department of Defense.** In 2023, we won our first significant award with the U.S. Department of Defense ("U.S. DoD") Air Force Research Laboratory, a \$9.5 million JETSON contract.

Commercial

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

International

Our international customers include international space agencies including our largest international customer, a contract for \$16.8 million to provide lunar rover services.

Our Partners

We also have partners in the industry including:

- **KBR.** KBR, Inc. ("KBR") is a U.S.-based science, technology and engineering firm. In the ordinary course of business, we regularly provide engineering services to KBR. KBR also owns a 10% interest in Space Network Solutions ("SNS"), one of our operating subsidiaries. The SNS joint venture won the OMES III contract on April 18, 2023 to conduct servicing of NASA's LandSat-7. In May 2023, Science Applications International Corp., which previously held the OMES II contract, filed a bid to protest the grant of the contract to SNS. The U.S. Government Accountability Office affirmed NASA's decision on the OMES III contract in August 2023.

- **X-energy.** X-energy is a nuclear reactor and fuel design engineering company, developing Generation IV high-temperature gas cooled nuclear reactors and TRISO-X fuel to power them. We are partnered with them in a joint venture in the pursuit of nuclear space propulsion and surface power systems in support of future exploration goals, and has received one of three awards from NASA to design a 40kW fission surface power system for the lunar surface. We and X-energy are currently executing the fission surface power design contract through a joint venture called IX, LLC. Dr. Kamal Ghaffarian, our co-founder and chairman of our Board, is a co-founder and current member of management of X-energy.
- **Jacobs.** Jacobs Engineering Group Inc. (“Jacobs”) is a U.S.-based technical, engineering and science firm that provides services for a broad range of clients globally including companies, organizations, and government

5

agencies. We are partnered with Jacobs under a teaming agreement and subcontract for NASA's JSC Engineering, Technology, and Science program (“JETS Program”).

- **Boeing Airplane & Transport Corporation.** Boeing Airplane & Transport Corporation AstroForge (“Boeing”) is a U.S. -based global aerospace company that develops, manufactures, and others. We execute services commercial airplanes, defense products, and space systems. In 2023, we bid as a prime and partnered with Boeing on our commitments NASA's Lunar Terrain service bid to develop NASA's next generation lunar terrain vehicle for exploration and develop solutions for our customers' toughest challenges. We also have premiere partners in development on the industry including: Moon.
- **X-energy.** X-energy is a nuclear reactor and fuel design engineering company, developing Generation IV high-temperature gas cooled nuclear reactors and TRISO-X fuel to power them. We have partnered with them in a joint venture in the pursuit of nuclear space propulsion and surface power systems in support of future exploration goals, and have received one of three awards from NASA to design a 40kW fission surface power system for the lunar surface. Intuitive Machines and X-energy are currently executing the fission surface power design contract through a joint venture called IX, LLC. Dr. Kamal Ghaffarian, our co-founder and executive chairman, is a co-founder and current member of management of X-energy.
- **Axiom Space.** We partnered with Axiom Space to provide guidance, navigation and control, including rendezvous and proximity operations expertise for their space station. We are also partnered to support their development of the next generation spacesuit under the xEVAS program. Axiom Space is also our customer. Dr. Kamal Ghaffarian, our co-founder and executive chairman, is a co-founder and current member of management of Axiom Space.
- **Northrop Grumman Corporation.** Northrop is a U.S.-based global aerospace and defense technology company. We are teaming up with Northrop and several other leading companies to design a Lunar Terrain Vehicle (“LTV”) to transport NASA's Artemis astronauts around the lunar

surface. We will build our capability developed through NASA's CLPS initiative to meet NASA and commercial demand for larger lunar surface payload delivery. Our Nova-D spacecraft utilizes four liquid methane/oxygen engines from the mature Nova-C program for precision landing on the Moon.

- **Maxar Intelligence** - Maxar Intelligence, is a provider of secure, precise, geospatial intelligence. We are teaming with Maxar on various Space Products & Infrastructure contracts, including as a subcontractor under the OMES III contract recently awarded to Space Network Solutions, LLC joint venture and the fission surface power contract executed by IX, LLC joint venture.
- **NASA.** Intuitive Machines is partnered with NASA and services NASA through three missions to date under their CLPS contract program. We work to provide NASA with access to the lunar surface as well as cislunar data for science, technology, and infrastructure. The IM-2 mission is also contracted by NASA and will be the first spacecraft to drill for lunar ice. The mission will also be a part of NASA's Tipping Point with the μNova Hopper.
- **KBR.** KBR, Inc. ("KBR") is a U.S.-based science, technology and engineering firm. In the ordinary course of business, we regularly provide engineering services to KBR. KBR also owns a 10% interest in Space Network Solutions ("SNS"), one of our operating subsidiaries. The SNS joint venture is pursuing the OMES contract to conduct servicing of NASA's LandSat-7.
- **Jacobs.** Jacobs Engineering Group Inc. ("Jacobs") is a U.S.-based technical, engineering and science firm that provides services for a broad range of clients globally including companies, organizations, and government agencies. We have partnered with Jacobs under a teaming agreement and subcontract for NASA's JSC Engineering, Technology, and Science program ("JETS Program").

Our Competitive Position

We believe we are well positioned to become a leading player in a fast growing market. Our competitive strengths include:

- **First Mover Advantage:**
 - **First Mover Advantage:** We are a first mover in a new category with an untapped addressable market of \$119 billion, according to Northern Sky Research's ("NSR") 2022 Moon Markets and Earth Orbital Services Market Analysis reports. Intuitive Machines is a nine-year-old lunar services company and is in the leading position in NASA's return to the Moon with over \$86.6 million in 2022 fiscal year revenues. We believe we are also a first mover in lunar transport and communications systems. We also believe that we have an established, highly defensible, and scalable technology position providing lunar transport, landing, and data relay services.
- We are a ten year technology and space company and is in the leading position in NASA's return to the Moon with approximately \$79.5 million in 2023 fiscal year revenues. We believe we are also a first mover in lunar transport and communications systems. We also believe that we have an established, highly defensible, and scalable technology position providing lunar transport, landing, and data relay services.
- **Contracting TAM Well Beyond NASA:** The accessible total addressable market for Intuitive Machines is approximately \$120.0 billion over the next decade. Our total addressable market includes Department of Defense and Space Force spending, along with spending by the U.S. intelligence community, which have prioritized the Moon via strong bipartisan support, especially given recent geopolitical developments and the race to space from Russia and China. Intuitive Machines' total addressable market is underpinned by large end markets, including space exploration, national security space, and commercial satellite services.
- **Contracting TAM Well Beyond NASA:** The accessible total addressable market for us is approximately \$120.0 billion over the next decade according to NSR. Our total addressable market includes the U.S. DoD

and Space Force spending, along with spending by the U.S. intelligence community, which have prioritized the Moon via strong bipartisan support, especially given recent geopolitical developments and the race to space from Russia and China. Our total addressable market is underpinned by large end markets, including space exploration, national security space, and commercial satellite services.

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Differentiated Technology Offering: We have innovated key technology and lunar features and capabilities, including: LOX and Methane Propulsion, Optical NAV System, Lunar Communications, RE-Entry and Landing, RPO and Capture and Extreme Surface Mobility.

- **Differentiated Technology Offering:** We have innovated key technology and lunar features and capabilities, including: LOX and Methane Propulsion, Optical NAV System, Lunar Communications, RE-Entry and Landing, RPO and Capture and Extreme Surface Mobility.
- **High Quality Business Model:** We have significant intellectual property assets and high return on invested capital at scale with a durable growth trajectory and margin expansion in a non-cyclical sector. We are growing from \$8 million in revenue in 2018 to \$79.5 million in revenue in 2023, and with approximately \$268.6 million in contracted backlog as of December 31, 2023, with the expectation and belief that we will continue to secure sizeable near-term awards in the near future. Our revenue is expected to transition from government contracts to commercial services sales through successful missions showcasing capabilities as the cis-lunar economy develops and as we mature as a company.

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World-class Management Team: Our management team possesses a valuable combination of experience and vision. In addition to their technical knowledge, our team has extensive experience operating and leading companies and a strong track-record of building market making businesses.

- **High Quality Business Model:** We have significant intellectual property assets and high return on invested capital at scale with a durable growth trajectory and margin expansion in a non-cyclical sector. We are growing rapidly from \$8 million in revenue in 2018 to \$86.6 million in revenue in 2022, and with approximately \$142.1 million in 2023 revenues already contracted, with the expectation and belief that we will continue to secure sizeable near-term awards in the near future. Our revenue is expected to transition from government contracts to commercial services sales through successful missions showcasing capabilities as the cis-lunar economy develops and as we mature as a company.
- **World-class Management Team:** Our management team possesses a valuable combination of experience and vision. In addition to their technical knowledge, our team has extensive experience operating and leading companies and a strong track-record of building market making businesses.

Our Growth Strategy

We are pursuing the following growth strategies:

Continuing to build on first mover advantage in lunar transport: We are a company of firsts. Our first mission is IM-1, which is intended to be and became the first commercial lander on the Moon, the first ever mission to the South Pole of the Moon, and the

U.S. lander on the Moon since the Apollo 17 mission in 1972. Our second mission for IM-2 is also being designed to achieve a multitude of firsts: **first lander on the lunar south pole**, first to drill for water ice on the Moon, first to develop and operate a lunar hopper in history, and first to deploy a data relay satellite in lunar orbit. Some of our other firsts from missions and accomplishments include: first to utilize a cryogenic propulsion system for deep space missions, first to work with a commercial partner to deliver lunar payloads, first to establish a commercial lunar and deep space communications network, and first to partner with JSC Astro-Materials Curations Office to certify lunar material. We also intend to **continue to build** on our first mover advantage gained through these accomplishments and leverage them into positions on new contracts in the future.

Building out Enhancing capabilities and pursuing opportunities in adjacent lunar markets: We intend to scale and expand our existing capabilities in order to provide a complete suite of lunar economy services. This offering is designed to include products and services critical to Commercial Landers, Lunar Data Services, Crewed Lunar Missions, Lunar Transportation Services, Lunar **Terrain Vehicle Services**, **Lunar Power Services**, and **Lunar Habitats**.

Pursuing orbital services opportunities: We intend to leverage our technologies and government funds to establish a foothold in the orbital services market. Some of our key technologies, such as robotics, Nova-C optical navigation and **RPOC**, **Rendezvous Proximity Operations and Capture** (“**RPOC**”), and satellite capture, have enabled key progress towards this aim to date. This progress includes **a commercial space station contract in-hand with Axiom Space**, **rideshare contracts in hand for IM-2**, and two licensed NASA active debris removal patents. **Going forward, we intend to pursue the \$720.0 million Prime Engineering Contract to lead the NASA mission to service LandSat-7 as well as other national security-related contracts.**

Leveraging capabilities in commercial the lunar and satellite services market: We plan to leverage government contract **success** **successes** such as the **OMES III award** to build a commercial customer base and develop the industry partnerships required for our next phase of growth. Leveraging these government contracts as well as our differentiated capabilities will allow us to establish a foothold in the emerging satellite servicing **market**.

Our Competition

Competition in our addressable market is mainly divided between incumbents, such as Northrop Grumman and Lockheed Martin who pursue larger, more complex contracts such as manned lunar missions, and next generation players, including our competitors on the CLPS contract such as Astrobotic, **Draper Laboratories**, and Firefly Aerospace.

Our Operations

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

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

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

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

We continue to invest in R&D, particularly as it relates to “survive the night” and our larger lander design to make our platform more accessible to a wider range of customers, as well as innovating our space technology to capture various types of data efficiently.

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

The team drives our overall market positioning and messaging across our key audiences and vertical markets, as well as provides strategic go-to-market assessments of use cases that emerge from new product capabilities and the market landscape. Our communications team works with targeted industry influencers and media outlets to drive interest through media channels, including blogs, social media, and video. This approach is important for our strategy to capture the entire

market opportunity encompassing not only NASA and U.S. DoD, but also commercial aerospace and non-traditional customer segments engaged in partnership and content activity, who value brand activation from these engagements.

Supply Chain

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

We obtain raw materials and components from suppliers that we believe to be reputable and reliable. We have established and follow internal quality control processes to source suppliers, considering quality, cost, delivery and lead-time. We instill responsibility for quality at the lead level to ensure our suppliers and internally built hardware meet the required quality standards. While we largely source raw materials and components from multiple sources, in some cases raw materials and components are sourced from a limited number of suppliers. In these situations, as we endeavor to diversify our supply chain, we manage this risk through using material

requirements planning, including material forecasting and planning, safety stock, and bulk and advance buying with focused efforts on long-lead items.

Manufacturing, Assembly and Operations

We have an integrated manufacturing facility in Houston, TX which includes our corporate headquarters and are constructing a state of our Lunar Production and Operations Center (“LPOC”) at the art, built to spec manufacturing and operations center on Houston Spaceport Houston for occupancy at Ellington Airport which was completed in the third quarter of late 2023. The current LPOC serves as a production and testing facility of lunar lander components and other aerospace related operations and features tiered storage, an advanced loading dock, and a production area with 45-foot ceilings and crane capable of handling all Nova Lunar Lander designs. The manufacturing capability supports R&D, rapid prototyping and flight level hardware in an integrated and disciplined manner applying the correct level of rigor to the appropriate process. We leverage a strong culture of personal accountability to ensure efficiency and world class results of operations within our operations group. We are ASC 9100 ISO 9001:2015 and AS9100D certified and adhere to the appropriate quality and process controls on a continuous basis. See “—Facilities” “Item 2 Properties” for further discussion of our new facilities under construction, facilities.

Human Capital

As of December 31, 2022 December 31, 2023, we had 163 382 employees throughout our operations. We value technical expertise, original thinking, adaptability, and a willingness to collaborate with our excellent team. While our original workforce is rooted in aerospace, we welcome new perspectives and technology expertise as we grow.

As Intuitive Machines’ People Strategy strives to keep pace with our organization’s pioneering spirit, and specialized technologies, products and talent. Execution belongs to all of December 31, 2022, leadership, as we shape IM for future growth while retaining our team has over 25 years average aeronautics culture. Our People Strategy is supported by competitive compensation and design experience benefits and over 100 years cumulative NASA experience. Additionally, over 60% we have recently revamped our total rewards programs. We further focus efforts on championing inclusion and diversity, so that all IM employees can bring their authentic selves to work. In addition, we are proud supporters of our employees have advanced degrees, which we define as degrees obtained beyond an undergraduate level.

veterans and active-duty employees.

Intellectual Property

The protection of our technology and intellectual property is an important aspect of our business. We rely upon a combination of trademarks, trade secrets, copyrights, license agreements, confidentiality procedures, contractual commitments and other legal rights to establish and protect our intellectual property. We enter into confidentiality agreements and invention or work product assignment agreements with our employees and consultants to control access to, and clarify ownership of, our proprietary information.

As of December 31, 2022, we license two U.S. patents from Aerospace Corporation. As of December 31, 2022, we hold one registered trademark in the United States. We continually review and update our development efforts intellectual property portfolio to assess the existence help ensure that we have adequate protections and patentability of new intellectual property. We intend to file patent applications with respect to our technology.

rights.

Material In-License Agreement: In July 2018, we entered into a Patent Government and Know-How License for Environmental Regulations

Government Purpose Agreement with Aerospace Corporation to in-license, on a non-exclusive basis, two U.S. patents that are jointly held by Aerospace Corporation, NASA and the U.S. Air Force Research Laboratory (such agreement, the “In-License Agreement”). The patents licensed under the In-License Agreement are entitled “Method for Active Debris Removal Using a Spacecraft with a Capture Device” and “System, Apparatus, and Method for Active Debris Removal.” We license the patents for building and operating an active orbital debris removal system using a spacecraft with a capture device (the “Government Purpose”). Under the In-License Agreement, Aerospace Corporation shall receive copies of any products, data results of testing, observations, and/or evaluations derived from our use of the licensed patents and associated know-how and to

any ancillary systems into which the licensed patents and associated know-how may be integrated for the Government Purpose. In addition, Aerospace Corporation, we and any other applicable licensees share the United States Patent and Trademark Office maintenance fees for each licensed patent. The approximate maintenance fee for each licensed patent was \$1,600 for the first four licensing years starting from November 2018, \$3,600 for the eighth licensing year, and \$7,200 for the twelfth licensing year. The In-License Agreement remains in effect until the expiration date of the last patent to expire or the completion of the Government Purpose, whichever occurs first. The estimated expiration date of the licensed patents are October 12, 2032 and April 6, 2033, respectively. Either party may terminate the In-License Agreement at any time without cause upon 30 days' written notice to the other party.

Regulations

Regulatory

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

We contract with U.S. government agencies and entities, principally NASA, which requires that we comply with various laws and regulations relating to the formation, administration and performance of contracts. U.S. government contracts are generally subject to the Federal Acquisition Regulation (the "FAR"), which sets forth policies, procedures and

requirements for the acquisition of goods and services by the U.S. government, other agency-specific regulations that implement or supplement the FAR and other applicable laws and regulations. These regulations impose a broad range of requirements, many of which are unique to government contracting, including various procurement, import and export, security, contract pricing and cost, contract termination and adjustment and audit requirements. Depending on the contract, these laws and regulations require, among other things:

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- certification and disclosure of all cost and pricing data in connection with certain contract negotiations;
- defining allowable and unallowable costs and otherwise govern our right to reimbursement under various cost-type U.S. government contracts;
- compliance with Cost Accounting Standards for U.S. government contracts ("CAS");
- reviews by the Defense Contract Audit Agency ("DCAA"), Defense Contract Management Agency ("DCMA") and other regulatory agencies for compliance with a contractor's business systems;
- restricting the use and dissemination of and require the protection of unclassified contract-related information and information classified for national security purposes and the export of certain products and technical data;

and

- prohibiting competing for work if an actual or potential organizational conflict of interest, as defined by these laws and regulations, related to such work exists and/or cannot be appropriately mitigated, neutralized or avoided.

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

Further, our business is subject to, and we must comply with, stringent U.S. import and export control laws, including the International Trade in Arms Regulations ("ITAR") administered by the U.S. Department of State ("ITAR") and EAR. the Export Administration Regulations ("EAR"). See Part I. Item 1A. "Risk Factors - Risks Relating to Our Business" "Business and Industry" for a discussion of material risks to us, including, to the extent material, to our competitive position, relating to governmental regulations. regulations, and see "

Management's Discussion and Analysis of Financial Condition and Results of Operation

" together with our consolidated financial statements, including the related notes included therein, for a discussion of material information relevant to an assessment of our financial condition and results of operations, including, to the extent material, the effects that compliance with governmental regulations may have upon our capital expenditures and earnings.

Environmental Regulations

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

At this time, we do not believe that federal, state, and local laws and regulations relating to the discharge of materials into the environment, or otherwise relating to the protection of the environment, or any existing or pending climate change legislation, regulation, or international treaties or accords are reasonably likely to have a material effect in the foreseeable future on our business.

Available Information

Our website address is www.intuitivemachines.com. The contents of, or information accessible through, our website are not incorporated by reference herein and are not a part of this Annual Report. We make our filings with the SEC, including our Annual Report on Form 10-K, Quarterly Reports on Form 10-Q, Current Reports on Form 8-K and all amendments to those reports, as well

as beneficial ownership filings available free of charge on our website under the “Investors” section as soon as reasonably practicable after we file such reports with, or furnish such reports to, the SEC.

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

Item 1A. Risk Factors.

Factors

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

Risks Related to Our Business and Industry

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

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

Further, uncertainty about the effect of the Transactions (as defined in Note 1 in our consolidated financial statements) on our business, employees, customers, third parties with whom we have relationships, and other third parties, including regulators, may have an adverse effect on us. These uncertainties may impair our ability to attract, retain and motivate key personnel. The departure of key employees because of issues related to the uncertainty and difficulty of integration or a desire not to remain with us could have a negative effect on our business, financial condition or results of operations.

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

We have a limited operating history in a rapidly evolving industry that may not develop in a manner favorable to our business. While our business has grown, rapidly, and much of that growth has occurred in recent periods, the markets for launch services, space systems, spacecraft components and space data applications may not continue to develop in a manner that we expect or that otherwise would be favorable to our business. As a result of our limited operating history and ongoing changes in our new and evolving industry, including evolving demand for our products and services, our ability to forecast our future results of operations and plan for and model future growth is limited and subject to a number of uncertainties. We have encountered and expect to continue to encounter risks and uncertainties frequently experienced by growing companies in rapidly evolving industries, such as

the risks and uncertainties described herein. Accordingly, we may be unable to prepare accurate internal financial forecasts or replace anticipated revenue that we do not receive as a result of delays arising from these factors, and our results of operations in future reporting periods may be below the expectations of investors or analysts. If we do not address these risks successfully, our results of operations could differ materially from our estimates and forecasts or the expectations of investors or analysts, causing our business to suffer and our common stock price to decline.

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

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

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

10

- controlling expenses and investments in anticipation of expanded operations;
- upgrading the existing operational management and financial reporting systems and team to comply with requirements as a public company; and
- implementing and enhancing administrative infrastructure, systems and processes.

If our operations continue to grow as planned, of which there can be no assurance, we will need to expand our sales and marketing, research and development, customer and commercial strategy, products and services, supply, and manufacturing functions. These efforts will require us to invest significant financial and other resources, including in industries and sales channels in which we have limited experience to date. We will also need to continue to leverage our manufacturing and operational systems and processes, and there is no guarantee that we will be able to scale the business as currently planned or within the planned timeframe. The continued expansion of our business may also require additional manufacturing and operational facilities, as well as space for administrative support, and there is no guarantee that we will be able to find suitable locations for the manufacture of our space vehicles and related equipment.

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

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

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

Customer concentration creates risks for our business.

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

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

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

manufacturing operations of current and potential customers, who continually evaluate the benefits of internal research, product development, and manufacturing versus outsourcing.

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

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

A pandemic outbreak of a novel strain of coronavirus, also known as COVID-19, has disrupted and may continue to adversely affect our business Disruptions in U.S. government operations and funding could harm our financial results.

The global spread business, results of COVID-19 has disrupted certain aspects of our operations and may adversely impact our business operations, and financial results, including our ability to execute condition could be harmed.

Any disruptions in federal government operations could have a material adverse effect on our revenues, earnings, and cash flows. A prolonged failure to maintain significant U.S. government operations, particularly those pertaining to our business, strategy could have a material adverse effect on our revenues, earnings, and goals. Specifically, cash flows. Continued uncertainty related to recent and future government shutdowns, the continued spread budget and/or the failure of COVID-19 the government to enact annual appropriations, such as long-term funding under a continuing resolution, could have a material adverse effect on our revenues, earnings and related precautionary measures have resulted in delays or cash flows. Additionally, disruptions in government operations may negatively impact regulatory approvals and guidance that are important to our supply chain; delays in the launch or execution of certain of our customers' projects; and a decrease of our operational efficiency in the development of our systems, products, technologies and services. We continue to take measures within our facilities to ensure the health and safety of our employees, which include the creation of a task force to implement COVID-19 protocols in compliance with federal, state and local recommendations, encouraging masking and vaccination, rearranging facilities and work schedules to follow social distancing protocols and undertaking regular and thorough disinfecting of surfaces and tools. However, there can be no assurance that these measures will prevent disruptions due to COVID-19 within our workforce. These measures have also resulted in the reduction of operational efficiency within our impacted workforce, and we expect they will continue to do so.

The pandemic has also resulted in, and may continue to result in, significant disruption and volatility of global financial markets. This disruption and volatility may adversely impact our ability to access capital, which could in the future negatively affect our liquidity and capital resources. Given the rapid and evolving nature of the impact of the virus, responsive measures taken by governmental authorities and the continued uncertainty about its impact on society and the global economy, we cannot predict the extent to which it will affect our operations, particularly if these impacts persist or worsen over an extended period of time. To the

extent COVID-19 adversely affects our business operations and financial results, it may also have the effect of heightening many of the other risks described in this “Risk Factors” section.
operations.

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

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

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

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

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

Our costs to adequately counter the risk of cyber-attacks and to comply with contractual and/or regulatory compliance requirements may increase significantly in the future. If there is a security vulnerability, error, or other bug in one of ours or our critical Third-Party systems or if there is a security exploit targeting them, we could face increased costs, claims,

liability, reduced revenue, and harm to our reputation or competitive position. Because we do not maintain cybersecurity insurance, these costs will come directly from us and this could harm our financial condition.

The market for commercial spaceflight has not been established with precision. It is still emerging and may not achieve the growth potential we expect or may grow more slowly than expected.

The market for commercial spaceflight has not been established with precision and is still emerging. Our estimates for the total addressable market for commercial spaceflight are based on a number of internal and third-party estimates, including our current backlog, the number of consumers, assumed flight cadence, our ability to leverage our current manufacturing and operational processes and general market conditions. While we believe our assumptions and the data underlying our estimates are reasonable, these assumptions and estimates may not be correct. The conditions supporting our assumptions or estimates may change at any time, thereby reducing the predictive accuracy of these underlying factors. As a result, our estimates of the annual total addressable market for commercial spaceflight, as well as the expected growth rate for the total addressable market for that experience, may prove to be incorrect.

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

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

Customer concentration creates Our business involves significant risks for our business.

Over 80% of our revenues each year comes from a small number of customers. To the extent and uncertainties that any large customer fails to meet its purchase commitments, changes its ordering patterns or business strategy, or otherwise reduces its purchases or stops purchasing our products or services, or if we experience difficulty in meeting the demand by these customers for our products or services, our revenues and results of operations could be adversely affected.

We may experience a total loss of our technology and products and our customers' payloads if there is an accident on launch or during the journey into space, and any insurance we have may not be adequate to cover our loss covered by insurance. Also, due to the inherent risks associated with commercial spaceflight, there is the possibility that any accident or catastrophe could lead to the loss of human life or a medical emergency.

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

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

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

Our business operations involve the handling, production and disposition of potentially explosive and ignitable energetic materials and other dangerous chemicals, including materials used in rocket propulsion. The handling, production,

13

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

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

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

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

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

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

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

Rising inflation may materially impact our financial operations or results of operations.

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

Our business is substantially dependent on contracts entered into with customers in the ordinary course of business. As such, we are subject to counterparty risk. If a counterparty to one of our contracts were to default or otherwise fail to perform or be delayed in its performance on any of its contractual obligations to us, such default, failure to perform or delay could have a material adverse effect on our business, financial condition and results of operations.

Our business is substantially dependent on contracts entered into with customers, in the ordinary course of business. Our budgeted capital expenditures, forecasted growth and strategic plan are based on revenues expected to be generated

pursuant to signed contracts existing as of the date such budget, forecast and strategic plan are approved by management and our Board. If a customer were to default or otherwise fail to perform or be delayed in the fulfilment fulfillment of its contractual obligations to us, we would be required to adjust our budget, forecasts and strategic plans to mitigate the impact of such circumstance, which may negatively affect our business, financial condition, cash

flows and/or liquidity. Additionally, if the scope of anticipated work related to any customer contract were to change due to unforeseen circumstances or evolving requirements of one or more of our counterparties, we may be unable to generate revenue on our anticipated timeline or may be required to incur increased costs from those originally estimated for a project, which could cause our budgets, forecasts and plans to be inaccurate. For instance, due to a change in the landing site of the IM-1 mission and an incremental delay in milestone payments due to a now-resolved technical issue, certain revenue associated with such this mission have shifted from 2022 to 2023. 2024. While we endeavor to mitigate this risk by assuming potential delays in revenue generation and estimated contract progress when preparing our budget, forecast and strategic plans, it is not possible to predict with accuracy the impact of any default, failure to perform or delay, which results in our inability to completely mitigate such risks. As such, the counterparty default, failure to perform or delay in performance may have a material adverse impact on our business, financial condition and results of operations.

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

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

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

The global spread of COVID-19 and other pandemics, epidemics, outbreaks of infectious diseases or public health crises across the globe have disrupted, and may in the future disrupt our business, which could materially and adversely affect our financial condition, results of operations, cash flows and/or future expectations. Our business, operations and financial performance have been, and may continue to be affected by the still ongoing macroeconomic impacts resulting from the COVID-19 pandemic. Any health crisis may negatively affect worldwide economic and commercial activity, disrupt global supply chains and the labor market and create significant volatility and disruption of financial and commodity markets. The extent to which our business will continue to be affected and may in the future be affected by pandemics, infectious disease outbreaks and other public health crises depends on a number of factors outside of our control, including but not limited to the extent and duration of labor disruptions, business operations disruptions from quarantines, travel restrictions and other requirements imposed by regulators and health authorities, delays, modifications and terminations of contracts, supply chain disruptions, increased cybersecurity and data protection risks, increased costs of doing business and other macroeconomic disruptions.

Risks Relating to Compliance with Law, Government Regulation and Litigation

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

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

Failure to comply with these laws, such as with respect to obtaining and maintaining licenses, certificates, authorizations and permits critical for the operation of our business, may result in civil penalties or private lawsuits, or the suspension or revocation of licenses, certificates, authorizations or permits, which would prevent us from operating our business. For example, the operation and launch of our spacecraft in the United States require licenses and permits from the Federal Communications Commission (the "FCC") and the Federal Aviation Administration (the "FAA"), as well as review by other agencies of the U.S. Government, including the Department of Defense, Department of State, and NASA. Such license approvals may include an interagency review of safety, operational, national security, foreign policy implications and international obligations, as well as a review of foreign ownership. Any delays in regulatory actions allowing us to conduct our commercial space operations could adversely affect our ability to operate our business and our financial results.

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

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

Additionally, despite our efforts to protect our proprietary technology, our trade secrets could otherwise become known or be independently discovered by our competitors. If any of our trade secrets were to be lawfully obtained or independently developed by

a competitor or other third party, we would have no right to prevent them, or those to whom they communicate, from using that technology or information to compete with us.

The U.S. government's budget deficit and the national debt, as well as any inability of the U.S. government to complete its budget process for any government fiscal year could have an adverse impact on our business, financial condition, results of operations and cash flows.

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

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

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

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

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

potential liability.

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

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

Intuitive Machines OpCo has identified material weaknesses in its As a public reporting company, we are subject to rules and regulations established by the SEC regarding our internal control over financial reporting. If not remediated, or if Intuitive Machines OpCo experiences additional material weaknesses in the future or otherwise fails to maintain effective Our internal controls in the future, we may not be able determined to accurately or timely report our financial condition or results of operations in future reporting periods, be effective, which may adversely affect investor confidence in us our company and, as a result, the value of our Class A Common Stock and your investment.

We are required, pursuant to Section 404 of the Sarbanes-Oxley Act of 2002, to furnish a report by management on the effectiveness of our internal control over financial reporting in our Annual Reports on Form 10-K. This assessment, pursuant to Section 404(a) of the Sarbanes-Oxley Act, must include disclosure of any material weaknesses identified by our management in our internal control over financial reporting. Additionally, once we are no longer an emerging growth company, pursuant to Section 404(b) of the Sarbanes-Oxley Act, we will be required to comply with the independent registered public accounting firm attestation requirement on our

internal control over financial reporting. If we are unable to establish or maintain appropriate internal control over financial reporting or implement these additional requirements in a timely manner or with adequate compliance, it could result in material misstatements to our consolidated financial statements, failure to meet our reporting obligations on a timely basis, increases in compliance costs, and subject us to adverse regulatory consequences, all of which may adversely affect investor confidence in, and the value of, our Class A Common Stock.

As an emerging growth company, we are in the process of developing our internal processes and procedures to accommodate our rapid growth in recent years and the transition to public company following a public-company environment during the closing of the Transactions. Although our management concluded that IPAX's internal control over financial reporting as of December 31, 2022, which was prior to the closing of the Transactions, was effective (as described in Part II, Item 9A, "Controls and Procedures" of this Annual Report), year ended December 31, 2023. As previously reported, in the course of preparing the consolidated financial statements of Intuitive Machines, OpCo LLC as of December 31, 2022 that will be included in Amendment No. 2 to our Current Report on Form 8-K to be filed on or about March 30, 2023, our management determined that Intuitive Machines OpCo has identified three material weaknesses in our internal controls over financial reporting. These material weaknesses primarily relate to controls over the following matters that are relevant to the Company's processes for revenue recognition, significant and unusual transactions, and segregation of duties related to the preparation of the Intuitive Machines OpCo's consolidated financial statements and that may impact the preparation of our consolidated financial statements for future reporting periods included in filings made after this Annual Report:

- We did not design and maintain effective controls over identification of performance obligations and timing of revenue recognition for certain contracts, as well as the review and reconciliation of certain revenue schedules to the trial balance.

- We did not design and maintain effective controls over the identification and recognition of non-routine, unusual or complex transactions.
- We did not maintain proper segregation of duties related to the posting of manual journal entries to the trial balance.

These deficiencies manual journal entries, which could result have resulted in a misstatement of one or more account balances or disclosures potentially leading to a material misstatement to the annual or interim consolidated financial statements which may not be been prevented or timely detected and, accordingly, management determined that detected. Although we believe these control deficiencies constitute material weaknesses.

In order no longer rise to remediate these the level of material weaknesses we have taken and plan to take the following actions:

- Continuing to hire personnel with public company experience and providing additional training for our personnel on internal controls as our company continues to grow;
- Implementing additional controls and processes that operate at a sufficient level of precision and frequency or that evidence the performance of the control, particularly associated with accounting and reporting of revenue and non-routine, unusual or complex transactions;
- Implementing processes and controls to better identify and manage segregation of duties;
- Considering system enhancements to reduce reliance on manual processes; and
- Engaging an external advisor to assist with evaluating and documenting the design and operating effectiveness of internal controls and assisting with the remediation of deficiencies, as necessary.

We will not be able to fully remediate these control deficiencies until these steps have been completed, have been operating effectively for a sufficient period of time and management has concluded, through testing, that these controls are effective. Intuitive Machines OpCo and Grant Thornton LLP, Intuitive Machines OpCo's auditor during the year ended December 31, 2022 and our independent registered public accounting firm for the year ending December 31, 2023, were not required to, and did not, perform an evaluation of Intuitive Machines OpCo's internal control over financial reporting as of December 31, 2022 or any period December 31, 2023 (as further discussed in accordance with the provisions Item 9A. Controls and Procedures of the Sarbanes-Oxley Act. Accordingly, this Annual Report on Form 10-K), we cannot assure you that we have identified all, or that we will not in the future have additional, material weaknesses. Because our financial statements for future reporting periods will be prepared on a consolidated basis with the financial statements of Intuitive Machines OpCo beginning from the Closing Date, material weaknesses may still exist when we report on the combined company's effectiveness of our internal control over financial reporting as required under Section 404 of the Sarbanes-Oxley Act in our future annual reports on Form 10-K.

If not remediated, these Any unremediated material weaknesses could result in material misstatements to our future annual or interim consolidated financial statements that might not be prevented or detected on a timely basis, or in delayed filing of required periodic reports. If we are unable to assert that our internal control over financial reporting is effective, investors may lose confidence in the accuracy and completeness of our financial reports, the market price of our common stock could be adversely affected and we could become subject to litigation or investigations by Nasdaq, the SEC, or other regulatory authorities, which could require additional financial and management resources.

The U.S. government's budget deficit and the national debt, as well as any inability of the U.S. government to complete its budget process for any government fiscal year could have an adverse impact on our business, financial condition, results of operations and cash flows.

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

Considerable uncertainty exists regarding how future budget and program decisions will unfold, including the defense spending priorities of the U.S. government, what challenges budget reductions will present for the defense industry and whether annual appropriations bills for all agencies will be enacted for U.S. government fiscal year 2023 and thereafter due to many factors, including but not limited to, changes in the political environment, including before or after a change to the leadership within the government administration, and any resulting uncertainty or changes in policy or priorities and resultant funding. The U.S. government's budget deficit and the national debt could have an adverse impact on our business, financial condition, results of operations and cash flows in a number of ways, including the following:

- The U.S. government could reduce or delay its spending on, reprioritize its spending away from, or decline to provide funding for the government programs in which we participate;

- U.S. government spending could be impacted by alternate arrangements to sequestration, which increases the uncertainty as to, and the difficulty in predicting, U.S. government spending priorities and levels; and
- We may experience declines in revenue, profitability and cash flows as a result of reduced or delayed orders or payments or other factors caused by economic difficulties of our customers and prospective customers, including U.S. federal, state and local governments.

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

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

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

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

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

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

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

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

Over its lifetime, a U.S. government program may be implemented by the award of many different individual contracts and subcontracts. The funding of U.S. government programs is subject to U.S. Congressional appropriations. In recent years, U.S. government appropriations have been affected by larger U.S. government budgetary issues and related legislation. Although multi-year contracts may be authorized and appropriated in connection with major procurements, the U.S. Congress generally appropriates funds on a government fiscal year basis. Procurement funds are typically made available for obligation over the course of one to three years. Consequently, programs often initially receive only partial funding, and additional funds are obligated only as the U.S. Congress authorizes further appropriations. We cannot predict the extent to which total funding and/or funding for individual programs will be included, increased or reduced as part of the annual appropriations process ultimately approved by the U.S. Congress and the President of the United States or in separate supplemental appropriations or continuing resolutions, as applicable. The termination of funding for a U.S. government program would result in a loss of anticipated future revenue attributable to that program, which could have an adverse impact on our operations. In addition, the termination of a program or the failure to commit additional funds to a program that already has been started could result in lost revenue and increase our overall costs of doing business.

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

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

Our contracts and services with the U.S. government are also subject to specific procurement regulations and a variety of socioeconomic and other requirements. These requirements, although customary in U.S. government contracts, increase our performance and compliance costs. These costs might increase in the future, thereby reducing our margins, which could have an adverse effect on our business, financial condition, results of operations and cash flows. In addition, the U.S. government has and may continue to implement initiatives focused on efficiencies, affordability and cost growth and other changes to its procurement practices. These initiatives and changes to procurement practices may change the way U.S. government contracts are solicited, negotiated and managed, which may affect whether and how we pursue opportunities to provide our products and services to the U.S. government, including the terms and conditions under which we do so, which may have an adverse impact on our business, financial

condition, results of operations and cash flows. For example, contracts awarded under the Department of Defense's Other Transaction Authority for research and prototypes generally require cost-sharing and may not follow, or may follow only in part, standard U.S. government contracting practices and terms, such as the Federal Acquisition Regulation and Cost Accounting Standards.

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

19

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

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

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

Further, such invasion, ongoing military conflict, resulting sanctions and related countermeasures by NATO states, the U.S. and other countries have led, and are likely to continue to lead, to market disruptions, including significant volatility in commodity prices, credit and capital markets, as well as supply chain interruptions for equipment, which could have an adverse impact on our operations and financial performance.

Risks Relating to Our Capital Resources

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

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

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

Our business may not generate sufficient funds, and we may otherwise be unable to maintain sufficient cash reserves to pay any additional indebtedness that we may incur. In addition, any future indebtedness that we may incur may contain financial and other restrictive covenants that will limit our ability to operate our business, raise capital or make payments under our indebtedness. If we fail to comply with such covenants or to make payments under any of our indebtedness when due, then we would be in default under that indebtedness, which could, in turn, result in that indebtedness becoming immediately payable in full and cross-default or cross-acceleration under our other indebtedness and other liabilities.

Our actual operating results may differ significantly from our guidance.

From time to time, we have released, and may continue to release, guidance in our quarterly earnings releases, quarterly earnings conference calls, or otherwise, regarding our future performance that represents our management's estimates as of the date of release. This guidance, which includes forward-looking statements, has been and will be based on projections prepared by our management. These projections are not prepared with a view toward compliance with published guidelines of the American Institute of Certified

Public Accountants, and neither our registered public accountants nor any other independent expert or outside party compiles or examines the projections. Accordingly, no such person expresses any opinion or any other form of assurance with respect to the projections.

Projections are based upon a number of assumptions and estimates that, while presented with numerical specificity, are inherently subject to significant business, economic, and competitive uncertainties and contingencies, many of which are beyond our control such as COVID-19, and are based upon specific assumptions with respect to future business decisions, some of which will change. The rapidly evolving market in which we operate may make it difficult to evaluate our current business and our

20

future prospects, including our ability to plan for and model future growth. We intend to state possible outcomes as high and low ranges which are intended to provide a sensitivity analysis as variables are changed. However, actual results will vary from our guidance and the variations may be material. The principal reason that we release guidance is to provide a basis for our management to discuss our business outlook as of the date of release with analysts and investors. We do not accept any responsibility for any projections or reports published by any such persons. Investors are urged not to rely upon our guidance in making an investment decision regarding our common stock.

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

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

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

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

We are a "smaller reporting company" under federal securities laws. For as long as we continue to be a smaller reporting company, we may take advantage of exemptions from various reporting requirements that are applicable to other public companies, including reduced disclosure obligations regarding executive compensation in our periodic reports and proxy statements. We will remain a smaller reporting company so long as our public float remains less than \$250 million as of the last business day of our most recently completed second fiscal quarter or our annual revenues are less than \$100 million and our public float remains less than \$700 million. We cannot predict if investors will find our common stock less attractive because we may rely on these exemptions. If some investors find our common stock less attractive as a result, there may be a less active trading market for our common stock and our stock price may decline or be more volatile.

Our financial results may vary significantly from quarter to quarter.

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

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

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

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

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the terms of customer contracts that affect the timing of revenue recognition;

- the terms of customer contracts that affect the timing of revenue recognition;
- variability in demand for our services and solutions;

•

commencement, completion or termination of contracts during any particular quarter;

- variability in demand for our services and solutions;
- timing of shipments and product deliveries;

•

timing of award or performance incentive fee notices;

- commencement, completion or termination of contracts during any particular quarter;
- timing of significant bid and proposal costs;

•

the costs of remediating unknown defects, errors or performance problems of our product offerings;

- timing of shipments and product deliveries;
- variable purchasing patterns under blanket purchase agreements and other indefinite delivery/ indefinite quantity contracts;

21

- timing of award or performance incentive fee notices;
- timing of significant bid and proposal costs;
- the costs of remediating unknown defects, errors or performance problems of our product offerings;

Risks Relating to Our Organizational Structure

● variable purchasing patterns under blanket purchase agreements and other indefinite delivery/ indefinite quantity contracts;

- restrictions on and delays related to the export of defense articles and services;
- *Our principal asset is our interest in Intuitive Machines, OpCo, LLC, and, accordingly, we will depend on distributions from Intuitive Machines, OpCo, LLC to pay our taxes and expenses, including payments under the Tax Receivable Agreement, and to pay dividends. Intuitive Machines, OpCo's LLC's ability to make such distributions may be subject to various limitations and restrictions.*
- strategic decisions by us, our partners, such as acquisitions, divestitures, spin-offs and joint ventures;
- strategic investments or changes in business strategy;

We are a holding company and have no material assets other than our ownership of Intuitive Machines, OpCo LLC Common Units, Intuitive Machines, OpCo LLC Warrants, Intuitive Machines, OpCo LLC Preferred Investor Warrants, New Warrants, Conversion Warrants and Intuitive Machines OpCo Series A Units (each as described in Part II, Item 7, "Management's Discussion and Analysis of Financial Condition and Results of Operations" in this Annual Report). Preferred Units. As such, we have no independent means of generating revenue or cash flow, and our ability to pay our taxes and operating expenses or declare and pay dividends in the future are dependent upon the financial results and cash flows of Intuitive Machines, OpCo LLC and its subsidiaries and distributions we receive from Intuitive Machines, OpCo, LLC. Intuitive Machines, OpCo LLC and its subsidiaries may not generate sufficient cash flow to distribute funds to us and applicable state law and contractual restrictions, including negative covenants in our debt instruments, may not permit such distributions.

- restrictions on and delays related to the export of defense articles and services;

We anticipate that Intuitive Machines, OpCo LLC will continue to be treated as a partnership for U.S. federal income tax purposes and, as costs related to government inquiries, will not be subject to U.S. federal income tax. Instead, taxable income will be allocated to holders of

Intuitive Machines, OpCo LLC Common Units and Intuitive Machines OpCo Series A Preferred Units, including us. Accordingly, we will incur income taxes on our allocable share of any net taxable income of Intuitive Machines, OpCo, LLC. Under the terms of the Amended and Restated ("A&R&R") Operating Agreement, Intuitive Machines, OpCo LLC is obligated, subject to various limitations and restrictions, including with respect to any applicable credit agreements, to make tax distributions to holders of Intuitive Machines, OpCo LLC Common Units and Intuitive Machines OpCo Series A Preferred Units, including us. In addition to tax expenses, we will also incur expenses related to our operations, including payments under the Tax Receivable Agreement, which we expect could be significant.

● changes in our effective tax rate, including changes in our judgment as to the necessity of the valuation allowance recorded against our deferred tax assets; and

22

- strategic investments or changes in business strategy;

●

changes in the extent to which we use subcontractors;

- the length of sales cycles.

We intend, as its managing member, to cause Intuitive Machines, OpCo LLC to make (i) pro rata tax distributions to the members of Intuitive Machines, Members LLC ("Intuitive Machine Members") in an amount sufficient to fund all or part of their tax obligations in respect of taxable income allocated to them and to cover our tax obligations, other than with respect to income allocated to the Series A Preferred Units, (as defined in Part II, Item 7, "Management's Discussion

and Analysis of Financial Condition and Results of Operations" in this Annual Report) but including payments due under the Tax Receivable Agreement, (ii) additional tax distributions to us to the extent necessary to cover our tax obligations with respect to income from the Series A Preferred Units and (iii) distributions to us to pay our operating expenses ~~expenses for the fiscal year~~ any dividends, including dividends made on the Series A Preferred Stock (as defined in Part II, Item 7, "Management's Discussion and Analysis of Financial Condition and Results of Operations" in this Annual Report). Stock ~~turnovers~~ in our operating result, OpCo's LLC's liquidity and cash distributions could cause us to fall out of compliance with the financial covenants related to our debt, which, if not waived, could restrict our access to capital and cause us to take extreme measures to pay down the debt, if any. Intuitive Machines, OpCo LLC is then a party, including debt agreements, or any applicable law, or that would have the effect of rendering Intuitive Machines, OpCo LLC insolvent. If we do not have sufficient funds to pay our tax or other liabilities or to fund our operations (including, if applicable, as a result of an acceleration of our obligations under the Tax Receivable Agreement), we may have to borrow funds, which could materially adversely affect our liquidity and financial condition and subject us to various restrictions imposed by any such lenders. To the extent that we are unable to make estimates and assumptions that affect the reported amounts of assets and liabilities and the disclosure of contingent assets and liabilities at the date of our financial statements. We are also required to make certain judgments that affect the reported amounts of revenues and expenses during each reporting period. We periodically evaluate our estimates and assumptions including, but not limited to, obligations under the Tax Receivable Agreement resulting in termination of the Tax Receivable Agreement, customer receivables, valuation of goodwill, derivatives and intangibles, nonredeemable non-controlling interests, contingencies, stock-based compensation and income taxes. We base our estimates on historical experience and various assumptions that we believe to be reasonable based on specific circumstances. These assumptions and estimates involve the exercise of judgment and discretion, which may evolve over time in light of operational experience, regulatory direction, developments in accounting principles and other factors. Actual results could differ from these estimates ~~as a result of changes in circumstances, assumptions, policies or developments in the business, which could materially affect our consolidated financial statements~~ in amounts at least sufficient to cover the taxes imposed on their allocable share of net taxable income of Intuitive Machines, OpCo, LLC. As a result of (i) potential differences in the amount of net taxable income allocable to us and to Intuitive Machines, OpCo's LLC's other members, (ii) the lower tax rate applicable to corporations compared to individuals, and (iii) certain tax benefits that we anticipate from (a) future purchases or redemptions of Intuitive Machines, OpCo LLC Common Units from the Intuitive Machines Members (other than us) and (b) payments under the Tax Receivable Agreement, these cash distributions may be in amounts that exceed our actual tax liabilities with respect to the relevant taxable year, including our obligations under the Tax Receivable Agreement. Our Board will determine the appropriate uses for any such excess cash, which may include, among other uses, the payment of obligations under the Tax Receivable Agreement and the payment of other expenses. We will have no obligation to distribute such cash (or other available cash) to our stockholders. No adjustments to the exchange ratio for Intuitive Machines, OpCo LLC Common Units and corresponding shares of Class A Common Stock will be made as a result of any cash distribution by us or any retention of cash by us, and in any event the ratio will remain one-to-one. To the extent we do not distribute such excess cash as dividends on our stock, we may take other actions with respect to such excess cash, for example, holding such excess cash, or lending it (or a portion thereof) to Intuitive Machines, OpCo, LLC, which may result in shares of our Class A Common Stock increasing in value relative to the value of Intuitive Machines, OpCo LLC Common Units. Following such loan or a contribution of such excess cash to Intuitive Machines, OpCo, LLC, we may, but are not required to, make an adjustment to the outstanding number of Intuitive Machines OpCo Machine, LLC Common Units held by the Intuitive Machines Members (other than us). In the absence of such adjustment, the Intuitive Machines Members may benefit from any value attributable to such cash and/or loan balances if they acquire shares of Class A Common Stock in exchange for their Intuitive Machines, OpCo LLC Common Units, notwithstanding that such holders may have participated previously as holders of Intuitive Machines, OpCo LLC Common Units in distributions that resulted in such excess cash balances.

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

In connection with the consummation of the Transactions, we entered into a Tax Receivable Agreement with Intuitive Machines, OpCo LLC and the TRA Holders, certain Intuitive Machines Members (the "TRA Holders"). Under the Tax Receivable Agreement, we are required to make cash payments to the TRA Holders ~~equal~~ equal to 85% of the amount of cash tax savings, if any, that we

actually realize, or in certain circumstances are deemed to realize (calculated using certain assumptions), as a result of the Existing Basis, Basis Adjustments and Interest Deductions (each as defined below). Assuming no material The actual amount of cash tax savings will depend on, among other things, changes in the relevant tax law, and that whether we earn sufficient taxable income to realize all tax benefits that are subject to the Tax Receivable Agreement we expect that and the tax savings associated with the (i) Existing Basis, (ii) Basis Adjustments, and (iii) Interest Deductions would aggregate to approximately \$170.4 million over 20 years from the Closing Date based on a \$10.00 per share trading price timing of our Class A Common Stock, and assuming all any future redemptions or exchanges would occur one year after the Closing Date at the same assumed price per share. Under such scenario, assuming future payments are made on the due date (with extension) of each relevant U.S. federal income tax return, we would be required to pay approximately 87% of such amount, or approximately \$148.2 million, over the 20-year period the Closing Date, and we would benefit from the remaining 13% of the tax benefits. Intuitive Machines, LLC Common Units. We will depend on cash distributions from Intuitive Machines, OpCo LLC to make payments under the Tax Receivable Agreement. Any payments made by us to the TRA Holders under the Tax Receivable Agreement will generally reduce the amount of cash that might have otherwise been available to us. Due to the uncertainty of various factors, we cannot precisely quantify the likely tax benefits we will realize as a result of the purchase of Intuitive Machines, OpCo LLC Common Units and Intuitive Machines, OpCo LLC Common Unit exchanges, and the resulting amounts we are likely to pay out to the TRA Holders pursuant to the Tax Receivable Agreement; however, we estimate that such payments will be substantial.

23

The payment obligation is an obligation of us and not of Intuitive Machines, OpCo LLC. Any payments made by us to the TRA Holders under the Tax Receivable Agreement will not be available for reinvestment in our business and will generally reduce the amount of overall cash flow that might have otherwise been available to us. To the extent that we are unable to make timely payments under the Tax Receivable Agreement for any reason, such payments will be deferred and will accrue interest until paid by us. Payments under the Tax Receivable Agreement are not conditioned upon one or more of the TRA Holders maintaining a continued ownership interest in Intuitive Machines, OpCo LLC or us. Furthermore, if we experience a Change of Control (as defined under the A&R Operating Agreement), which includes certain mergers, asset sales and other forms of business combinations, we would be obligated to make an immediate payment, and such payment may be significantly in advance of, and may materially exceed, the actual realization, if any, of the future tax benefits to which the payment relates. This payment obligation could (i) make us a less attractive target for an acquisition, particularly in the case of an acquirer that cannot use some or all of the tax benefits that are the subject of the Tax Receivable Agreement and (ii) result in holders of our Class A Common Stock receiving substantially less consideration in connection with a change of control transaction than they would receive in the absence of such obligation. Accordingly, the TRA Holders' interests may conflict with those of the holders of our Class A Common Stock. For more information, see Part III. Item 13. "Certain Relationships and Related Transactions, and Director Independence — Tax Receivable Agreement."

In addition, decisions we make in the course of running our business, such as with respect to mergers, asset sales, other forms of business combinations or other changes in control, may influence the timing and amount of payments made under the Tax Receivable Agreement. For example, the earlier disposition of assets following a redemption or exchange of Intuitive Machines, OpCo LLC Common Units may accelerate the recognition of associated tax benefits for which we would be required to make payments under the Tax Receivable Agreement and increase the present value of such payments, and the disposition of assets before a redemption or exchange of Intuitive Machines, OpCo LLC Common Units increase the tax liability of the TRA Holders (or their transferees or assignees) without giving rise to any rights to receive payments under the Tax Receivable Agreement with respect to tax attributes associated with such assets.

The ability to generate tax assets covered by the Tax Receivable Agreement, and the actual use of any resulting tax benefits, as well as the amount and timing of any payments under the Tax Receivable Agreement, will vary depending upon a number of factors, including the timing of redemptions or exchanges of Intuitive Machines, OpCo LLC Common Units by, or purchases of Intuitive

Machines, OpCo LLC Common Units from, the TRA Holders (or their transferees or other assignees), the price of our Class A Common Stock at the time of the redemption, exchange or purchase; the extent to which such redemptions, exchanges or purchases are taxable; the amount and timing of the taxable income allocated to us or otherwise generated by us in the future; the tax rates and laws then applicable and the portion of our payments under the Tax Receivable Agreement constituting imputed interest.

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

The Tax Receivable Agreement provides that if (i) we materially breach any of our material obligations thereunder or the Tax Receivable Agreement is rejected by operation of law, (ii) certain mergers, asset sales, other forms of business combinations or other changes of control were to occur after the Closing Date or (iii) we elect an early termination of the Tax Receivable Agreement, then our obligations, or our successor's obligations, under the Tax Receivable Agreement to make payments would be accelerated and become immediately due and payable. The amount due and payable in those circumstances is based on the present value (at a discount rate equal to the secured overnight financing rate ("SOFR") plus 100 basis points) of projected future tax benefits that are based on certain assumptions, including an assumption that we would have sufficient taxable income to fully use all potential future tax benefits that are subject to the Tax Receivable Agreement. Based on such assumptions, if we were to exercise our termination right, or the Tax Receivable Agreement is otherwise terminated, the aggregate amount of the termination payments would be approximately \$100.4 million.

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

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

Payments under the Tax Receivable Agreement will be based on the tax reporting positions that we determine, which are complex and factual in nature, and the IRS Internal Revenue Service (the "IRS") or another taxing authority may challenge all

or part of the tax basis increases or other tax benefits we claim, as well as other related tax positions we take, and a court could sustain such challenge. If the outcome of any such challenge would reasonably be expected to materially affect a recipient's rights and obligations under the Tax Receivable Agreement, then our ability to settle such challenges may be restricted by the rights of the TRA Holders pursuant to the Tax Receivable Agreement, and such restrictions apply for as long as the Tax Receivable Agreement remains in effect. In addition, we will not be reimbursed for any cash payments previously made to the TRA Holders under the Tax Receivable Agreement in the event that any tax benefits initially claimed by us and for which payment has been made to a TRA Holder are subsequently challenged by a taxing authority and are ultimately disallowed. Instead, any excess cash payments made by us to a TRA Holder will be netted against any future cash payments that we might otherwise be required to make to such TRA Holder under the terms of

the Tax Receivable Agreement. However, we might not determine that we have effectively made an excess cash payment to a TRA Holder for a number of years following the initial time of such payment and, if any of our tax reporting positions are challenged by a taxing authority, we will not be permitted to reduce any future cash payments under the Tax Receivable Agreement until any such challenge is finally settled or determined. Moreover, the excess cash payments we made previously under the Tax Receivable Agreement could be greater than the amount of future cash payments against which we would otherwise be permitted to net such excess. As a result, payments could be made under the Tax Receivable Agreement significantly in excess of 85% of the actual cash tax savings that we realize in respect of the tax attributes with respect to a TRA Holder that are the subject of the Tax Receivable Agreement.

If Intuitive Machines, OpCo LLC were to become a publicly traded partnership taxable as a corporation for U.S. federal income tax purposes, we and Intuitive Machines, OpCo LLC might be subject to potentially significant tax inefficiencies, and we would not be able to recover payments we previously made under the Tax Receivable Agreement even if the corresponding tax benefits were subsequently determined to have been unavailable due to such status.

We and Intuitive Machines, OpCo LLC intend to operate such that Intuitive Machines, OpCo LLC does not become a publicly traded partnership taxable as a corporation for U.S. federal income tax purposes. A “publicly traded partnership” is a partnership, the interests of which are traded on an established securities market or are readily tradable on a secondary market or the substantial equivalent thereof. Under certain circumstances, exercises of the Intuitive Machines, OpCo LLC Options, redemptions and exchanges of Intuitive Machines, OpCo LLC Common Units pursuant to the Intuitive Machines Members’ redemption and exchange rights as described under Part III. Item 13. “Certain Relationships and Related Transactions, Director Independence — the A&R Operating Agreement — LLC Unit Redemption Right,” or other transfers of Intuitive Machines, OpCo LLC units could cause Intuitive Machines, OpCo LLC to be treated as a publicly traded partnership. Applicable U.S. Treasury regulations provide for certain safe harbors from treatment as a publicly traded partnership, and we intend to operate so that redemptions, exchanges and other transfers of Intuitive Machines, OpCo LLC units qualify for one or more such safe harbors. For example, we intend to limit the number of unitholders of Intuitive Machines, OpCo, LLC, and the A&R Operating Agreement provides for limitations on the ability of unitholders of Intuitive Machines, OpCo LLC to transfer their Intuitive Machines, OpCo LLC units and will provide us, as managing member of Intuitive Machines, OpCo, LLC, with the right to impose restrictions (in addition to those already in place) on the ability of owners of Intuitive Machines, OpCo LLC to redeem, exchange or otherwise transfer their Intuitive Machines, OpCo LLC units to the extent we believe it is necessary to ensure that Intuitive Machines, OpCo LLC will continue to be classified as a partnership for U.S. federal income tax purposes.

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

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

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

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

interest in Intuitive Machines, OpCo LLC could be deemed an “investment security” for purposes of the Investment Company Act.

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

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

Our Founders Dr. Kamal Ghaffarian, Stephen Altemus and Timothy Crain and their permitted transferees (collectively, the “Founders”), have control over all stockholder decisions because they control a substantial majority of the combined voting power. This may limit or preclude your ability to influence corporate matters. As of March 15, 2024, our Founders collectively control approximately 83.2% of the combined voting power of our common stock as a result of their ownership of Class C Common Stock, each share of which is entitled to three votes on all matters submitted to a vote of our stockholders.

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

Our Founders are entitled to vote their shares, and shares over which they have voting control, in their own interests, which may not always be in the interests of our stockholders generally. Because our Founders hold their economic interest in our business through Intuitive Machines, OpCo, LLC, rather than through us, they may have conflicting interests with holders of shares of Class A Common Stock. For example, our Founders may have a different tax position from us, which could influence their decisions regarding whether and when we should dispose of assets or incur new or refinance existing indebtedness, especially in light of the existence of the Tax Receivable Agreement, and whether and when we should undergo certain changes of control within the meaning of the Tax Receivable Agreement or terminate the Tax Receivable Agreement. In addition, the structuring of future transactions may take into consideration these tax or other considerations even where no similar benefit would accrue to us. See Part III, Item 13. ***“Certain Relationships and Related Party Transactions Director Independence — Tax Receivable Agreement, Agreement.”*** In addition, our Founders’ ability to effectively control us may discourage someone from making a significant equity investment in us, or could discourage transactions involving a change in control, including transactions in which you as a holder of shares of Class A Common Stock might otherwise receive a premium for your shares over the then-current market price.

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

We cannot predict whether our multi-class structure will result in a lower or more volatile market price of our Class A Common Stock or in adverse publicity or other adverse consequences. For example, certain index providers have announced restrictions on including companies with multiple-class share structures in certain of their indices. FTSE Russell and Standard & Poor's does not allow most newly public companies utilizing dual or multi-class capital structure to be included in their indices. Affected indices include the Russell 2000 and the S&P 500, S&P MidCap 400 and S&P Small Cap 600, which together make up the S&P Composite 1500. Our multi-class capital structure may make us ineligible for inclusion in certain indices, and as a result, mutual funds, exchange-traded funds and other investment vehicles that attempt to passively track these indices will not be investing in our stock. In addition, other stock indices may take similar actions. Given the sustained flow of investment funds into passive strategies that seek to track certain indices, exclusion from certain stock indices would likely preclude investment by many of these funds and would make our Class A Common Stock less attractive to other investors. As a result, the trading price and volume of our Class A Common Stock could be adversely affected.

Risks Relating to the Ownership of Our Class A Common Stock

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

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

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

approval, which could be used to significantly dilute the ownership of a hostile acquirer;

- the limitation of the liability of, and the indemnification of, our directors and officers;
- the requirement that a special meeting of stockholders may be called only by the Board, the chairman of the Board or chief executive officer or (ii) for so long as we are a controlled company under applicable Nasdaq rules, by our secretary at the request of any holder of record of at least 25% of the voting power of the issued and outstanding shares of capital stock, which could delay the ability of stockholders to force consideration of a proposal or to take action, including the removal of directors;
- the right of the Board to elect a director to fill a vacancy created by the expansion of the Board or the resignation, death or removal of a director, which prevents stockholders from being able to fill vacancies on the Board;
- the requirement that directors may only be removed from the Board for cause and upon the affirmative vote of the holders of at least 66 2/3% of the total voting power of the then outstanding capital stock;
- controlling the procedures for the conduct and scheduling of the Board and stockholder meetings;
- a prohibition from and after the time we cease to be a controlled company under applicable Nasdaq rules, on stockholder action by written consent (except for actions by the holders of Class B Common Stock, Class C Common Stock or as required for holders of any series of preferred stock), which forces stockholder action to be taken at an annual or special meeting of stockholders and could delay the ability of stockholders to force consideration of a stockholder proposal or to take action, including the removal of directors;
- the requirement that a special meeting of stockholders may be called only by the Board, the chairman of the Board or chief executive officer or (ii) for so long as we are a controlled company under applicable Nasdaq rules, by our secretary at the request of any holder of record of at least 25% of the voting power of the issued and outstanding shares of capital stock, which could delay the ability of stockholders to force consideration of a proposal or to take action, including the removal of directors;
- the requirement for the affirmative vote of holders of at least 66 2/3% of the total voting power of all of the then outstanding shares of the voting stock, voting together as a single class, to amend, alter, change or repeal certain provisions in the Certificate of Incorporation which could preclude stockholders from bringing matters before annual or special meetings of stockholders and delay changes in the Board and also may inhibit the ability of an acquirer to effect such amendments to facilitate an unsolicited takeover attempt;
- controlling the procedures for the conduct and scheduling of the Board and stockholder meetings;
- the requirement for the affirmative vote of holders of at least 66 2/3% of the total voting power of all of the then outstanding shares of the voting stock, voting together as a single class, to amend, alter, change or repeal certain provisions in the Certificate of Incorporation which could preclude stockholders from bringing matters

before annual or special meetings of stockholders and delay changes in the Board and also may inhibit the ability of an acquirer to effect such amendments to facilitate an unsolicited takeover attempt;

- the ability of the Board to amend the By-Laws, which may allow the Board to take additional actions to prevent an unsolicited takeover and inhibit the ability of an acquirer to amend the By-Laws to facilitate an unsolicited takeover attempt; and
- the ability of the Board to amend the By-Laws, which may allow the Board to take additional actions to prevent an unsolicited takeover and inhibit the ability of an acquirer to amend the By-Laws to facilitate an unsolicited takeover attempt; and
- advance notice procedures with which our stockholders must comply to nominate candidates to the Board or to propose matters to be acted upon at a stockholders' meeting, which could preclude stockholders from bringing matters before annual or special meetings of stockholders and delay changes in the Board and also may discourage or deter a potential acquirer from conducting a solicitation of proxies to elect the acquirer's own slate of directors or otherwise attempting to obtain control of us.
- advance notice procedures with which our stockholders must comply to nominate candidates to the Board or to propose matters to be acted upon at a stockholders' meeting, which could preclude stockholders from bringing matters before annual or special meetings of stockholders and delay changes in the Board and also may discourage or deter a potential acquirer from conducting a solicitation of proxies to elect the acquirer's own slate of directors or otherwise attempting to obtain control of us.

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

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

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

Our The Certificate of Incorporation provides that, unless we consent in writing to the selection of an alternative forum, the Court of Chancery of the State of Delaware, or if such court does not have subject matter jurisdiction, any other court located in the State of Delaware with subject matter jurisdiction, will be the sole and exclusive forum for (a) any derivative action or proceeding brought on our behalf, (b) any action asserting a claim of breach of a fiduciary duty owed by any current or former director, officer, other

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

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

We are a “controlled company” within the meaning of the Nasdaq listing standards and, as a result, qualify for, and rely on, exemptions from certain corporate governance requirements. You may not have the same protections afforded to shareholders stockholders of companies that are subject to such requirements.

Our Founders own Dr. Kamal Ghaffarian owns more than 50% of the combined voting power for the election of directors to the Board, and, as a result, we are considered a “controlled company” for the purposes of the Nasdaq rules. As such, we qualify for exemptions from certain corporate governance requirements, including that a majority of the Board consist of “independent directors,” as defined under the Nasdaq rules. In addition, we are not required to have a nominating and corporate governance committee or compensation committee that is composed entirely of independent directors with a written charter addressing the committee’s purpose and responsibilities or to conduct annual performance evaluations of the nominating and corporate governance and compensation committees.

As permitted for a “controlled company,” a majority of our Board and our Compensation and Nominating and Corporate Governance Committees will not be independent. Accordingly, our stockholders may not have the same protections afforded to stockholders of companies that are subject to all of the corporate governance requirements of the Nasdaq rules.

If at any time we cease to be a “controlled company” under the Nasdaq rules, the Board intends to take any action that may be necessary to comply with the Nasdaq rules, subject to a permitted “phase-in” period. These and any other actions necessary to achieve compliance with such rules may increase our legal and administrative costs, will make some activities more difficult, time-consuming and costly and may also place additional strain on our personnel, systems and resources.

Our Certificate of Incorporation does not limit the ability of Inflection Point Holdings LLC (the “Sponsor”), investment funds affiliated with or advised by Kingstown Capital Management L.P. (the “Kingstown Funds”) or our non-employee directors to compete with us.

The Sponsor, the Kingstown Funds and our non-employee directors and their respective affiliates engage in a broad spectrum of activities, including investments in the aerospace industries. In the ordinary course of their business activities, the Sponsor, the Kingstown Funds and our non-employee directors and their respective affiliates may engage in activities where their interests conflict with our interests or those of our stockholders. The Certificate of Incorporation provides that, to the fullest extent permitted by law, none of the Sponsor, the Kingstown Funds, our non-employee directors or any their respective affiliates (including any non-

employee director who serves as an officer in both his or her director and officer capacities) will have any duty to refrain from engaging, directly or indirectly, in the same business activities or similar business activities or lines of business in which we operate or otherwise competing with us or any of our affiliates. Further, to the fullest extent permitted by law, no such persons will be liable to us for breach of any fiduciary duty solely by reason of the fact that such person engages in any such activity. The Sponsor, the Kingstown Funds, and their directors and officers may pursue, in their capacities other than as directors of our Board, acquisition opportunities that may be complementary to our business, and, as a result, those acquisition opportunities may not be available to us. In addition, the Sponsor, the Kingstown Funds, and their directors and officers may have an interest in pursuing acquisitions, divestitures and other transactions that, in its judgment, could enhance its investment, even though such transactions might involve risks to you.

Our business and operations could be negatively affected if it becomes subject to any securities litigation or stockholder activism, which could cause us to incur significant expense, hinder execution of business and growth strategy and impact our stock price.

In the past, following periods of volatility in the market price of a company's securities, securities class action litigation has often been brought against that company. Shareholder activism, which could take many forms or arise in a variety of situations, has been increasing recently. Volatility in the stock price of our Class A Common Stock or other reasons may in the future cause us to become the target of securities litigation or stockholder activism. Securities litigation and stockholder activism, including potential proxy contests, could result in substantial costs and divert management's and our Board's attention and resources from our business. Additionally, such securities litigation and stockholder activism could give rise to perceived uncertainties as to our future, adversely affect its relationships with service providers and make it more difficult to attract and retain qualified personnel. Also, we may be required to incur significant legal fees and other expenses related to any securities litigation and activist stockholder matters.

28

Further, its stock price could be subject to significant fluctuation or otherwise be adversely affected by the events, risks and uncertainties of any securities litigation and stockholder activism.

Our business and operations could be negatively affected if it becomes subject to any securities litigation or stockholder activism, which could cause us to incur significant expense, hinder execution of business and growth strategy and impact our stock price.

In the past, following periods of volatility in the market price of a company's securities, securities class action litigation has often been brought against that company. Shareholder activism, which could take many forms or arise in a variety of situations, has been increasing recently. Volatility in the stock price of our Class A Common Stock or other reasons may in the future cause us to become the target of securities litigation or stockholder activism. Securities litigation and stockholder activism, including potential proxy contests, could result in substantial costs and divert management's and our Board's attention and resources from our business. Additionally, such securities litigation and stockholder activism could give rise to perceived uncertainties as to our future, adversely affect its relationships with service providers and make it more difficult to attract and retain qualified personnel. Also, we may be required to incur significant legal fees and other expenses related to any securities litigation and activist stockholder matters.

Further, our stock price could be subject to significant fluctuation or otherwise be adversely affected by the events, risks and uncertainties of any securities litigation and stockholder activism.

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

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

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

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

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

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

Item 1B. Unresolved Staff Comments.

Comments

None.

Item 1C. Cybersecurity

Risk Management and Strategy

We believe cybersecurity is critical to advancing the Company's strategy and the growth of our business. We manufacture and operate highly sophisticated spaceflight systems that depend on complex technology and face a multitude of cybersecurity threats. Threat actors (such as ransomware groups) are becoming increasingly sophisticated and using tools and techniques that are designed to circumvent security controls, to evade detection and to remove or obfuscate forensic

evidence. Our information technology systems and networks may be damaged, disrupted, or compromised by malicious events, such as cyberattacks (including computer viruses, ransomware, and other malicious and destructive code, phishing attacks, and denial of service attacks), physical or electronic security breaches, natural disasters, fire, power loss, telecommunications failures, personnel misconduct, and human error. Such attacks or security breaches may be perpetrated by internal bad actors, such as employees or contractors, or by third parties. Furthermore, because the techniques used to obtain unauthorized access or sabotage systems change frequently and generally are not identified until after they are launched against a target, we may be unable to anticipate these techniques or implement adequate preventative measures.

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

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

We have not experienced any cybersecurity incidents that have had a material impact on our business strategy, results of operations or financial condition. Our costs to adequately counter the risk of cyber-attacks and to comply with contractual and/or regulatory compliance requirements may increase significantly in the future. If there is a security vulnerability, error, or other bug in one of ours or our critical third-party systems or if there is a security exploit targeting them, we could face increased costs, claims, liability, reduced revenue, and harm to our reputation or competitive position.

Governance

The Board oversees management's processes for identifying and mitigating risks, including cybersecurity risks, to help align our risk exposure with our strategic objectives, senior leadership regularly briefs the Board of Directors on our cybersecurity and information security posture and the Board of Directors is apprised of cybersecurity threats. Our

information technology organization, led by our VP of Production & Operations, and our Information Technology Director are responsible for our overall information security strategy, policy and cyber threat detection and response. The current Information Technology Director has 27 years of IT industry experience in operations and cybersecurity planning and implementations for organizations internal to NASA, Jacobs Engineering, and Lockheed Martin. The Information Technology team includes full-time cybersecurity professionals that work routinely with third party security firms along with government and civilian agencies for malware remediation, threat intelligence sharing, and cyber risk analysis exercises. These partnerships provide 24/7 monitoring and remediation, and the shared intelligence flows into regular updates for our evolving security strategies. Our

IT operations team has a combined experience of over 50 years combating cyber threats at all levels including military, government, civilian agencies, and corporate enterprise.

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

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

30

None.

Item 2. Properties. Properties

Houston, Texas.

Our principal facility is currently based on located in Houston, Texas; however, we are currently transitioning to a Texas which includes our corporate headquarters and new lunar production Lunar Production and operations center Operations Center (“LPOC”) at the Houston Spaceport at Ellington Airport. The center is designed to span was completed in late 2023 under a ground lease agreement, and spans across about 12.5 acres of real estate, and to have has more than 100,000 square feet of office and advanced production space. Other The LPOC serves as a production and testing facility of lunar lander components and other aerospace related operations and features are being designed to include tiered storage, an advanced loading dock, and a production area with 45-foot ceilings and crane that will be capable of handling all our Nova Lunar Lander designs. The facility will host

Greenbelt, Maryland. In relation to the first commercial use SCIF OMES III contract awarded in Houston with 2023 to conduct servicing of NASA's LandSat-7, we have a plan to include office tenant space for Department team of Defense units and innovation accelerators.

The new lunar production and operations center and corporate offices under construction over 100 employees working onsite at the Houston Spaceport are expected Goddard Space Flight Center to be completed in support the third quarter of 2023, and are estimated to cost approximately \$40 million to complete, subject to future design or development changes. We expect to fund the new facilities' construction costs as they are incurred using cash on hand and in reliance upon a build-to-suit lease arrangement whereby the lessor is expected to reimburse up to \$40 million for certain costs incurred by us for design, construction, and development. Upon completion of the construction project, the lunar production and operations center will serve as our principal facility under a ground lease agreement with an initial term of 20 years with four optional renewal periods of 5 years each. project.

Item 3. Legal Proceedings.

Proceedings

In the ordinary course of business, we are involved in various pending and threatened litigation matters. In the future, we may be subject to additional legal proceedings, the scope and severity of which is unknown and could adversely affect our business. In addition, from time to time, we may receive letters or other forms of communication asserting claims against us.

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

Item 4. Mine Safety Disclosures.

Not Applicable.

Disclosures

Not applicable.

31

PART II

PART II

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

Securities

Market Information

Our Class A Common Stock began trading and Public Warrants are listed on the Nasdaq Stock Market (the "Nasdaq") under the symbol symbols "LUNR" on February 14, 2023. Our warrants began trading on the Nasdaq under the symbol "LUNRW" on the

same day.

and "LUNRW," respectively.

Holders

Holders

At March 29, 2023 As of March 15, 2024, there were **ten** 46 holders of record of our Class A Common Stock, **three** 0 holders of record of our Class B common stock, par value \$0.0001 per share (the "Class B Common Stock"), five Stock, 5 holders of record of our Class C common stock, par value \$0.0001 per share (the "Class C Common Stock"), two holders Stock, 1 holder of record of our Series A Preferred Stock, and two holders 1 holder of record of our public warrants.

In calculating the number of shareholders, we consider clearing agencies and security position listings as one shareholder for each agency or listing.

Dividend Policy

We have not declared or paid dividends on our common stock to date. We have no current plans to pay dividends on our Class A Common Stock. Stock in the foreseeable future. Holders of our Class B Common Stock and Class C Common Stock do not have any right to receive dividends, or to receive a distribution upon a liquidation, dissolution, or winding up of Intuitive Machines, Inc., with respect to their Class B Common Stock or Class C Common Stock. Our Series A Preferred Stock pays dividends, semi-annually at the rate of 10% of the original price per share, plus the amount of previously accrued, but unpaid dividends, compounded semi-annually, and participates with the Class A Common Stock on all other dividends. Accrued dividends may be paid (i) in cash, (ii) subject to satisfaction of certain equity conditions, in shares of Class A Common Stock or (iii) accumulated, compounded and added to the liquidation preference. The declaration, amount, and payment of any future dividends on shares of Class A Common Stock is at the sole discretion of our Board and we may reduce or discontinue entirely the payment will depend on a number of such dividends at any time. Our Board may take into account factors, including general and economic conditions, our financial condition and operating results, our available cash and current and anticipated cash needs, capital requirements, contractual, legal, tax, and regulatory restrictions and implications on the payment of dividends by us to our stockholders or by our subsidiaries to us, and such other factors as our Board may deem relevant.

Unregistered Equity Securities

We are

Sales of unregistered equity securities were previously reported in a holding company and have no material assets other than our ownership of Intuitive Machines OpCo Common Units. The A&R Operating Agreement provides that certain distributions Quarterly Report on Form 10-Q or in a Current Report on Form 8-K. Additionally, you may refer to cover the taxes of the holders of Intuitive Machines OpCo Common Units will be made based upon assumed tax rates and other assumptions provided following footnote disclosures in the A&R Operating Agreement. See Part III. Item 13. "Certain Relationships and Related Transactions, and Director Independence — A&R Operating Agreement." The manager of Intuitive Machines OpCo has broad discretion this Annual Report on Form 10-K for information on these transactions related to make distributions out of Intuitive Machines OpCo. In the event we declare any cash dividend, we expect that Intuitive Machines, Inc., as the manager of Intuitive Machines OpCo, would cause Intuitive Machines OpCo to make distributions to us in an amount sufficient to cover such cash dividends declared by us. If Intuitive Machines OpCo makes such distributions to us, the other holders of Intuitive Machines OpCo Common Units will also be entitled to receive the respective equivalent pro rata distributions in accordance with the percentages of their respective Intuitive Machines OpCo Common Units.

We anticipate that cash received by Intuitive Machines OpCo may, in certain periods, exceed its liabilities, including tax liabilities, and obligations to make payments under the Tax Receivable Agreement. We expect that we may use any such excess cash from time to time to pay dividends, which may include special dividends, unregistered equity securities: Note 3 for information on the

Class Series A Common Stock, to fund repurchases of its Class A Common Stock, or any combination of the foregoing. Our Board, in its sole discretion, will make any determination with respect to Investment related to the use Business Combination, Note 9 for information on the sell of any such excess cash.

We also expect, if necessary, securities in a private placement with Armistice Capital Master Fund Ltd, and Note 17 for several subsequent event transactions related to undertake ameliorative actions, which may include pro rata or non-pro rata reclassifications, combinations, subdivisions, or adjustments unregistered equity securities.

Issuer Purchases of outstanding Intuitive Machines OpCo Common Units, or to declare a stock dividend on our Class A Common Stock ***Equity of an aggregate number of additional newly issued shares that corresponds to the number of additional Intuitive Machines OpCo Common Units that Intuitive Machines, Inc. is acquiring , to maintain one-to-one parity between Intuitive Machines OpCo Common Units and shares of Class A Common Stock, Class B Common Stock and Class C Common Stock.***

Securities

None.

Any financing arrangements that we enter into in the future may include restrictive covenants that limit our ability to pay dividends. In addition, Intuitive Machines OpCo is generally prohibited under Delaware law from making a distribution to a member to the extent that, at the time of the distribution, after giving effect to the distribution, liabilities of Intuitive Machines OpCo (with certain exceptions) exceed the fair value of its assets.

Since its formation in January 27, 2021, Intuitive Machines, Inc. has not paid any dividends to holders of its outstanding common stock.

Securities Authorized for Issuance Under Equity Compensation Plans

As of December 31, 2022, we did not have any securities authorized for issuance under Information about our equity compensation plans. On February 13, 2023, in connection with the Transactions, our shareholders approved the Intuitive Machines, Inc. 2023 Long Term Omnibus Incentive Plan (the “Intuitive Machines Incentive Plan”). We have reserved a total plans is incorporated herein by reference to Part III, Item 12 of 12,706,811 shares of our Class A common stock for issuance pursuant to the Intuitive Machines Incentive Plan, and the maximum number of shares that may be issued pursuant to the exercise of incentive stock options granted under the Intuitive Machines Incentive Plan is 12,706,811, in each case, subject to certain adjustments set forth therein.

Item 6. [Reserved].

this Annual Report.

Item 6. Reserved

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

Operations

As a result of the closing of the Business Combination on February 13, 2023, which was accounted for as a reverse recapitalization in accordance with GAAP, the financial statements of Intuitive Machines, LLC, a Delaware limited liability company and our wholly-owned subsidiary, are now the financial statements of the Company. You should read the following discussion and analysis of our financial condition and results of operations in conjunction with the audited our consolidated financial statements and the related notes thereto included elsewhere in Part II. Item 8. of this Annual Report.

Certain of the information contained in this discussion and analysis or set forth elsewhere in this Annual Report, includes forward-looking statements that involve risks and uncertainties. As a result of many factors, including those factors set forth in the sections titled "Cautionary Note Regarding Forward-Looking Statements" and Part I. Item 1A. "Risk Factors" included in this Annual Report, our actual results could differ materially from the results described in or implied by the forward-looking statements contained in the following discussion and analysis.

Unless otherwise indicated or the context otherwise requires, references in this section to the "Company," "our," "IM," "us" or "we" in this Item 7 refer to Inflection Point Acquisition Corp. "Intuitive Machines," "we," "us," or IPAX, before the consummation of the Business Combination. The term "New Intuitive Machines" refers "our" refer to Intuitive Machines, Inc. after and its consolidated subsidiaries.

Overview

We are a space infrastructure and services company founded in 2013 that is contributing to the establishment of lunar infrastructure and commerce on the Moon. We believe we have a leading position in the development of lunar space operating in four business lines described further below. We are initially focused on establishing the lunar infrastructure and basis for commerce to inform and sustain human presence off Earth. We believe our business is well positioned for continued growth and expansion:

- Right Now: Servicing the National Aeronautics and Space Administration ("NASA") and a worldwide set of commercial payload customers, working to provide access to the lunar surface, cislunar space and data transmission for science, technology, and infrastructure.
- Tomorrow: Working to provide a thriving, diverse lunar economy, creating new opportunities and markets to enable on-orbit applications, a permanent presence on the Moon, and expand the commercial space exploration marketplace.

We are currently working to provide access to the lunar surface and collect and transmit cislunar data for science, technology, and infrastructure. We are one of a select few companies servicing NASA and a worldwide set of commercial payload customers. We believe we have a strong position with a first mover advantage, as evidenced by three Commercial Lunar Payload Services ("CLPS") awards to date as of December 31, 2023. On February 22, 2024, Intuitive Machines' Nova-C lander became the first U.S. vehicle to softly land on the lunar surface since 1972 and landed the vehicle further south than any vehicle in the world has ever soft-landed on the Moon. Our Nova-C lander on the IM-1 mission carried approximately 100 kilograms of payloads and executed numerous experiments and technology demonstrations at the lunar surface near the south pole. Our goal is to follow the successful IM-1 mission with IM-2, which will continue to execute experiments and technology demonstrations at the Shackleton Connecting Ridge at the lunar south pole, and IM-3, our third CLPS award, which will land at Reiner Gamma. These missions, along with additional expeditions, are in partnership with NASA, Nokia Corporation, Columbia Sportswear Company, Aegis

Aerospace, Inc. and other commercial players. Intuitive Machines offers its customers the flexibility needed to pioneer a thriving, diverse lunar economy and to enable a permanent presence on the Moon.

Additionally, the U.S. Space Forces' (the "Space Force") requirement to ensure freedom of action in space is driving their initial focus on cis-lunar Space Domain Awareness sensors and xGEO Position Navigation and Timing solutions as a result of the Business Combination.

The financial information included in this Item 7 is that ongoing efforts by the United States and the People's Republic of IPAX prior China ("China") to return to the lunar surface in a sustainable manner. We believe the U.S. Department of Defense funding for cis-lunar activities will drive the Space Force to rely on purchasing cis-lunar commercial services for the next five plus years, as opposed to acquiring and operating new government systems. This funding provides an opportunity for companies such as Intuitive Machines to sell Space Domain Awareness, Position Navigation and Timing, and secure communications to the Space Force, especially given that the commercial sector will be the driving force in providing cis-lunar products and services due to the capital that is flowing to new space entrants. This, along with other domestic and foreign allied policies, enhances our belief in the growing space economy and why we are well-positioned.

33

Our Business Model

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

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

Our core technologies underpin our capabilities in four business units: Lunar Access Services, Orbital Services, Lunar Data Services and Space Products and Infrastructure. Under Accounting Standards Codification ("ASC") 280 "Segment Reporting," we concluded that our business units operate as one reportable segment. See our Segment Reporting disclosure under Note 2 in our consolidated financial statements for further discussion on our reportable segment.

Lunar Access Services

Our Lunar Access Services business provides reliable and affordable means for governments, companies and individuals to explore and place objects in cislunar space or on the lunar surface. We have developed a complete lunar program that includes mission control, the Nova-C lander, a space-to-ground communications network, and a series of launch vehicle contracts with SpaceX. As of December 31, 2023, we had three missions on the flight manifest, with plans to increase the frequency and complexity of the missions over time. On February 22, 2024, our Nova-C lander on the IM-1 mission became the first U.S. vehicle to softly land on the lunar surface since 1972 and landed the vehicle further south than any vehicle in the world has ever soft-landed on the Moon.

We are currently focused on using our proprietary lunar lander vehicles to execute CLPS contracts for NASA to fly scientific equipment to the lunar surface and support experiments. We also have a robust and growing set of commercial customers pursuing R&D and technology maturation efforts aimed at capturing the growing cislunar economy. This service includes softly landing on the lunar surface while carrying significant payloads, shuttling numerous technology demonstrations to the lunar surface, deploying the first drill to test for water ice on the Moon and deploying drones to test Long Term Evolution networks.

Orbital Services

Orbital Services provides in-space orbital services for both commercial and government organizations. These services include repair, refueling, and raising the orbits of existing satellites. We seek to leverage our domain expertise and space products, such as optical navigation, rendezvous and proximity operations, robotic mechanisms for satellite delivery, debris removal and Space Domain Awareness in orbits from low Earth orbit out to cislunar space. We also serve as the prime contractor and partner on NASA center support contracts, such as the recently awarded OMES III and JETSON Low Power contracts, that expand our relationship with NASA and emphasize our capabilities in key technology focus areas.

Lunar Data Services

Our Lunar Data Services business will establish a private and secure network called the Lunar Data Network (the "LDN") that sends and receives secure communications, navigation and imagery to and from the Moon. The LDN is designed to support line-of-sight and data relay services for spacecraft in cislunar space and systems anywhere on the lunar surface. We intend to evolve the network to provide backup services to NASA and the U.S. Space Force. The LDN is currently comprised of a mission control center, strategically positioned global ground stations, and base-band units installed at each ground station.

34

With the launch of future lander missions, the LDN will be further enhanced with the deployment of our lunar data relay satellites to offer continuous lunar coverage. We believe providing these lunar data services to NASA and the Space Force will be an increasingly important priority given China's recent declaration that it intends to build its own lunar satellite network and manned lunar habitat.

Space Products and Infrastructure

Our Space Products and Infrastructure business offers reliable and cost-effective space products to its customers with offerings that include propulsion systems, navigation systems, lunar mobility, power infrastructure and human habitation systems. We also provide highly specialized aerospace engineering services for complex space systems development to NASA and the aerospace industry across the United States.

With extensive additive manufacturing capabilities, including an in-house composites shop and robust machine shop, we believe we have the capabilities and expertise required to rapidly manufacture on-demand prototypes, development parts, flight units, and spares with a focus on producing small series and high-quality serial productions of metal components utilizing additive manufacturing. Additionally, we believe this business allows us to expand into prime positions on payload contracts with NASA and other customers.

Recent Developments

Business Combination because the Business Combination and Related Transactions

The Company was consummated subsequent to the period covered by the audited financial statements included in this Annual Report.

Overview

Until February 13, 2023 formerly known as Inflection Point Acquisition Corp. (“IPAX”), we were which was a blank check company originally incorporated on January 27, 2021 as a Cayman Islands exempted company under the name, Inflection Point Acquisition Corp., for the purpose of effecting a merger, share exchange, asset acquisition, share purchase, reorganization or similar business combination with one or more businesses.

Initial Public Offering and Private Placements

On September 24, 2021, we completed our IPAX consummated an initial public offering, (“IPO”) of 30,000,000 units, at \$10.00 per unit (the “Units”) after which its securities began trading on the Nasdaq. On September 16, 2022, IPAX entered into that certain Business Combination Agreement by and issued an additional 2,975,000 Units (the “Over-Allotment Units”) to between IPAX and Intuitive Machines, LLC.

On February 13, 2023, Intuitive Machines, LLC consummated the underwriters on October 29, 2021 upon their partial exercise of their over-allotment option, generating aggregate gross proceeds to us of \$329,750,000. Each Unit consisted of one of our Class A ordinary shares, \$0.0001 par value (the “Class A ordinary shares” or “Public Shares”) previously announced Business Combination and one-half of one redeemable warrant (each, a “Public Warrant”), with each whole warrant entitling the holder to purchase one Class A ordinary share for \$11.50 per share, subject to adjustment.

Simultaneously with the closing of the IPO, we sold other related transactions as further described in Note 1 - Business Description and Note 3 - Business Combination and Related Transactions to our Sponsor, Inflection Point Holdings LLC, consolidated financial statements included in Item 8 of Part II of this Annual Report. The Business Combination was accounted for akin to a Cayman Islands limited liability company (the “Sponsor”), 6,250,000 private placement warrants (“IPO Private Placement Warrants”) at a price of \$1.00 per warrant, and simultaneously reverse recapitalization, with the sale of the Over-Allotment Units, sold to our Sponsor an additional 595,000 private placement warrants (the “Over-Allotment Private Placement Warrants” and, together with the IPO Private Placement Warrants, the “Private Placement Warrants”), generating aggregate gross proceeds to us of \$6,845,000. An aggregate of 12 qualified institutional buyers (“Anchor Investors”) were allocated and purchased a total of 29,540,000 Units no goodwill or 98.5% of the Units sold in the IPO. One of the Anchor Investors, Kingstown 1740 Fund, LP (“Kingstown 1740”), is an affiliate of our Sponsor, and was allocated and purchased 2,900,000 Units in the IPO.

In addition, subject to each Anchor Investor purchasing 100% of the Units allocated to it, in connection with the closing of the IPO, our Sponsor sold membership interests reflecting an allocation of Class B ordinary shares, par value \$0.0001 per share (the “Founder

Shares") to each Anchor Investor, amounting to an aggregate of 1,625,000 Founder Shares to all Anchor Investors collectively. We estimated the aggregate fair value of these Founder Shares attributable to Anchor Investors to be approximately \$9.68 million, or \$5.96 per share. The excess of the fair value of the Founder Shares was determined to be an offering cost other intangible assets recorded, in accordance with Staff U.S. Generally Accepted Accounting Bulletin Topic 5A. Offering costs allocated to the Public Shares Principles ("U.S. GAAP"). The Business Combination and the Public Warrants was all charged to shareholder's equity upon the completion other related transactions had several significant impacts on our reported financial position and results, as a consequence of the IPO.

reverse recapitalization treatment.

Transaction costs from the IPO amounted to \$26,658,313, consisting of \$4,595,000 of underwriting commissions, \$11,541,250 of deferred underwriting commissions, \$9,680,125 of excess fair value of Founder Shares, and \$841,938 of other offering costs, with \$23,439 allocated to the over-allotment option, \$24,538,134 allocated to the Class A ordinary shares subject to redemption, and \$2,096,740 allocated to the Class A ordinary shares not subject to redemption, the Public Warrants and the Private Placement Warrants.

Following the consummation of the IPO, including the sale of the Over-Allotment Units, a total of \$329,750,000 from the proceeds of the Units in the IPO and the sale of the Over-Allotment Units was deposited into a trust account (the "Trust Account"). The proceeds from the Private Placement Warrants were used to pay a portion of the transaction expenses with the remainder deposited into the operating account.

Business Combination with Intuitive Machines OpCo

On September 16, 2022 September 5, 2023, the Company entered into consummated a business combination securities purchase agreement (the "Business Combination Purchase Agreement") with Intuitive Machines OpCo.

On February 10, 2023, as contemplated by the Business Combination Agreement and described in the section titled “The Business Combination Proposal” of the Company’s final prospectus and definitive proxy statement, dated January 24, 2023 **Armistice Capital Master Fund Ltd** (the “Proxy Statement/Prospectus” “Purchaser”) and filed with the SEC on January 24, 2023, the Company filed a notice of deregistration with the Cayman Islands Registrar of Companies, together with the necessary accompanying documents, and filed a certificate of incorporation (the “Certificate of Incorporation”) and a certificate of corporate domestication with the Secretary of State of the State of Delaware, pursuant to which the Company was domesticated and continues as a Delaware corporation, changing its name agreed to “Intuitive Machines, Inc.” (the “Domestication”).

Immediately prior to the Domestication, each of Purchaser in a private placement (the “Initial Private Placement”). The Purchase Agreement provided for the then issued and outstanding Class B ordinary shares of issuance by the Company par value \$0.0001 per share (each, a “Class B ordinary share”), converted automatically, on a one-for-one basis, into a Class A ordinary share of the Company. As a result (i) an aggregate of and upon the effective time of the Domestication, among other things, (1) each of the then issued and outstanding Class A ordinary 4,705,883 shares automatically converted, on a one-for-one basis, into a share of the Company’s Class A common stock, par value \$0.0001 Common Stock (the “PIPE Shares” and (ii) an accompanying (a) warrant to purchase up to 4,705,883 shares of Class A Common Stock (the “Initial Series A Warrant”) at an exercise price of \$4.75 per share (the “Class and (b) warrant to purchase up to 4,705,883 shares of Class A Common Stock” Stock (the “Initial Series B Warrant”); (2) each at an exercise price of \$4.75 per share, for aggregate gross proceeds of \$20.0 million, before deducting related transaction costs of \$1.4 million. The Initial Series A Warrant and the then Initial Series B Warrant are immediately exercisable and will expire on March 5, 2029 and March 5, 2025, respectively.

After giving effect to the Business Combination, the Private Placement and other related transactions, there are currently (i) 21,029,876 shares of Class A Common Stock issued and outstanding, warrants representing (ii) 0 shares of Class B Common Stock issued and outstanding, (iii) 70,909,012 shares of Class C Common Stock issued and outstanding, and (iv) 26,000 shares of Series A Preferred Stock issued and outstanding. The shares of Class B Common Stock and Class C Common Stock do not have any economic value but entitle the right holder thereof to one and three votes per share, respectively. The Company also has outstanding a total of 21,930,394 Public Warrants and Private Warrants to purchase one share of Class A ordinary Common Stock with an exercise price of \$11.50 per share automatically converted into a warrant and 9,411,766 Series A Warrants and B Warrants to acquire purchase one share of the Company’s Class A Common Stock with an exercise price of \$4.75 per share. The Company also issued 541,667 Preferred Investor Warrants in conjunction with the issuance of the Series A Preferred Stock to purchase an aggregate 706,522 shares of the Company’s Class A Common Stock with an exercise price of \$11.50 per share. The Class A Common Stock, and the Public Warrants and Private Warrants trade on the Nasdaq under the symbols, “LUNR” and “LUNRW”, respectively.

Subsequent Events

Warrant Transactions

On January 10, 2024, the Company entered into a Warrant Exercise Agreement with an existing investor to exercise in full an existing Series B Common Stock Purchase Warrant to purchase up to an aggregate 4,705,883 shares of Class A Common Stock. In consideration for the immediate and full exercise of the existing Series B Common Stock Purchase Warrant, the existing investor received (i) a new unregistered Series A Common Stock Purchase Warrant to purchase up to an aggregate of 4,705,883 shares of Class A Common Stock with an exercise price of \$2.75 per share and a term of 5

years, 6 months and (ii) a new unregistered Series B Common Stock Purchase Warrant to purchase up to an aggregate of 4,705,883 shares of Class A Common Stock with an exercise price of \$2.75 per share and a term of 18 months in a private placement pursuant to the related warrant agreement (each warrant, an "Intuitive Machines Warrant"); and (3) each Section 4(a)(2) of the then Securities Act of 1933. In connection with the Warrant Exercise Agreement, the Company also agreed to reduce the exercise price of the existing Series B Common Stock Purchase Warrant from \$4.75 to \$2.50 per share and reduced the exercise price of the existing Series A Common Stock Purchase Warrant from \$4.75 to \$2.75 per share. The gross proceeds to the Company from the exercise of the existing Series B Common Stock Purchase Warrant was approximately \$11.8 million.

In a series of transactions during February 2024, the investor exercised its remaining 4,705,883 Series B and 9,411,766 Series A Common Stock Purchase Warrants providing an additional \$38.8 million of gross proceeds to the Company.

Loan and Loan Conversion

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

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

On January 28, 2024, the Company and the Guarantor entered into a letter agreement (the "Letter Agreement") pursuant to which, on January 29, 2024: (i) the Guarantor contributed \$10.0 million to the Company for purposes of repaying the principal amount owed to the Lender under the Credit Line as of the repayment date specified thereunder (the "Repayment Obligation"), in exchange for which (x) the Company issued and outstanding Units were canceled and each holder thereof was entitled to one share the Guarantor 3,487,278 shares of the Company's Class A Common Stock and one-half Conversion Warrants described further below. Following the Contribution, the Company all amounts due to the Lender in satisfaction of one Intuitive Machines the Credit Line were repaid in full.

Pursuant to the Letter Agreement, the Company agreed to issue to the Guarantor, pursuant to Section 4(a)(2) of the Securities Act of 1933, (i) a new unregistered Series A Common Stock Purchase Warrant to purchase up to an

aggregate of 4,150,780 shares of, at the Guarantor's election, Class A Common Stock (at an exercise price per unit.

share equal to \$2.57 per share), Class C Common Stock (at an exercise price per share equal to \$0.0001 per share), or a combination thereof, with an expiration date of January 29, 2029, and (ii) a new unregistered Series B Common Stock Purchase Warrant to purchase up to an aggregate of 4,150,780 shares of, at the Guarantor's election, Class A Common Stock (at an exercise price per share equal to \$2.57 per share), Class C Common Stock (at an exercise price per share equal to \$0.0001 per share), or a combination thereof, with an expiration date of January 29, 2025.

Series A Preferred Stock Conversion

As a result of the Warrant Exercise Agreement on January 10, 2024 in conjunction with the Warrant Transactions discussed above and in accordance with the Certificate of Designation, the Series A Preferred Stock conversion price was reduced to \$3.00 per share. In a series of notifications to the Company during February 2024, the registered holder of 21,000 shares of Series A Preferred Stock elected to convert all of its Series A Preferred Stock holdings into Class A Common Stock at a conversion price of \$3.00 per share. The Company issued 7,738,743 shares of Class A Common Stock as a result of the conversion.

Inflation and Macroeconomic Pressures

In combination with the economic recovery from the COVID-19 pandemic and repercussions from geopolitical events, the global economy continues to experience volatile disruptions including to the commodity and labor markets. These disruptions have contributed to an inflationary environment which has affected, and may continue to adversely affect, the price and availability of certain products and services necessary for our operations, which in turn, has adversely impacted, and may continue to adversely impact our business, financial condition and results of operations.

We continue to monitor economic conditions and the impact of macroeconomic pressures, including repercussions from the recent banking crisis, rising interest rates, sustained inflation and recession fears, supply chain disruptions, monetary and fiscal policy measures (including future actions or inactions of the United States government related to the "debt-ceiling"), heightened geopolitical tensions (such as the war in Ukraine and Israel), changes to the U.S. federal budget, and the political and regulatory environment on our business, customers, suppliers and other third parties (including the potential for U.S. government shut down).

While rising costs and other inflationary pressures have not had a material impact on our business to date, we are monitoring the situation and assessing its impact on our business, including to our partners and customers.

Key Factors Affecting Our Performance

On February 13, 2023

We believe that our future success and financial performance depend on several factors that present significant opportunities for our business, but also pose risks and challenges, including those discussed below and in the section titled Part I., Item 1A. "Risk Factors" in this Annual Report.

Our ability to commence and expand spaceflight mission operations

Our success will depend in large part on our ability to commence and expand our lunar mission operations in 2024 and beyond. We completed our first mission in February 2024 and we are on track to complete the two additional funded

missions with a goal of establishing a regular cadence of multiple missions per year of increasing size and complexity by late 2025. This will provide our customers with proven and reliable cislunar access, with which to plan their future manifest. With binding agreements for 3 launches as of December 31, 2023, we ~~consummated~~ have \$268.6 million in backlog, and we are in active discussions with numerous potential customers, including government agencies and private companies, to potentially add to our contracted revenue.

Prior to commencing missions, we must complete internal integration activities as well as launch vehicle integration with our launch provider, SpaceX. Any delays in our launch date or in otherwise commencing our missions, including due to congestion at the ~~transactions contemplated by~~ pad launch site or delays in obtaining various approvals or licenses, could adversely impact our results and growth plans. As we improve production efficiency and schedule reliability and reach our target of multiple missions per year manifested 2-3 years in advance, we expect to improve our market penetration, which we believe will lead to higher revenue from both volume and mission complexity as well as increased operating leverage.

37

Our ability to expand our product and services offerings

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

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

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

Ability to improve profit margins and scale our business

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

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

Our future growth is largely dependent on our ability to continue to capitalize on increased government spending and private investment in the space economy. From 2019 to 2024, the U.S. federal government increased its space exploration and development budget for NASA by approximately 15.8%, or \$3.4 billion. U.S. federal government expenditures and private enterprise investment have fueled our growth in recent years, and it has resulted in our continued ability to secure increasingly valuable contracts for products and services in 2023. An increased focus on U.S. federal government spending could unfavorably impact the space exploration sector in the future. If our existing programs and project pursuits are not focused on the federal government's higher priorities, our business, prospects, financial condition and operating results could be adversely affected. However, we expect U.S. federal government expenditures and private investment in the space economy will continue to result in increased purchases of our products and services.

Our ability to continue to innovate

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

Components of Results of Operations

Revenue

Most of our revenue is derived from long-term contracts for the delivery of payloads to the lunar surface. In order to satisfy these contracts, we undertake the engineering for the research, design, development, manufacturing, integration and sustainment of advanced technology space systems. The integration of these technologies and systems lead to an

organic and integrated capability to provide lunar access on a commercial services basis. Individual contracts are aggregated by mission (e.g., IM-1, IM-2, IM-3) for management purposes. Revenue is measured based on the amount of consideration specified in a contract with the customer.

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

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

We perform work under contracts that broadly consist of fixed-price, cost-reimbursable, time-and-materials or a combination of the three. Pricing for all customers is based on specific negotiations with each customer. For a description of our revenue recognition policies, see the section titled "Critical Accounting Policies and Estimates." A small portion of our revenue is generated from engineering services which are time-and-material type contracts. Going forward, cost-reimbursable contracts may constitute a material portion of our revenue.

Cost of revenue (excluding depreciation)

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

Depreciation

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

General and administrative expense (excluding depreciation)

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

Interest expense, net

Interest expense, net consists of interest income earned on cash and cash equivalents and short-term investment balances held by us in interest bearing time deposit accounts. Interest expense is incurred on long-term debt.

Change in fair value of earn-out liabilities

Earn Out Units are classified as liabilities transactions at initial issuance which were offset against paid-in capital as of the closing of the Business Combination. At each period end, the Earn Out Units are remeasured to their fair value with the changes during that period recognized in other income (expense) on the consolidated statement of operations. Upon issuance and release of the shares after each Triggering Event is met, the related Earn Out Units will be remeasured to fair value at that time with the changes recognized in other income (expense), and such Earn Out Units will be reclassified to stockholders' equity (deficit) on the consolidated balance sheet. See Notes 2, 3 and 12 of the consolidated financial statements for additional information on the earn-out liabilities.

Change in fair value of warrant liabilities

In connection with the closing of the Private Placement, the Company issued the Initial Series A Warrant and the Initial Series B Warrant (the "Warrants") which are classified as **its managing member**, (ii) we issued liabilities on our balance sheet. At each period end, the Warrants are remeasured to certain existing members their fair value with the changes during the period recognized in other income (expense) on our consolidated statement of **Intuitive Machines OpCo** prior operations. See Notes 10 and 12 of the consolidated financial statements for additional information on the warrant liabilities.

Change in fair value of SAFE Agreements

Prior to closing the Business Combination, Intuitive Machines, LLC issued six SAFE Agreements in late 2021 and early 2022. The funds received upon issuance of the SAFE Agreements were used to fund operations. Pursuant to the guidance under ASC 480 "Distinguishing Liabilities from Equity," management determined that the SAFE Agreements should be initially recorded as liabilities at fair value and subsequently remeasured at fair value with changes recognized in earnings until conversion at a number qualifying financing event or termination of the SAFE Agreements. Upon the consummation of the Business Combination, the SAFE Agreements liability was eliminated and converted into shares of our Class B A Common Stock, par value \$0.0001 per share, having one vote per share Stock. See Note 10 for additional information on the SAFE Agreements.

Loss on issuance of securities

In connection with the Private Placement as discussed in Notes 9 and no economic rights or our Class C Common, par value \$0.0001 per share, having three votes per share and no economic rights, in each case, equal 10 to the number consolidated financial statements, the Company issued warrants and recognized a loss on the issuance as the fair value of common units the securities exceeded the gross proceeds at the issuance date. The Company evaluated the terms of the warrants and determined they meet the criteria in ASC 815, "Derivatives and Hedging", to be classified as a

derivative liability, initially measured at fair value. The subsequent changes in fair value are recognized in earnings in other income (expense) on the consolidated statement of operations.

Other (expense) income, net

Other (expense) income, net primarily consists of expense driven by fair value adjustments related to our Commitment Shares liability as discussed under Equity Facility in Note 3 to the consolidated financial statements, slightly offset by miscellaneous income sources.

Income tax (expense) benefit

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

40

Net loss attributable to redeemable noncontrolling interest

Noncontrolling interests represents the Closing Date and (iii) we contributed to portion of Intuitive Machines, OpCo an amount in cash (the "Available Closing Cash") equal to LLC that the sum Company controls and consolidates but does not own. The noncontrolling interests was created as a result of (without duplication): (a) all amounts in our Trust Account, less (x) amounts required for the redemptions of Cayman Class A Shares by shareholders of IPAX prior to the Business Combination and (y) our represents 68,150,754 Class A and Class B units issued by Intuitive Machines, OpCo's transaction expenses, plus (b) LLC to the aggregate proceeds actually prior investors represents approximately 81.2% of the ownership interests in the Company at the Closing Date. The Company allocates net income or loss attributable to the noncontrolling interests based on the weighted average ownership interests during the period. The net income or loss attributable to noncontrolling interests is reflected in the consolidated statement of operations.

The financial results of Intuitive Machines, LLC were consolidated into Intuitive Machines, Inc. for the period from February 13, 2023 to December 31, 2023 and resulted in the allocation of approximately 77.1% of Intuitive Machines, LLC's net loss to noncontrolling interests.

Results of Operations

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

The following table sets forth information regarding our consolidated results of operations for the year ended December 31, 2023 compared to the year ended December 31, 2022.

(in thousands)	Year Ended December 31,		
	2023	2022	\$ Change
Revenue	\$ 79,521	\$ 85,946	\$ (6,425)
Operating expenses:			
Cost of revenue (excluding depreciation)	100,472	75,513	24,959
Depreciation	1,376	1,072	304
Impairment of property and equipment	964	—	964
General and administrative expense (excluding depreciation)	32,946	14,868	18,078
Total operating expenses	135,758	91,453	44,305
Operating loss	(56,237)	(5,507)	(50,730)
Other income (expense), net:			
Interest expense, net	(823)	(836)	13
Change in fair value of earn-out liabilities	66,252	—	66,252
Change in fair value of warrant liabilities	15,435	—	15,435
Change in fair value of SAFE Agreements	(2,353)	(91)	(2,262)
Loss on issuance of securities	(6,729)	—	(6,729)
Other (expense) income, net	(483)	6	(489)
Total other income (expense), net	71,299	(921)	72,220
Income (loss) before income taxes	15,062	(6,428)	21,490
Income tax (expense) benefit	(40)	23	(63)
Net income (loss)	15,022	(6,405)	21,427
Net loss attributable to Intuitive Machines, LLC prior to the Business Combination	(5,751)	(6,405)	654
Net income for the period February 13, 2023 through December 31, 2023	20,773	—	20,773
Net loss attributable to redeemable noncontrolling interest	(42,031)	—	(42,031)
Net income attributable to the Company	62,804	—	62,804
Less: Cumulative preferred dividends	(2,343)	—	(2,343)
Net income attributable to Class A common shareholders	\$ 60,461	\$ —	\$ 60,461

Revenue

Revenue for the years ended December 31, 2023 and 2022 was primarily driven by NASA and other commercial payload contracts associated with the IM-1, IM-2 and IM-3 missions. The following provides a summary of the material contracts and estimated mission launch dates for each mission impacting our results of operations (estimated contract revenue and contract revenue excludes variable consideration that is constrained):

- The NASA payload contract for the IM-1 mission was awarded in June 2019 with an initial targeted mission launch date in March 2022. Total IM-1 mission estimated contract revenue under NASA and other commercial fixed-priced contracts was \$120.1 million as of December 31, 2023. As of December 31, 2022, total IM-1 mission estimated contract revenues were approximately \$117.3 million. During the third quarter of 2022, the targeted mission launch date was revised from December 2022 to March 2023. In April 2023, we received an additional modification from NASA to change the targeted landing site within the South Pole extending the targeted mission launch date to no later than February 2024 and increasing contract revenue by IPAX approximately \$3.1 million.
- The initial NASA payload contract for the IM-2 mission was awarded in October 2020 with a targeted mission launch date in December 2022. Total IM-2 mission estimated contract revenue under NASA and other commercial fixed-priced contracts was \$102.1 million as of December 31, 2023 as compared to \$106.7 million as of December 31, 2022. One of our commercial rideshare customers opted to re-manifest its payload from the **Securities Purchase Agreement** (the “**Securities Purchase Agreement**”) IM-2 mission to the IM-3 mission resulting in a decrease to estimated contract revenues of approximately \$4.5 million on the IM-2 mission. The IM-2 mission launch and post-launch services run through June 2024 under our contract with NASA although we anticipate launching after that date as we work with our customer to identify a final targeted landing site that will impact the mission timeline.
- The initial NASA payload contract for the IM-3 mission was awarded in November 2021 with an initial targeted mission launch date no later than June 2024 under our current contract with NASA. Total IM-3 mission estimated revenue under fixed-priced contracts is \$80.9 million as of December 31, 2023 as compared to \$78.8 million as of December 31, 2022. The increase in estimated contract revenues for the IM-3 mission is primarily due to the award of a new \$2.1 million commercial landed payload received in the first quarter of 2023. The IM-3 mission launch and post-launch services run through June 2024 under our contract with NASA although we anticipate launching after that date as we work with our customer to identify its complement of payloads that will impact the mission timeline.

Total revenue decreased by \$6.4 million, or 7%, for the year ended December 31, 2023 compared to the same period in 2022. Revenue on the IM-1 mission decreased approximately \$27.9 million to \$7.2 million for the year ended December 31, 2023 from \$35.2 million for the same period in 2022 primarily due to the mission nearing completion in 2023. As of December 31, 2023, the IM-1 mission was 98% complete and was successfully completed in February 2024. Revenue on the IM-2 mission for the year ended December 31, 2023 was \$22.1 million as compared to \$25.1 million in the same period of 2022 and was primarily driven by a change in progress towards completion of the IM-1 mission. The IM-2 mission was approximately 92% complete as of December 31, 2023. Revenue from the IM-3 mission increased

approximately \$5.1 million to \$24.9 million for the year ended December 31, 2023 from \$19.8 million for the same period in 2022 primarily due to the commercial landed payload contract awarded in the first quarter of 2023 and novation of the commercial rideshare contract in the second quarter of 2023. The IM-3 mission was approximately 64% complete as of December 31, 2023. Revenue from engineering and other services increased approximately \$19.5 million including \$12.5 million associated with the start up of the OMES III contract in December 2023 and \$3.6 million associated with the initial phase of the fission surface power contract which was completed in the third quarter of 2023.

Operating Expenses

Cost of revenue (excluding depreciation)

Total cost of revenue increased by \$25.0 million, or 33%, for the year ended December 31, 2023 compared to the same period in 2022. Cost of revenue on the IM-1 mission decreased by \$5.1 million due to lower progress as the mission neared completion as well as delay fees in 2022 on launch vehicle costs that did not recur in 2023. On the IM-2 mission, cost of revenue was approximately \$31.7 million for the year ended December 31, 2023 compared to \$33.0 million in the same period in 2022. IM-3 mission cost of revenue increased approximately \$13.7 million primarily due to higher progress as our focus shifted in the latter half of 2023 from final completion of the IM-1 mission and the later phases of the IM-2 mission to ramping up activities on the IM-3 mission. Cost of revenue for engineering and other services projects increased

42

approximately \$18.7 million during the year ended December 31, 2023 including \$11.6 million associated with the start up of the OMES III contract in December 2023 and \$3.6 million associated with the initial phase of the fission service power contract which was completed in the third quarter of 2023.

As of December 31, 2023, all three of our lunar missions were in loss positions, primarily as a result of constrained variable consideration and continued increases in the estimated costs to complete the missions. The IM-1 mission became a loss contract in 2019 primarily as a result of constrained variable consideration. During year ended December 31, 2023, the IM-1 mission accrued loss increased by \$10.2 million due to the delay of the targeted mission launch date discussed above. We have included additional labor costs in our cost estimates at completion as result of extending the targeted mission launch date. Additionally, costs increased as a result of technical challenges identified through systems testing in early 2023 primarily associated with electronics and tank valves. On the IM-2 mission, we increased the accrued contract loss by approximately \$14.2 million during the year ended December 31, 2023 which was primarily driven by additional labor and subcontractor costs associated with the extension of the targeted launch date as well as increased costs associated with fuel systems and avionics based on our evaluation and consideration of the technical issues encountered on the IM-1 mission. On the IM-3 mission, the accrued contract loss increased by approximately \$5.8 million during the year ended December 31, 2023 primarily due to additional estimated labor and subcontractor costs associated with the extension of the targeted launch date.

General and administrative expense (excluding depreciation)

General and administrative expense (excluding depreciation) increased by \$18.1 million for the year ended December 31, 2023 compared to the same period in 2022, driven primarily by our growth to support corporate and business operations, resulting in higher headcount driving increased compensation expense of \$2.6 million and related share-based compensation expense of \$3.6 million. For the same comparative periods, we incurred increases in expenses related for insurance of \$2.3 million and professional services, software licenses and various other administrative costs of \$8.0 million primarily associated with being a newly public company and the corresponding need for increased legal and accounting support and information technology infrastructure. The Company also incurred transaction costs of \$1.4 million related to the Private Placement during the third quarter of 2023.

Other income (expense), net

Total other income (expense), net favorable change of \$72.2 million for the year ended December 31, 2023 compared to the same period in 2022 was primarily due to favorable changes in fair value of the earn-out liabilities of \$66.3 million and warrant liabilities of \$15.4 million, partially offset by an unfavorable change in the fair value of SAFE Agreements of \$2.3 million, and loss on issuance of securities of \$6.7 million.

Income tax (expense) benefit

For the years ended December 31, 2023 and 2022, we recognized a combined U.S. federal and state (expense) / benefit for income taxes of \$(40) thousand and \$23 thousand, respectively. The effective combined U.S. federal and state income tax rates were 0.27% and 0.36% for the years ended December 31, 2023 and 2022, respectively. For year ended December 31, 2023, our effective tax rate differed from the statutory rate primarily due to deferred taxes for which no benefit is being recorded and losses attributable to noncontrolling interest unitholders that are taxable on their respective share of taxable income. For the year ended December 31, 2022, our effective tax rate differed from the statutory rate primarily due to Intuitive Machines, LLC's status as a partnership for U.S. federal income tax purposes.

Key Business Metrics and Non-GAAP Financial Measures

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

Backlog

We define backlog as our total estimate of the revenue we expect to realize in the future as a result of performing work on awarded contracts, less the amount of revenue we have previously recognized. We monitor our backlog because we believe it is a forward-looking indicator of potential sales which can be helpful to investors in evaluating the performance of our business and identifying trends over time. We generally include total expected revenue in backlog when a contract is awarded by the customer under a legally binding agreement. Our backlog does not include any estimate of future potential

work orders that might be awarded under government-wide acquisition contracts, agency-specific indefinite delivery/indefinite quantity contracts or other multiple-award contract vehicles, nor does it include option periods that have not been exercised by the customer. Due to government procurement rules, in certain cases revenue included in backlog are subject to budget appropriation or other contract cancellation clauses. Nearly all contracts allow customers to terminate the agreement at any time for convenience. If any of our contracts with firm orders were to be terminated, our backlog would be reduced by the expected value of the unfilled orders of such contracts. Consequently, our backlog may differ from actual revenue recognized in our financial statements.

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

(in thousands)	December 31,	
	2023	2022
Backlog	\$ 268,566	\$ 201,946

Orders comprising backlog as of a given balance sheet date are typically invoiced in subsequent periods. As of December 31, 2023, we expect to recognize approximately 80% of our backlog over the next 12 months during 2024, approximately 3% to 5% over the subsequent twelve months of 2025 and the remaining thereafter. Our backlog could experience volatility between periods, including as a result of customer order volumes and the speed of our fulfillment, which in turn may be impacted by the nature of products and services ordered, the amount of inventory on hand to satisfy orders and the necessary development and manufacturing lead time required to satisfy certain orders.

Backlog increased by \$66.7 million as of December 31, 2023 compared to December 31, 2022, primarily due to new awards of \$184.4 million primarily attributable to the OMES III project for \$142.4 million, an international payload on a future mission for \$17.6 million, the JETSON contract for \$9.5 million, and various other projects. These increases are partially offset by continued performance on existing contracts of \$79.5 million and decreases related to contract value adjustments of \$38.2 million primarily related to certain time and materials and other contracts.

As of December 31, 2023, our backlog of \$268.6 million exceeded our remaining performance obligations of \$57.2 million as reported in Note 4 - Revenue to our consolidated financial statements included in this Annual Report. The difference of \$211.4 million was primarily due \$62.1 million of variable consideration associated with constrained revenue and \$149.3 million in backlog related to the funded value of OMES III and various other time and materials service contracts where revenue is recognized when services are performed and contractually billable and therefore not included in remaining performance obligations.

Non-GAAP Financial Measures

Adjusted EBITDA

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

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

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

- Adjusted EBITDA does not reflect interest income, interest expense or other non-operating gains and losses, which may represent an increase to or reduction in cash available to us;
- Adjusted EBITDA does not consider the impact of share-based compensation expense, which is expected to continue to be part of our compensation strategy;
- Adjusted EBITDA does not consider the impact of change in fair value of SAFE Agreements, change in fair value of earn-out liabilities, change in fair value of warrant liabilities, or loss on issuance of securities that we do not consider to be routine in nature for the ongoing financial performance of our business;

44

- Adjusted EBITDA excludes non-cash charges for depreciation of property and equipment, and although the assets being depreciated may have to be replaced in the future, Adjusted EBITDA does not reflect cash capital expenditure requirements for such replacements or for new capital expenditure requirements; and
- Adjusted EBITDA does not reflect provisions for income taxes, which may represent a reduction in cash available to us.

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

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

(in thousands)	Year Ended December 31,	
	2023	2022
Net income (loss)	\$ 15,022	\$ (6,405)
Adjusted to exclude the following:		
Taxes	40	(23)
Depreciation	1,376	1,072
Impairment on property and equipment	964	—

Interest expense, net	823	836
Share-based compensation expense	4,273	624
Change in fair value of earn-out liabilities	(66,252)	—
Change in fair value of warrant liabilities	(15,435)	—
Change in fair value of SAFE Agreements	2,353	91
Loss on issuance of securities	6,729	—
Other expense (income), net	483	(6)
Adjusted EBITDA	\$ (49,624)	\$ (3,811)

Free Cash Flow

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

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

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

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

(in thousands)	Year Ended December 31,	
	2023	2022
Net cash (used in) provided by operating activities	\$ (45,279)	\$ 784
Purchases of property and equipment	(29,911)	(16,405)
Free cash flow	\$ (75,190)	\$ (15,621)

Liquidity and Capital Resources

Since inception, we have funded our operations through internally generated cash on hand, proceeds from sales of our capital stock, including the execution of SAFE Agreements, and our proceeds from the issuance of bank debt. We assess our liquidity in terms of our ability to generate adequate amounts of cash to meet current and future needs. Our expected primary uses of cash on a short and long-term basis are for working capital requirements, capital expenditures, debt service requirements and other general corporate services. Our primary working capital requirements are for project execution activities including purchases of materials, subcontracted services and payroll which fluctuate during the year, driven primarily by the timing and extent of activities required on new and existing projects. Our capital expenditures are primarily related to machinery and equipment, computers and software, and leases.

As of December 31, 2023, we had cash and cash equivalents of \$4.5 million and a working capital deficit of \$51.8 million. As further described in Note 3 - Business Combination and Related Transactions of our consolidated financial statements, on February 13, 2023, Intuitive Machines, Inc. (formerly known as Inflection Point Acquisition Corp. ("IPAX") with certain investors (collectively, and our wholly owned subsidiary, Intuitive Machines, LLC consummated the "Series A Investors"), pursuant to which Business Combination and related transactions. Upon the Series A Investors purchased \$26.0 million (the "Series A Investment") closing of the Business Combination and issuance of 10% Series A Cumulative Convertible Preferred Stock, par value \$0.0001 per share of the Company ("Series (the "Series A Preferred Stock") and warrants exercisable to purchase shares of our Class A Common Stock at an initial exercise price of \$15.00 (the "Preferred Investor Warrants"), plus (c) all other cash and cash equivalents of IPAX, determined in accordance with GAAP as of 11:59 p.m. Eastern Time on February 12, 2023 plus (d) the Founder Subscription Amount (as defined in the Business Combination Agreement) in exchange for the issuance by Intuitive Machines OpCo to us (w) a number of Intuitive Machines OpCo Common Units equal to the number of shares of our Class A Common Stock issued and outstanding as of the Closing Date, (x) a number of warrants of Intuitive Machines OpCo (the "Intuitive Machines OpCo Warrants") equal to the number of Intuitive Machines Warrants issued and outstanding as of the Closing Date, (y) a number of Series A preferred units of Intuitive Machines (the "Series A Preferred Units") equal to the number of shares of Series A Preferred Stock issued and outstanding as of the Closing Date and issued to the Series A Investors and (z) a number of Intuitive Machines OpCo preferred investor warrants (the "Intuitive Machines OpCo Preferred Investor Warrants") equal to the number of Preferred Investor Warrants delivered to the Series A Investors on the Closing Date (together with the Domestication, the "Transactions").

For additional information regarding the Transactions, see the section titled "The Business Combination Proposal" of the Company's final prospectus and definitive proxy statement, dated January 24, 2023 (the "Proxy Statement/Prospectus") and filed with the SEC on January 24, 2023 and the Company's Current Report on Form 8-K filed on February 14, 2023.

As a result of the Business Combination, our only direct assets consist of Intuitive Machines OpCo Common Units, and substantially all of our assets and business are held by Intuitive Machines OpCo and its subsidiaries. See Note 1 in the notes to our audited financial statements included in Part II. Item 8 in this Annual Report.

The Series A Investment

On September 16, 2022, concurrently with the execution of the Business Combination Agreement, IPAX entered into a purchase agreement (the "Series A Purchase Agreement") with Kingstown 1740 (an existing security holder of certain investors, the Company and an affiliate received approximately \$34.1 million of the Sponsor) and Ghaffarian Enterprises, LLC (an affiliate of Kamal Ghaffarian, an Intuitive Machines founder) (collectively, the "Series A Investors"), pursuant gross proceeds to which, and on the terms and subject to the conditions of which, New Intuitive Machines agreed to issue and sell to the Series A Investors (i) an aggregate of 26,000 shares of Series A Preferred Stock which would be convertible into shares of New Intuitive Machines Class A Common Stock and (ii) warrants to purchase 541,667 shares of New Intuitive Machines Class A Common Stock at an initial exercise price of \$15.00 per share, subject to adjustment (the "Preferred Investor Warrants"). The Series A Investment was consummated following the Domestication but immediately prior to the Closing.

Tax Receivable Agreement

On February 13, 2023, fund operations. Additionally, in connection with the consummation of the Transactions and as contemplated by the Business Combination, Agreement, New Intuitive Machines entered into a Tax Receivable Agreement (the "Tax Receivable Agreement") with Intuitive Machines OpCo and certain members of Intuitive Machines OpCo. See Part III. Item 13. "Certain Relationships and Related Transactions, and Director Independence – Post-Business Combination Arrangements - Tax Receivables Agreement" for further information.

Equity Facility

On September 16, 2022, the Company entered into a common stock purchase agreement (the "Cantor Purchase Agreement"), dated September 16, 2022, with CF Principal Investments LLC ("CFPI") relating to an investor establishing a committed equity facility under pursuant to which shares of newly issued New Intuitive Machines Class A Common Stock may be sold to CFPI by New Intuitive Machines. Pursuant to the terms of the Cantor Purchase Agreement, New Intuitive Machines will have Company has the right, but not the obligation, from time to time at its sole discretion, until the first day of the month following the 18-month period from and after the Commencement (as defined in the Cantor Purchase Agreement), to direct CFPI the counterparty to purchase up to the lesser of (i) \$50 million \$50.0 million of newly issued New Intuitive Machines Class A Common Stock common stock and (ii) the Exchange Cap (as defined in the Cantor Purchase Agreement) common stock purchase agreement), by delivering written notice to CFPI prior to the commencement of trading on any trading day, subject to certain customary conditions requirements and limitations set forth in the Cantor Purchase Agreement. In connection with the execution of the Cantor Purchase Agreement, the Company agreed to issue 100,000 shares (the "Commitment Shares") of New Intuitive Machines' Class A Common Stock to CFPI. The Company entered into a registration rights agreement with CFPI, pursuant to which it agreed to register for resale, pursuant to Rule 415 under the Securities Act of 1933, as amended (the "Securities Act"), the shares of New Intuitive Machines' Class A Common Stock that are sold to CFPI under the equity facility and the Commitment Shares.

Subscription Agreements

On February 13, 2023, New Intuitive Machines and Intuitive Machines OpCo entered into subscription agreements with certain legacy investors in Intuitive Machines OpCo (the "SAFE Investors") that held simple agreements for future equity ("SAFES") of Intuitive Machines OpCo, pursuant to which, among other things, the SAFE Investors contributed the SAFEs to Intuitive Machines and, in exchange for such contribution, New Intuitive Machines issued an aggregate of 2,066,666 shares of Class A Common Stock to the SAFE Investors (the "SAFE Exchange"). Immediately following the consummation of the SAFE Exchange, New Intuitive Machines and Intuitive Machines OpCo exchanged all of the SAFEs received by Intuitive Machines in the SAFE Exchange for 2,066,666 Intuitive Machines OpCo Common Units in a recapitalization of the SAFEs in order to maintain a one-to-one ratio of the Intuitive Machines OpCo Common Units owned by Intuitive Machines and the number of outstanding shares of New Intuitive Machines' Class A Common Stock in accordance with the A&R Operating Agreement.

Results of Operations

As of December 31, 2022, we had not commenced any operations. All activity for the period from January 27, 2021 (inception) through December 31, 2022 related to our formation and the IPO and, limitations. Additionally, subsequent to the closing of the IPO, identifying a target company for an initial business combination. We have neither engaged in any operations nor generated any revenues or income during the period from inception through December 31, 2022 other than non-operating income in the form of interest income on cash and cash equivalents from the proceeds derived from the IPO. Since our IPO through December 31, 2022, we incurred increased expenses as a result of being a public company (for legal, financial reporting, accounting and auditing compliance), as well as for due diligence expenses.

For the year ended December 31, 2022, we had net loss of \$190,408, which consisted primarily of interest income earned on cash and marketable securities held in Trust Account amounting to \$4,833,790, offset by formation and operating costs amounting to \$5,024,198.

For the period from January 27, 2021 (inception) to December 31, 2021, we had net loss of \$315,511, which consisted primarily of formation and operating costs amounting to \$491,341 and over-allotment issuance costs amounting to \$23,439 offset by interest income earned on cash and marketable securities held in Trust Account amounting to \$5,798, and change in fair value of over-allotment liability of \$193,471.

Liquidity and Capital Resources

As of December 31, 2022, we had \$14,932 in cash and working capital deficit of \$4,082,477.

On September 30, 2021, our Sponsor agreed to provide us with loans in such amounts as may be required by us to fund our working capital requirements up to an aggregate of \$250,000. On March 8, 2022, our Sponsor agreed to provide us with loans in such amounts as may be required by us to fund our working capital requirements up to an aggregate of \$500,000.

On August 4, 2022, our Sponsor agreed to loan the Company up to \$1,000,000 to be used for ongoing expenses reasonably related to the business of the Company and the consummation of an initial business combination pursuant to a convertible promissory note (the "Working Capital Note").

All unpaid principal under the Working Capital Note was due and payable in full on the earlier of (i) September 24, 2023 and (ii) the effective date of an initial business combination, involving the Company and one or more businesses (such earlier date, the "Maturity Date"), unless accelerated upon the occurrence of an event of default as set forth in the Working Capital Note. The Sponsor had the option, at any time on or prior to the Maturity Date, to convert up to \$1,000,000 outstanding under the Working Capital Note into warrants to purchase Class A ordinary shares at a conversion price of \$1.00 per warrant, with each warrant entitling the holder to purchase one Class A ordinary share at a price of \$11.50 per share, subject to the same adjustments applicable to the Private Placement Warrants. As of December 31, 2022, there was \$625,000 outstanding under the Working Capital Note. Subsequent to December 31, 2022, the Company drew an additional \$100,000 on the Working Capital Note. The Working Capital Note was subsequently repaid at Closing.

Until the consummation of the Business Combination, the Company used the funds not held in the Trust Account for identifying and evaluating target businesses, performing due diligence on prospective target businesses, traveling to and from the offices, plants or similar location of prospective target businesses or their representatives or owners, reviewing corporate documents and material agreements of prospective target businesses and structuring, negotiating and completing the Business Combination.

Upon the closing of the Business Combination, we received approximately \$34 million \$12.7 million in cash associated with the termination of a prepaid forward purchase agreement and \$16.1 million associated with the exercises of Public Warrants.

On September 5, 2023, the Company consummated a securities purchase agreement pursuant to which the Company agreed to sell securities in a private placement which included the issuance by the Company of the PIPE Shares and the accompanying Initial Series A Warrant and Initial Series B Warrant, for aggregate gross proceeds of approximately \$20.0 million. See Notes 9 and 10 for additional information on the securities purchase agreement.

Additionally, as further described in Note 17 to fund operations. We believe our consolidated financial statements, the Company received approximately \$60.6 million in gross proceeds from warrant exercises and other equity transactions in the first quarter of 2024.

Management believes that the cash available from and cash equivalents as of December 31, 2023 and the consummation of additional liquidity provided by the Business Combination equity facility and related other subsequent equity transactions discussed above will be sufficient to fund the short-term liquidity needs and the execution of the business plan through at least the twelve month-period twelve-month period from the date the financial statements are issued.

Live Oak Mobilization Credit Facility

On December 12, 2019, we entered into a loan agreement with Live Oak Banking Company (the "Credit Mobilization Facility") which provided a \$12.0 million Credit Mobilization Facility with a due date of December 12, 2022 and a \$1.0 million line of credit with a due date of December 12, 2020. Both the Credit Mobilization Facility and the line of credit thereunder initially bore interest, payable monthly, at a rate per annum equal to 6.0%. The Credit Mobilization Facility and the line of credit thereunder are secured by substantially all of our assets.

On December 8, 2020, we entered into a Loan Modification Agreement with Live Oak Banking Company which amended the terms of the Business Combination.

line of credit under the Credit Mobilization Facility, including decreasing the maximum principal from \$1.0 million to \$0.4 million, extending the maturity date from December 12, 2020 to December 10, 2021, and changing the interest rate from 6.0% to a variable interest rate at the prime rate, as published in the Wall Street Journal, plus 2.0%.

On April 30, 2021, we entered into a commitment with Live Oak Banking Company which provided a \$12.0 million contract mobilization credit facility with a loan maturity of November 15, 2022 (the "New Credit Mobilization Facility"), which superseded the existing Credit Mobilization Facility. The New Credit Mobilization Facility bears interest (payable monthly) at a rate per annum equal to 5.25%, adjusted quarterly based on the prime rate, as published in the Wall Street Journal, plus 2.0%. On December 10, 2021, the line of credit expired. We had no balance outstanding at that time and did not renew the line of credit.

On July 14, 2022, we entered into the Second Amended and Restated Loan Agreement with Live Oak Banking Company which provided an \$8.0 million mobilization credit facility with a loan maturity of July 14, 2024 and extended the maturity

Prior date of our existing \$12.0 million mobilization credit facility to November 14, 2023. The mobilization credit facilities bear interest (payable monthly) at a rate per annum equal to the closing greater of (a) the prime rate, as published in the Wall Street Journal, plus 2.0% and (b) 5.0%. The \$8.0 million mobilization credit facility requires early payment of principal upon the completion of certain mission milestones. If the milestones are completed, principal payments of \$4.1 million and \$3.9 million would be due prior to loan maturity in 2023 and 2024, respectively. The \$12.0 million mobilization credit facility requires principal payments of \$8.0 million on August 15, 2023 and \$4.0 million on November 14, 2023. The mobilization credit facilities require the Company to meet certain financial and other covenants and are secured by substantially all of the Business Combination, holders assets of 27,481,818 shares the Company.

The credit mobilization facilities require compliance with various covenants customary for agreements of Class A ordinary shares exercised their right to redeem such shares for cash at a price of approximately \$10.18 per share for aggregate payments of \$279,884,314. We may need to raise additional capital to fund our operations and our business plan. There can be no assurance that we will be successful in obtaining capital sufficient to meet our operating needs on terms or a timeframe acceptable to us or at all. Further, in the event that market conditions preclude this type, including those restricting our ability to obtain sufficient incur debt, incur liens and undergo certain fundamental changes. The credit mobilization facilities also include events of default customary for agreements of this type. As of December 31, 2023, we were in compliance with all covenants under the credit mobilization facilities.

During the third quarter of 2023, we considered options to modify the terms of the Second Amended and Restated Loan Agreement with Live Oak. We received confirmation from Live Oak to defer the \$8.0 million principal payment due on August 15, 2023 under the \$12.0 million mobilization credit facility pending the outcome of the loan modification. On October 31, 2023, management decided to no longer pursue loan modification and promptly paid the deferred \$8.0 million principal payment. On November 3, 2023, we received a letter of good standing from Live Oak stating the Company was current on all payments due and was in full compliance with the terms and conditions of the \$8.0 million and \$12.0 million mobilization credit facilities under the Second Amended and Restated Loan Agreement. On November 15, 2023, we paid the remaining \$4.0 million on the \$12.0 million mobilization credit facility.

There was \$8.0 million and \$20.0 million outstanding under the credit mobilization facilities as of December 31, 2023 and 2022, respectively. See Note 7 - Debt to our consolidated financial statements for additional information related to the credit mobilization facilities.

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

(in thousands)	Year Ended December 31,	
	2023	2022
Net cash (used in) provided by operating activities	\$ (45,279)	\$ 784
Net cash used in investing activities	\$ (29,911)	\$ (16,405)
Net cash provided by financing activities	\$ 53,924	\$ 12,096

Cash Flows for the years ended December 31, 2023 and 2022

Operating Activities

During the year ended December 31, 2023, our operating activities used \$45.3 million of net cash as compared to \$0.8 million of net cash provided during the year ended December 31, 2022. The \$46.1 million unfavorable change was primarily due to higher operating expenses in 2023 as a result of becoming a public company as well as to support our missions, including increases in headcount and professional service fees, and is also affected by changes in operating assets and liabilities which consist primarily of working capital ~~we~~ balances for our projects. Working capital levels may vary and are impacted by the stage of completion and contractual terms of projects. The primary components of our working capital accounts are trade accounts receivable, contract assets, accounts payable, and contract liabilities.

Investing Activities

During the year ended December 31, 2023, investing activities used \$29.9 million of net cash as compared to \$16.4 million of net cash used during the year ended December 31, 2022. The \$13.5 million increase in cash used was primarily due to capital expenditures associated with equipment to be required to evaluate additional alternatives in restructuring our business ~~used for future missions and our capital structure~~.

Financial Statements new Lunar Production and MD&A Operations Center that was completed in late 2023.

Financing Activities

During the year ended December 31, 2023, financing activities provided \$53.9 million of Intuitive Machines OpCo

In light ~~net cash as compared to \$12.1 million of net cash provided during the year ended December 31, 2022. The \$41.8 million increase was primarily associated with \$34.1 million in proceeds received upon consummation of the Business Combination and Series A~~

Preferred Stock issuance which was partially offset by \$9.4 million in related transaction costs paid. We also received \$12.7 million in cash associated with the historical termination of a prepaid forward purchase agreement, \$20.0 million in proceeds received upon the close of the Private Placement and another \$16.1 million in proceeds from the exercise of Public Warrants. These increases were slightly offset by the repayment of a loan under our Credit Mobilization Facility of \$12.0 million and member distributions of \$8.0 million. During 2022, our financing activities primarily included proceeds from borrowings of \$7.9 million and SAFE Agreements of \$4.3 million.

Contractual Obligations and Commitments

Lease Commitments

We lease real estate for office space and for administrative, research, marketing and light manufacturing operations. These leases are classified as operating leases with various expiration dates through 2043. See Note 6 - Leases to our consolidated financial statements for more information regarding our lease commitments.

In September 2021, we signed a ground lease agreement for the development of IPAX ceased our Lunar Production and Operations Center ("LPOC") that will serve as a production and testing facility of lunar lander components and other aerospace related operations. The lessor will reimburse up to \$40.0 million for certain costs incurred by us for design, construction, and development. Management concluded that it was deemed the owner, for accounting purposes only, of the facility under build-to-suit lease accounting due to its involvement in the construction activities of the facility. Accordingly, we are accounting for the construction of the facility as a financing arrangement. As of December 31, 2022, we had capitalized \$10.3 million of construction in progress and a corresponding financing obligation of \$9.1 million. Upon completion of the construction, the lease agreement will have an initial term of 20 years with four optional renewal periods of 5 years each.

During the fourth quarter of 2022, construction was completed for the Small Engine Verification facility (the "SEV" facility) portion of the LPOC, and we took possession of the SEV facility. Upon commencement of the SEV facility portion of the lease, management determined that it qualified for sale and leaseback accounting, with the leaseback being classified as an operating lease. No gain or loss was recognized or deferred on the sale of the SEV facility, as the fair value upon completion was determined to be representative equal to the carrying value. As of December 31, 2023, the Company recorded right-of-use assets of \$2.9 million and corresponding lease liabilities of approximately \$3.2 million. As of December 31, 2022, the Company recorded right-of-use assets and corresponding lease liabilities of approximately \$3.1 million.

During the third quarter of 2023, the remaining construction for the LPOC was near completion, we took possession of the consolidated financial position, results entire facility. Upon commencement of the lease, we determined that the LPOC qualified for sale and leaseback accounting, with the leaseback being classified as an operating lease. No gain or loss was recognized or deferred on the sale of the lunar operations stockholders' equity center, as the fair value upon commencement was determined to be equal to the carrying value. As of the lease commencement date, we derecognized approximately \$30.4 million of construction in progress and cash flows the corresponding financing obligation of New Intuitive Machines. \$30.4 million associated with capitalized construction costs of the lunar operations center and related reimbursements received from the lessor. We recognized operating lease right-of-use assets of \$32.3 million and operating lease liabilities of \$26.7 million as of the lease commencement date, which included \$5.6 million of

reimbursable costs to be received from the lessor. As described in of December 31, 2023, we have approximately \$3.8 million of contractual obligations to complete construction of the "Basis of Presentation" section of this Annual Report, in future reporting periods, our financial statements LPOC which will be prepared funded through a combination of remaining reimbursements from the lessor and available cash on a consolidated basis hand.

For disclosures regarding our Live Oak Credit Mobilization Facility, refer to the preceding discussions under Liquidity and Capital Resources and Note 7 - Debt.

Purchase Commitments

From time-to-time, we enter into long-term commitments with the financial statements of Intuitive Machines OpCo beginning on the Closing Date and will represent a continuation of the financial statements of Intuitive Machines OpCo.

The consolidated financial position, results of operations, stockholders' equity and cash flows of Intuitive Machines OpCo as of vendors to purchase launch services and for the years ended December 31, 2022 development of certain components in conjunction with our obligations under revenue contracts with our customers. As of December 31, 2023, we had remaining purchase obligations under non-cancelable commitments with two vendors totaling \$37.7 million of which \$36.2 million is due within the next twelve months and 2021 ("OpCo Financial Statements"), the remaining \$1.5 million is due in the subsequent twelve-month period.

Off-Balance Sheet Arrangements

We have no off-balance sheet arrangements.

48

Critical Accounting Policies and management's discussion Estimates

We believe that the following accounting policies involve a high degree of judgement and analysis of complexity. Accordingly, these are the OpCo Financial Statements, including known trends policies we believe are the most critical to aid in fully understanding and uncertainties regarding the future evaluating our consolidated financial position, condition and results of operations, stockholders' equity and cash flows our operations. Significant accounting policies employed by us, including the use of Intuitive Machines OpCo will be filed as exhibits estimates, are presented in Note 2 - Summary of Significant Accounting Policies to Amendment No. 2 to the Company's Current Report on Form 8-K to be filed with the SEC on or about March 30, 2023.

Risks and Uncertainties

We have evaluated the impact of the COVID-19 pandemic and Russian-Ukraine war on the industry and have concluded that while it is reasonably possible that the virus and the war could have a negative effect on our financial position, results of its operations and/or search for a target company, the specific impact is not readily determinable as of the date of the consolidated financial statements included elsewhere in this Annual Report. The financial statements do not include any adjustments that might result from the outcome of this uncertainty.

Off-Balance Sheet Financing Arrangements

As of December 31, 2022, we had no obligations, assets or liabilities, which would be considered off-balance sheet arrangements.

Contractual Obligations

As of December 31, 2022, we did not have any long-term debt obligations, capital lease obligations, operating lease obligations, purchase obligations or long-term liabilities.

Administrative Services Agreement

Commencing on September 21, 2021, we agreed to pay Kingstown Capital Management L.P., an affiliate of our Sponsor, \$15,000 per month for office space, utilities and secretarial and administrative support services. Upon the consummation of the Business Combination, we ceased paying such monthly fees.

Registration Rights

As of December 31, 2022, certain securityholders of IPAX had registration rights to require us to register a sale of any of our securities held by them and our any other securities acquired by them prior to the consummation of our initial business combination pursuant to a registration rights agreement entered into in connection with the IPO. Pursuant to the registration rights agreement and assuming \$1,500,000 of Working Capital Loans were converted into additional warrants, we would have been obligated to register up to 21,588,750 Class A ordinary shares and 8,345,000 warrants. The holders of these securities were entitled to make up to three demands, excluding short form demands, that we register such securities. In addition, the holders had certain “piggy-back” registration rights with respect to registration statements filed subsequent to our completion of our initial business combination. We will bear the expenses incurred in connection with the filing of any such registration statements.

At the Closing, the Company, the Sponsor and certain securityholders of the Company entered into an amended and restated registration rights agreement (the “A&R Registration Rights Agreement”), pursuant to which, among other things, the Sponsor and such securityholders were granted certain customary registration rights, on the terms and subject to the conditions therein, with respect to securities of the Company that they hold following the Business Combination. See Part III, Item 13. “Certain Relationships and Related Transactions, and Director Independence – A&R Registration Rights Agreement.”

Underwriting Agreement

We granted the underwriters a 45-day option from the effective date of the IPO to purchase up to an additional 4,500,000 Units to cover over-allotments, if any. On October 29, 2021, the underwriters partially exercised the over-allotment option and purchased 2,975,000 Over-Allotment Units, generating aggregate gross proceeds of \$29,750,000, and forfeited their option to purchase the remaining 1,525,000 Units.

The Company provided a discount to the underwriters at the closing of the Public Offering of 2.0% per Unit, or \$4,595,000, excluding the proceeds from the purchase of an aggregate of 10,000,000 Units by certain of our Anchor Investors, \$4,000,000 of which was payable upon the closing of the IPO and \$595,000 was payable upon closing of the Over-Allotment. Additionally, the underwriting agreement states that the Company will pay Citigroup Global Markets Inc. (“Citi”) a deferred discount of \$0.35 per Unit sold in the Public Offering including pursuant to the Over-Allotment, or an aggregate of \$11,541,250 upon the Company’s completion of an initial business combination, which would be payable from the amounts held in the Trust Account solely in the event that we complete an initial business combination, subject to the terms of the underwriting agreement.

On November 27, 2022, in connection with the proposed Business Combination, Citi agreed to waive its entitlement to the deferred underwriting commission of \$11,541,250 to which it became entitled upon completion of the Company’s IPO, subject to the completion of an initial business combination. As a result, the Company recorded \$11,541,250 to additional paid-in capital in relation to the reduction of the deferred underwriter fee in the accompanying condensed financial statements. As of December 31, 2022 and December 31, 2021, the deferred underwriting fee payable was \$0 and \$11,541,250, respectively.

Professional Service Agreement

We reimbursed our Sponsor for services provided by one of our Sponsor’s employees who served as our Chief of Staff (“COS”). The COS received \$12,500 per month for services rendered, commencing September 25, 2021, through the closing of our initial business combination. For the year ended December 31, 2022, we recorded \$191,668 of compensation for services provided. As of December 31, 2022, there was \$0 due to the COS. Upon the consummation of the Transactions, the professional services agreement was terminated.

Critical Accounting Policies

This management's discussion and analysis of our financial condition and results of operations is based on our financial statements, which have been prepared in accordance with US GAAP. The preparation of our consolidated financial statements and related disclosures requires us to make estimates and judgments that affect the amounts reported in those financial statements and accompanying notes. Although we believe that the estimates we use are reasonable, due to the inherent uncertainty involved in making those estimates, actual results reported in future periods could differ from those estimates.

Revenue Recognition

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

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

For most of our business, where performance obligations are satisfied due to the continuous transfer of control to the customer, revenue is recognized over time. Where the customer contracts with us to provide a significant service of integrating a complex set of tasks and components into a single project or capability, those contracts are accounted for as single performance obligations. We recognize revenue generally using the disclosure of contingent assets and liabilities cost-to-cost method, based primarily on contract costs incurred to date compared to total estimated contract costs at completion. This method is deemed appropriate in our financial statements. On an ongoing basis, we evaluate our estimates and judgments, including those related to fair measuring performance towards completion because it directly measures the value of financial instruments the goods and accrued expenses. We base our estimates on historical experience, known trends and events and various other factors that we believe to be reasonable under the circumstances, the results of which form the basis for making judgments about the carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates under different assumptions or conditions. We have identified the following as its critical accounting policies:

Offering Costs

We comply with the requirements of the ASC 340-10-S99-1. Offering costs consists of legal, accounting, underwriting fees and other costs incurred through the balance sheet date that are directly related services transferred to the Public Offering. Offering costs are allocated to the separable financial instruments issued in the Public Offering customer. Billing timetables and payment terms on our contracts vary based on a relative fair value basis, compared few factors, including the contract type. Typical payment terms under fixed-price contracts provide that the customer pays either performance-based payment based on the achievement of contract milestones or progress payments based on a percentage of costs we incur.

Due to the nature of the work required to be performed on many of our performance obligations, the estimation of total proceeds received. Transaction costs amounted revenue and cost at completion (the process described below in more detail) is complex and subject to \$26,658,313, consisting many variables and requires significant judgment. The consideration to which we are entitled on our long-term contracts may include both fixed and variable amounts. Variable amounts can either increase or decrease the transaction price.

We include estimated amounts of \$4,595,000 of underwriting commissions, \$11,541,250 of deferred underwriting commissions, \$9,680,125 of excess fair value of founder shares, and \$841,938 of other offering costs, with \$23,439 included variable consideration in the statements of operations as an allocation for the over-allotment option,

\$24,538,134 included in temporary equity as an allocation for the Class A ordinary shares subject to redemption, and \$2,096,740 included in additional paid-in capital as an allocation for the Class A ordinary shares not subject to redemption, the Public Warrants and the Private Placement Warrants.

Subject to each Anchor Investor purchasing 100% of the Units allocated to it in the IPO, and in connection with the closing of the IPO, our Sponsor sold membership interests reflecting an allocation of an aggregate of 1,625,000 Founder Shares transaction price to the Anchor Investors collectively. We, through an independent valuations expert, estimated the aggregate fair value of these Founder Shares attributable to Anchor Investors to be approximately \$9.68 million, or \$5.96 per share. The excess of the fair value of the Founder Shares was determined to be an offering cost in accordance with Staff Accounting Bulletin Topic 5A.

Class A Ordinary Shares Subject to Possible Redemption

All of the Class A ordinary shares sold as part of the Units in the IPO contain a redemption feature which allows for the redemption of such Public Shares in connection with our liquidation, if there is a shareholder vote or tender offer in connection with an initial business combination and in connection with certain amendments to our amended and restated memorandum and articles of association. In accordance with SEC and its staff's guidance on redeemable equity instruments, which has been codified in ASC 480-10-S99, redemption provisions not solely within our control require ordinary shares subject to redemption to be classified outside of permanent equity.

The Class A ordinary shares are subject to SEC and its staff's guidance on redeemable equity instruments, which has been codified in ASC 480-10-S99. If extent it is probable that a significant reversal of cumulative revenue recognized will not occur when the equity instrument will become redeemable, we have the option to either accrete changes in the redemption value over the period from the date of issuance (or from the date that it becomes probable that the instrument will become redeemable, if later) to the earliest redemption date of the instrument or to recognize changes in the redemption value immediately as they occur and adjust the carrying amount of the instrument to equal the redemption value at the end of each reporting period. We recognize changes in redemption value immediately as they occur. Immediately upon the closing of the IPO and the Over-Allotment, we recognized the remeasurement from initial book value to redemption amount value. The change in the carrying value of redeemable ordinary shares resulted in charges against additional paid-in capital.

Related Party Redemption Waiver Agreement

In September 2021, we entered into a redemption waiver agreement with one of our Anchor Investors, Kingstown 1740, whereby Kingstown 1740 agreed to waive its redemption rights on 1,386,989 Class A ordinary shares it held. These Class A ordinary shares are classified as shareholders' equity in the financial statements included in this Annual Report.

Net Loss Per Ordinary Share

We comply with accounting and disclosure requirements of ASC Topic 260, "Earnings Per Share." Our statements of operations include a presentation of loss per share for ordinary shares subject to possible redemption in a manner similar to the two-class method of loss per share. The remeasurement uncertainty associated with the redeemable Class variable consideration is resolved. Our estimates of variable consideration and determination of whether to include estimated amounts in the contract price are based largely on an assessment of our anticipated performance and all information (historical, current and forecasted) that is reasonably available to us. We reassess the amount of variable consideration each accounting period until the uncertainty associated with the variable consideration is resolved. Changes in the assessed amount of variable consideration are accounted for prospectively as a cumulative adjustment to revenue recognized in the current period.

When changes are required for the estimated total revenue on a contract, these changes are recognized on a cumulative catch-up basis in the current period. A ordinary shares is excluded from net significant change in one or more estimates could affect the profitability of one or more of our performance obligations. If estimates of total costs to be incurred exceed estimates of total consideration the Company expects to receive, a provision for the remaining loss per ordinary share as the redemption value approximates fair value. Net loss per share, basic and diluted, for Class A redeemable ordinary shares is calculated by dividing interest income earned and realized gains or losses on the Trust Account for the year ended December 31, 2022 and for the period from January 27, 2021 (Inception) to December 31, 2021, by the weighted average number of Class A ordinary shares outstanding since original issuance. We have not considered the effect of the Public Warrants or the Private Placement Warrants to purchase an aggregate of 23,332,500 of our Class A ordinary shares in the calculation of diluted loss per share, since their exercise is contingent upon future events. Net loss per share, basic and diluted, for Class A and Class B non-redeemable ordinary shares is calculated by dividing the net loss, adjusted for income or loss attributable to Class A ordinary shares, by the weighted average number of Class A and Class B non-redeemable ordinary shares outstanding for the period. Class A non-redeemable ordinary shares and Class

B non-redeemable ordinary shares, which include the Founder Shares, do not have any redemption features and do not participate in the income or losses of the Trust Account. At December 31, 2022 and 2021, we did not have any dilutive securities and other contracts that could, potentially, be exercised or converted into ordinary shares and then share in the earnings of our company. As a result, diluted loss per share is the same as basic loss per share for the period presented.

Derivative Financial Instruments

We evaluate our financial instruments to determine if such instruments are derivatives or contain features that qualify as embedded derivatives in accordance with ASC Topic 815, “Derivatives and Hedging.” Derivative instruments are initially recorded at fair value on the grant date and re-valued at each reporting date, with changes in the fair value reported in the statements of operations. Derivative assets and liabilities are classified in the balance sheets as current or non-current based on whether or not net-cash settlement or conversion of the instrument could be required within 12 months of the balance sheet date.

We evaluated the warrants in accordance with ASC 815-40, “Derivatives and Hedging — Contracts in Entity’s Own Equity,” and concluded that there were no indexation or tender offer provisions in the warrant agreement that precluded the warrants from being accounted for as components of equity, and the warrants meet the criteria in ASC 815-40-25 to be classified in shareholders’ deficit. Fair value of the Public and Private Placement Warrants was determined by an independent valuation expert as of September 24, 2021 (the date of the IPO) and October 29, 2021 (the date of the Over-Allotment) using a Monte Carlo Model. Proceeds from the IPO and subsequent partial exercise of the over-allotment option allocated to the Public Warrants was an aggregate \$11,995,753 (\$11,025,229, net of offering costs) and contract is recorded in additional paid-in capital. Proceeds from the issuance of the Private Placement Warrants were \$6,845,000 (\$6,831,701, net of offering costs) and is recorded in additional paid-in capital.

Forward Purchase Agreement

In September 2021, we entered into a forward purchase agreement (“FPA”) pursuant to which certain affiliates of our Sponsor (“Kingstown”) agreed to purchase up to 5,000,000 forward purchase Class A ordinary shares (“Forward Purchase Shares”), for \$10.00 per share, or an aggregate amount of up to \$50,000,000, in a private placement that will close concurrently with the closing of our initial business combination, subject to approval by the Kingstown investment committee. We have the right, in our sole discretion, to reduce the amount of Forward Purchase Shares that Kingstown may purchase pursuant to the FPA. We have not considered the effect of the Forward Purchase Shares in the calculation of diluted income per share, since their issuance is contingent upon future events.

We evaluated the FPA under ASC 480 and ASC 815-40 to determine the appropriate accounting treatment. The FPA does not meet the criteria to be classified as a liability under ASC 480. In addition, there is no net cash settlement feature and settlement will be in gross physical delivery of Class A ordinary shares; therefore, the FPA should be classified as equity. However, as the issuance of Forward Purchase Shares is contingent on several factors, including the consummation of an initial business combination, approval by the Kingstown investment committee, and our discretion, we will record the FPA when it becomes probable that the triggering events will occur. Until such time, due to the contingent nature of the FPA, we will disclose the contingency in the notes to our financial statements.

The FPA was terminated on November 30, 2022.

Inflation

We do not believe that inflation had a material impact on our business, revenues or operating results during the period presented, in which the loss becomes evident.

Emerging Growth Company Status

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

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

Item 7A. Quantitative and Qualitative Disclosures About Market Risk.

Risk

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

50

Item 8. Financial Statements and Supplementary Data.

Data

Index to Consolidated Financial Statements

	Page
<u>Reports of Independent Registered Public Accounting Firm (PCAOB ID # 248)</u>	52
Consolidated Financial Statements	
<u>Consolidated Balance Sheets as of December 31, 2023 and 2022</u>	53
<u>Consolidated Statements of Operations for the years ended December 31, 2023 and 2022</u>	54
<u>Consolidated Statements of Mezzanine Equity for the years ended December 31, 2023 and 2022</u>	55
<u>Consolidated Statements of Shareholders' Deficit for the years ended December 31, 2023 and 2022</u>	56
<u>Consolidated Statements of Cash Flows for the years ended December 31, 2023 and 2022</u>	57
<u>Notes to Consolidated Financial Statements</u>	59

51

The

Report of Independent Registered Public Accounting Firm

Board of Directors and Shareholders
Intuitive Machines, Inc.

Opinion on the financial statements

We have audited the accompanying consolidated balance sheets of Intuitive Machines, Inc. (a Delaware corporation) and subsidiaries (the "Company") as of December 31, 2023 and 2022, the related consolidated statements of operations, mezzanine equity, shareholders' deficit and cash flows for each of the two years in the period ended December 31, 2023 and the related notes (collectively referred to as the "financial statements"). In our opinion, the financial statements present fairly, in all material respects, the financial position of the Company as of December 31, 2023 and 2022, and the results of its operations and its cash flows for each of the two years in the period ended December 31, 2023, in conformity with accounting principles generally accepted in the United States of America.

Basis for opinion

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

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

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

/s/ GRANT THORNTON LLP

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

Houston, Texas
March 25, 2024

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

	December 31, 2023	December 31, 2022
ASSETS		
Current assets		
Cash and cash equivalents	\$ 4,498	\$ 25,764
Restricted cash	62	62
Trade accounts receivable, net of allowance for expected credit losses of \$0 and \$836, respectively	16,881	1,302
Contract assets	6,489	6,979
Prepaid and other current assets	3,681	6,885
Total current assets	31,611	40,992
Property and equipment, net	18,349	21,176
Operating lease right-of-use assets	35,853	4,829
Finance lease right-of-use assets	95	—
Deferred income taxes	—	7
Total assets	\$ 85,908	\$ 67,004
LIABILITIES, MEZZANINE EQUITY AND SHAREHOLDERS' DEFICIT		
Current liabilities		
Accounts payable and accrued expenses	\$ 16,771	\$ 6,081
Accounts payable - affiliated companies	3,493	442
Current maturities of long-term debt	8,000	16,098
Contract liabilities, current	45,511	56,656
Operating lease liabilities, current	4,833	725
Finance lease liabilities, current	25	—
Other current liabilities	4,747	15,178
Total current liabilities	83,380	95,180

Long-term debt, net of current maturities	—	3,863
Contract liabilities, non-current	—	2,188
Operating lease liabilities, non-current	30,550	5,078
Finance lease liabilities, non-current	67	—
Simple Agreements for Future Equity ("SAFE Agreements")	—	18,314
Earn-out liabilities	14,032	—
Warrant liabilities	11,294	—
Other long-term liabilities	4	—
Total liabilities	139,327	124,623
Commitments and contingencies (Note 14)		
MEZZANINE EQUITY		
Series A preferred stock subject to possible redemption, \$0.0001 par value, 25,000,000 shares authorized, 26,000 shares issued and outstanding at December 31, 2023	28,201	—
Redeemable noncontrolling interests	181,662	—
SHAREHOLDERS' DEFICIT		
Common units	—	1
Class A common stock, \$0.0001 par value, 500,000,000 shares authorized, 22,279,876 shares issued and 21,029,876 outstanding at December 31, 2023	2	—
Class B common stock, \$0.0001 par value, 100,000,000 shares authorized, 0 shares issued and outstanding at December 31, 2023	—	—
Class C common stock, \$0.0001 par value, 100,000,000 shares authorized, 70,909,012 shares issued and outstanding at December 31, 2023	7	—
Treasury stock, at cost, 1,250,000 shares at December 31, 2023	(12,825)	—
Paid-in capital	—	14,967
Accumulated deficit	(250,466)	(72,587)
Total shareholders' deficit	(263,282)	(57,619)
Total liabilities, mezzanine equity and shareholders' deficit	\$ 85,908	\$ 67,004

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

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

	Year Ended December 31,	
	2023	2022
Revenue	\$ 79,521	\$ 85,946
Operating expenses:		
Cost of revenue (excluding depreciation)	100,472	75,513
Depreciation	1,376	1,072
Impairment of property and equipment	964	—
General and administrative expense (excluding depreciation)	32,946	14,868
Total operating expenses	135,758	91,453
Operating loss	(56,237)	(5,507)
Other income (expense), net:		
Interest expense, net	(823)	(836)
Change in fair value of earn-out liabilities	66,252	—
Change in fair value of warrant liabilities	15,435	—
Change in fair value of SAFE Agreements	(2,353)	(91)
Loss on issuance of securities	(6,729)	—
Other (expense) income, net	(483)	6
Total other income (expense), net	71,299	(921)
Income (loss) before income taxes	15,062	(6,428)
Income tax (expense) benefit	(40)	23
Net income (loss)	15,022	(6,405)
Net loss attributable to Intuitive Machines, LLC prior to the Business Combination	(5,751)	(6,405)
Net income for the period February 13, 2023 through December 31, 2023	20,773	—
Net loss attributable to redeemable noncontrolling interest	(42,031)	—
Net income attributable to the Company	62,804	—
Less: Cumulative preferred dividends	(2,343)	—
Net income attributable to Class A common shareholders	\$ 60,461	\$ —
Net income per share ⁽¹⁾		
Net income per share of Class A common stock - basic	\$ 3.43	
Net income per share of Class A common stock - diluted	2.46	
Weighted-average common shares outstanding		
Weighted average shares outstanding - basic	17,648,050	

Weighted average shares outstanding - diluted	25,564,313
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(1)As a result of the Business Combination (as defined herein), the capital structure has changed and income per share information is only presented after the Closing Date (as defined herein) of the Business Combination, for the period from February 13, 2023 through December 31, 2023. See Note 3 - Business Combination and Related Transactions and Note 13 - Net Income per Share for additional information.

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

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

	Year Ended December 31, 2023		
	Series A Preferred Stock		Redeemable Noncontrolling Interest
	Shares	Amount	
Balance, December 31, 2022			
Issuance of series A preferred stock	26,000	25,827	—
Cumulative preferred dividends	—	2,343	—
Accretion of preferred stock discount	—	31	—
Establishment of redeemable noncontrolling interests	—	—	(85,865)
Subsequent remeasurement of redeemable noncontrolling interests	—	—	309,558
Net loss attributable to redeemable noncontrolling interests	—	—	(42,031)
Balance, December 31, 2023	26,000	\$ 28,201	\$ 181,662

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

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

	Common Stock		Common Stock		Common Stock		Treasury	Paid-in	Accumulated	Total	
	Members Units		Class A		Class B						
	Units		Shares	Amount	Shares	Amount	Shares	Amount	Stock	Capital	Deficit
Balance, December											
31, 2021	122,500,000	\$ 1	—	—	—	—	—	—	—	\$ 14,337	\$ (66,182)
Issuance of units	5,500	—	—	—	—	—	—	—	—	6	—
Share-based compensation											6
expense	0	—	—	—	—	—	—	—	—	624	—
Net loss	0	—	—	—	—	—	—	—	—	(6,405)	(6,405)
Balance, December	122,505,500	\$ 1	—	\$ —	—	\$ —	—	\$ —	\$ —	\$ 14,967	\$ (72,587)
31, 2022	122,505,500	\$ 1	—	\$ —	—	\$ —	—	\$ —	\$ —	\$ 14,967	\$ (72,587)
Issuance of units	21,500	—	—	—	—	—	—	—	—	22	—
Share-based compensation											22
expense	—	—	—	—	—	—	—	—	—	101	—
Net loss	—	—	—	—	—	—	—	—	—	(5,751)	(5,751)
Effects of Business											
Combination											
Recapitalization	(122,527,000)	(1)	13,736,932	2	10,566	—	68,140,188	6	—	47,438	—
Conversion of SAFE											47,445
Agreements	—	—	2,066,666	—	—	—	—	—	—	20,667	—
Issuance of warrants to preferred shareholders	—	—	—	—	—	—	—	—	—	173	—
Transaction costs	—	—	—	—	—	—	—	—	—	(24,445)	—
Establishment of the earn-out liabilities	—	—	—	—	—	—	—	—	—	(99,659)	—
Establishment of redeemable noncontrolling interest	—	—	—	—	—	—	—	—	—	85,865	—
											85,865

Activities subsequent												
to the Business												
Combination												
Share-based												
compensation												
expense	—	—	—	—	—	—	—	—	—	4,172	—	4,172
Member distributions	—	—	64,328	—	—	—	268,824	—	—	3,168	(11,120)	(7,952)
Cumulative preferred												
dividends	—	—	—	—	—	—	—	—	—	(2,343)	—	(2,343)
Accretion of												
preferred stock												
discount										(31)	—	(31)
Repurchase of												
common stock	—	—	—	—	—	—	—	—	—	(12,825)	—	(12,825)
Class A common												
stock issued for												
warrants exercised	—	—	1,402,106	—	—	—	—	—	—	16,124	—	16,124
Class A common												
stock issued related												
to Private Placement												
(Note 9)	—	—	4,705,883	—	—	—	—	—	—	—	—	—
Class A common												
stock issued for												
stock options												
exercised	—	—	197,610	—	—	—	—	—	—	(369)	—	(369)
Class A common												
stock issued for												
Class B canceled	—	—	10,566	—	(10,566)	—	—	—	—	—	—	—
Partner capital	—	—	—	—	—	—	—	—	—	686	—	686
Recapitalization												
adjustment (Note 3)	—	—	—	—	—	—	—	—	—	(1,000)	—	(1,000)
Issuance of Class A												
Common Stock												
related to CEF												
(Notes 3)	—	—	95,785	—	—	—	—	—	—	834	—	834

Issuance of Class C												
common stock												
related to earn-out												
awards (Note 3)	— 0	—	—	—	—	—	2,500,000	1	—	19,375	—	19,376
Other	—	—	—	—	—	—	—	—	—	—	—	1
Subsequent												
remeasurement of												
redeemable												
noncontrolling												
interests	—	—	—	—	—	—	—	—	—	(85,745)	(223,813)	(309,558)
Net income												
attributable to the												
Company	—	—	—	—	—	—	—	—	—	—	62,804	62,804
Balance, December												
31, 2023	—	\$	—	22,279,876	\$	2	—	\$	—	70,909,012	\$	7
	=====	=====	=====	=====	=====	=====	=====	=====	=====	=====	=====	=====

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

56

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

	Year Ended December 31,	
	2023	2022
Cash flows from operating activities:		
Net income (loss)	\$ 15,022	\$ (6,405)
Adjustments to reconcile net income (loss) to net cash used in operating activities:		
Depreciation	1,376	1,072
Bad debt (recoveries) expense	(836)	836
Impairment of property and equipment	964	—

Loss on disposal of property and equipment	—	6
Share-based compensation expense	4,273	624
Change in fair value of SAFE Agreements	2,353	91
Change in fair value of earn-out liabilities	(66,252)	—
Change in fair value of warrant liabilities	(15,435)	—
Loss on issuance of securities	6,729	—
Deferred income taxes	7	(7)
Other	43	13
Changes in operating assets and liabilities:		
Trade accounts receivable, net	(14,743)	1,252
Contract assets	490	(5,135)
Prepaid expenses	(1,435)	(5,699)
Other assets, net	1,165	(2,999)
Accounts payable and accrued expenses	14,091	3,423
Accounts payable – affiliated companies	3,050	225
Contract liabilities – current and long-term	(13,333)	(1,316)
Other liabilities	17,192	14,803
Net cash (used in) provided by operating activities	(45,279)	784
Cash flows from investing activities:		
Purchase of property and equipment	(29,911)	(16,405)
Net cash used in investing activities	(29,911)	(16,405)
Cash flows from financing activities:		
Proceeds from Business Combination	8,055	—
Proceeds from issuance of Series A Preferred Stock	26,000	—
Transaction costs	(9,371)	—
Proceeds from borrowings	—	7,948
Repayment of loans	(12,000)	(108)
Proceeds from issuance of securities	20,000	6
Member distributions	(7,952)	—
Net costs of stock option exercises	(348)	—
Forward purchase agreement termination	12,730	—
Warrants exercised	16,124	—
Investment from non-controlling interests	686	—
SAFE Agreements	—	4,250

Net cash provided by financing activities	53,924	12,096
Net decrease in cash, cash equivalents and restricted cash	(21,266)	(3,525)
Cash, cash equivalents and restricted cash at beginning of the period	25,826	29,351
Cash, cash equivalents and restricted cash at end of the period	4,560	25,826
Less: restricted cash	62	62
Cash and cash equivalents at end of the period	\$ 4,498	\$ 25,764

57

	Year Ended December 31,	
	2023	2022
Supplemental disclosure of cash flow information		
Cash paid for interest, net	\$ 1,919	\$ 1,013
Cash paid for taxes	\$ 35	\$ —
Accrued capital expenditures	\$ —	\$ (38)
Noncash financing activities:		
Transaction costs	\$ 15,074	\$ —
SAFE Agreements	\$ 20,667	\$ —
Class A Common Stock related to CEF (Note 3)	\$ 834	\$ —
Issuance of Class C Common Stock related to earn-out awards (Note 3)	\$ 19,376	\$ —
Preferred dividends	\$ (2,343)	\$ —

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

58

INTUITIVE MACHINES, INC.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

NOTE 1 - BUSINESS DESCRIPTION

Intuitive Machines, Inc. (formerly known as Inflection Point Acquisition Corp. or "IPAX"), collectively with its subsidiaries (the "Company," "IM," "Intuitive Machines," "we," "us" or "our") designs, manufactures and operates space products and services. Intuitive Machines' near-term focus is to create and operate space systems and space infrastructure on and in the vicinity of the Moon that enable scientific and human exploration and utilization of lunar resources to support sustainable human presence on the Moon and exploration to Mars and beyond. Intuitive Machines offers its customers the flexibility needed to pioneer a thriving and diverse lunar economy designed to enable a permanent presence in lunar orbit and on the lunar surface. IM is currently headquartered in Houston, Texas.

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

IPAX Business Combination

On September 16, 2022, IPAX entered into a certain Business Combination Agreement (the "Business Combination Agreement") by and between IPAX and Intuitive Machines, LLC, a Delaware limited liability company (formerly, a Texas limited liability company). On February 10, 2023, as contemplated by the Business Combination Agreement and described in the section titled "The Business Combination Proposal" of the final prospectus and definitive proxy statement of IPAX, dated January 24, 2023 and filed with the SEC on January 24, 2023, IPAX filed a notice of deregistration with the Cayman Islands Registrar of Companies, together with the necessary accompanying documents, and filed a certificate of incorporation and certificate of corporate domestication with the Secretary of State of the State of Delaware, pursuant to which IPAX was domesticated and continues as a Delaware corporation, changing its name to "Intuitive Machines, Inc."

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

In connection with the Transactions, the Company was reorganized into an umbrella partnership C corporation (or "Up-C") structure, in which substantially all of the assets and business of the Company are held by Intuitive Machines, LLC and continue to operate through Intuitive Machines, LLC and its subsidiaries. Intuitive Machines, Inc. is a holding company whose only material asset is its equity ownership interests of Intuitive Machines, LLC. While Intuitive Machines, LLC became a subsidiary of Intuitive Machines, Inc. and Intuitive Machines, Inc. was appointed as its managing member, Intuitive Machines, LLC was deemed to be the acquirer in the Business Combination for accounting purposes.

Accordingly, the Business Combination was accounted for as a reverse recapitalization, in which case the consolidated financial statements of the Company represent a continuation of Intuitive Machines, LLC and the issuance of common stock in exchange for the net assets of Intuitive Machines, Inc. was recorded at historical cost with no recognition of goodwill or other intangible assets. Operations prior to the Business Combination are those of Intuitive Machines, LLC. In addition, the number of shares subject to, and the exercise price of, the Company's outstanding options were adjusted to reflect the Business Combination. The treatment of the Business Combination as a reverse recapitalization was based upon the pre-merger members of Intuitive Machines, LLC holding the majority of the voting interests of Intuitive Machines, Inc., Intuitive Machines, LLC's existing management team serving as the initial management team of Intuitive Machines, Inc., Intuitive Machines, LLC's appointment of the majority of the initial board of directors of Intuitive Machines, Inc., and the significance of Intuitive Machines, LLC's operations prior to the Business Combination which represent the entirety of Company's operations.

In connection with the Business Combination, approximately \$34.1 million of cash held in trust, net of redemptions by IPAX's public shareholders, became available for use by the Company as well as proceeds received from the contemporaneous sale of preferred stock in connection with the closing of a PIPE investment. In addition, the Company entered into a common stock purchase agreement, dated September 16, 2022 (the "Cantor Purchase Agreement") relating to an equity facility under which shares of newly issued Intuitive Machines Class A common stock, par value \$0.0001 per

59

share (the "Class A Common Stock") may be sold to CF Principal Investments LLC ("CFPI"), at the Company's discretion, up to the lesser of (i.) \$50.0 million and (ii) the "exchange cap" specified therein, subject to certain customary conditions and limitations set forth in the Cantor Purchase Agreement. Beginning on February 14, 2023, the Company's Class A Common Stock and warrants to purchase the Class A Common Stock at an exercise price of \$11.50 per share (the "Public Warrants") began trading on Nasdaq under the symbols "LUNR" and "LUNRW," respectively.

See Note 3 - Business Combination and Related Transactions for additional information.

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Presentation and Principles of Consolidation

The Company's consolidated financial statements and related notes as of and for the years ended December 31, 2023 and 2022 have been prepared in accordance with United States generally accepted accounting principles ("GAAP") and pursuant to the rules and regulations of the SEC. Our consolidated financial statements include the accounts of Intuitive Machines, the accounts of Intuitive Aviation Inc. ("IA" or "Intuitive Aviation"), a wholly owned subsidiary, Space Network Solutions, LLC ("SNS" or "Space Network Solutions") a majority-owned subsidiary, and IX, LLC, a variable interest entity ("VIE") for which we are the primary beneficiary. All intercompany balances and transactions have been eliminated in

consolidation. The December 31, 2022 balances reported herein are derived from the consolidated financial statements of Intuitive Machines, LLC.

Reclassifications

Certain prior period amounts have been reclassified to conform to current period presentation. These reclassifications did not result in any changes to previously reported net income. The Company reclassified a certain line item in the consolidated statements of cash flows.

Emerging Growth Company

The Company is an emerging growth company ("EGC"), as defined in Section 2(a) of the Securities Act of 1933, as modified by the Jumpstart Our Business Startups Act of 2012 (the "JOBS Act"). Section 102(b)(1) of the JOBS Act exempts EGCs from being required to comply with new or revised financial accounting standards until private companies (that is, those that have not had a Securities Act registration statement declared effective or do not have a class of securities registered under the Exchange Act) are required to comply with the new or revised financial accounting standards. The JOBS Act provides that a company can elect to opt out of the extended transition period and comply with the requirements that apply to non-emerging growth companies but any such election to opt out is irrevocable. The Company did not opt out of such extended transition period which means that when a standard is issued or revised and it has different application dates for public or private companies, the Company, as an EGC, can adopt the new or revised standard at the time private companies adopt the new or revised standard. The effective dates shown in this Item Note 2 below reflect the election to use the extended transition period.

Use of Estimates

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

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

Segment Reporting

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

Concentration of Credit Risks

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

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

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

Major customers are defined as those individually comprising more than 10% of the Company's total revenue. There was one major customer that accounted for 74% and 83%, respectively, of the Company's total revenue for the years ended December 31, 2023 and 2022, and accounted for 80% of the accounts receivable balance as of December 31, 2023. The largest customer had no accounts receivable as of December 31, 2022, while two other customers accounted for 35% and 14%.

Major suppliers are defined as those individually comprising more than 10% of the annual goods or services purchased. For the years ended December 31, 2023 and 2022, the Company had one major supplier representing 18% and 63%, respectively, of goods and services purchased. As of December 31, 2023 and 2022, the one major supplier represented 2% and 21%, respectively, of the accounts payable balance.

Liquidity and Capital Resources

The consolidated financial statements as of December 31, 2023 and for the years ended December 31, 2023 and 2022, and related notes were prepared on the basis of a going concern, which contemplates that the Company will be able to realize assets and discharge liabilities in the normal course of business.

As of December 31, 2023, the Company had cash and cash equivalents of \$4.5 million and a working capital deficit of \$51.8 million. The Company has historically funded its operations through internally generated cash on hand, proceeds from sales of its capital stock including the execution of SAFE Agreements, and proceeds from the issuance of bank debt. As further described in Note 1 - Business Description, on February 13, 2023, the Company received approximately \$34.1 million of gross proceeds to fund operations as a result of the Business Combination with IPAX. Additionally, in connection with the Business Combination, the Company entered into the Cantor Purchase Agreement, pursuant to

which the Company may direct CFPI, at the Company's discretion, to purchase up to the lesser of (i) \$50.0 million of newly issued shares of Class A Common Stock and (ii) the "exchange cap" specified therein, subject to certain customary conditions and limitations set forth in the agreement. Subsequent to the closing of the Business Combination, the Company received \$12.7 million in cash associated with the termination of a forward purchase agreement and \$16.1 million in cash proceeds associated with warrant exercises.

On September 5, 2023, the Company consummated a securities purchase agreement pursuant to which the Company agreed to sell securities in a private placement which included the issuance by the Company of an aggregate of 4,705,883 shares of the Company's Class A Common Stock for aggregate gross proceeds of approximately \$20.0 million. See Note 9 - Mezzanine Equity and Equity for additional information on this securities purchase agreement.

Additionally, as further described in Note 17, the Company received approximately \$60.6 million in gross proceeds from warrant exercises and other equity transactions in the first quarter of 2024.

Management believes that the cash and cash equivalents as of December 31, 2023 and the additional liquidity provided by the equity facility and other subsequent equity transactions discussed above will be sufficient to fund the short-term

61

liquidity needs and the execution of the business plan through at least the twelve-month period from the date the financial statements are issued.

Cash and Cash Equivalents

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

Restricted Cash

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

Transaction Costs

Business Combination

Transaction costs consists of direct legal, consulting, audit and other fees related to the consummation of the Business Combination and related transactions as described further in Note 3. These costs were initially capitalized as incurred and recorded as prepaid expenses in our consolidated balance sheets and totaled \$5.3 million as of December 31, 2022. Upon the completion of the Business Combination, transaction costs directly related to the issuance of shares were netted against the proceeds from the merger and recorded as an offset in additional paid-in capital upon consummation

of the transactions. Total transaction costs charged to additional paid in capital were approximately \$24.4 million during the year ended December 31, 2023. Approximately, \$9.4 million in transaction costs were paid by Intuitive Machines, LLC during the year ended December 31, 2023. The remaining difference was paid by Intuitive Machines, LLC in 2022 or by IPAX prior to the closing of the Business Combination.

Securities Purchase Agreement

Transaction costs related to the consummation of the securities purchase agreement described further in Note 9, includes direct legal, broker, accounting and other fees. Transaction costs totaled approximately \$1.4 million during the year ended December 31, 2023 charged to general and administrative expenses in our statement of operations.

Accounts Receivable and Allowance for Credit Losses

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

Prepayments and Other Current Assets

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

62

Property and Equipment, Net

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

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

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

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

Long-Lived Assets

Long-lived assets consist of property and equipment, net, and are reviewed for impairment whenever events or changes in circumstances indicate the carrying value of the long-lived asset may not be recoverable. Recoverability is measured by comparing the carrying value of a long-lived asset to the future undiscounted cash flows that the long-lived asset is expected to generate from use and eventual disposition. An impairment loss will be recognized if the carrying amount of a long-lived asset is not recoverable and exceeds its fair value. For the year ended December 31, 2023, we recorded impairment charges of approximately \$1.0 million within our consolidated statements of operations associated with leasehold improvements and furniture and fixtures in connection with our previous corporate headquarters. No impairment charges were recorded for the year ended December 31, 2022. See Note 5 for further discussion of our impairment loss on property and equipment.

Earn-Out Liabilities

Unvested earn out units of Intuitive Machines, LLC ("Earn Out Units") are classified as liability transactions at initial issuance which were offset against paid-in capital as of the closing of the Business Combination. At each period end, the Earn Out Units are remeasured to their fair value with the changes during that period recognized in other income (expense) on the consolidated statement of operations. Upon issuance and release of the shares after each Triggering Event (as defined in Note 3) is met, the related Earn Out Units will be remeasured to fair value at that time with the changes recognized in other income (expense), and such Earn Out Units will be reclassified to shareholders' equity (deficit) on the consolidated balance sheet. As of the Closing Date, the Earn Out Units had a fair value of \$99.7 million. As a result of the OMES III Contract award by the National Aeronautics and Space Administration ("NASA") in May 2023, Triggering Event I (as defined below) under the earn out agreement vested resulting in the issuance of 2,500,000 shares of Intuitive Machines Class C common stock, par value \$0.0001 per share (the "Class C Common Stock") with a fair value of approximately \$19.4 million to the applicable Intuitive Machines, LLC Members resulting in a reduction to earn-out liabilities and an increase to shareholders' deficit. As of December 31, 2023, the remaining Earn Out Units had a fair value of \$14.0 million, with the changes in the fair value between the Closing Date and December 31, 2023 of \$66.3 million recognized as change in fair value of the earn-out liability under other income (expense) within the consolidated statements of operations.

Warrants

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

Lease Liabilities and Right-of-Use Assets

We determine whether a contract is or contains a lease when we have the right to control the use of the identified asset in exchange for consideration. Lease liabilities and right-of-use assets ("ROU assets") are recognized at the commencement date based on the present value of lease payments over the lease term. We use our incremental borrowing rate in the calculation of present value unless the implicit rate can be readily determined, however, none of our lease liabilities were determined using implicit rates. Certain leases include provisions for the renewal or termination. We only consider fixed payments and those options that are reasonably certain to be exercised in the determination of the lease term and the initial measurement of lease liabilities and ROU assets. Expense for operating lease payments is recognized as lease expense on a straight-line basis over the lease term. We do not separate lease and non-lease components of a contract. Operating and finance ROU assets, and operating and finance lease liabilities are presented within our consolidated balance sheet. See Note 6 - Leases for further disclosures and information on leases.

Fair Value Measurements

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

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

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

Redeemable Noncontrolling Interests

Noncontrolling interests represent the portion of Intuitive Machines, LLC that Intuitive Machines, Inc. controls and consolidates but does not own. The noncontrolling interests was created as a result of the Business Combination and represents 68,150,754 common units issued by Intuitive Machines, LLC to the prior investors. As of the Close of the Business Combination, Intuitive Machines, Inc. held an 18.8% interest in Intuitive Machines, LLC, with the remaining

81.2% interest held by Intuitive Machines, LLC's prior investors. As of December 31, 2023, Intuitive Machines, Inc. held an 22.9% interest in Intuitive Machines, LLC with the remaining 77.1% interest held by the prior investors. The prior investors' interests in Intuitive Machines, LLC represents a redeemable noncontrolling interest. At its discretion, the members have the right to exchange their common units in Intuitive Machines, LLC (along with the cancellation of the paired shares of Intuitive Machines Class B Common Stock or Class C Common Stock in Intuitive Machines) for either shares of Class A Common Stock on a one-to-one basis or cash proceeds of equal value at the time of redemption. Any redemption of Intuitive Machines, LLC Common Units in cash must be funded through a private or public offering of Class A Common Stock and is subject to the Board's approval. As of December 31, 2023, the prior investors of Intuitive Machines, LLC hold the majority of the voting rights on the Board.

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

64

earnings, if any, or additional paid-in capital of Intuitive Machines. Remeasurements of the Company's redeemable noncontrolling interests are based on the fair value of our Class A Common Stock.

General and Administrative Expense

General, selling, and administrative expenses consist of human capital related expenses for employees involved in general corporate functions, including executive management and administration, accounting, finance, tax, legal, information technology, marketing, and human resources; rent relating to the Company's office space; professional fees and other general corporate costs. Human capital expenses primarily include salaries and benefits.

Revenue Recognition

Most of our revenue is from long-term contracts associated with the engineering services for the research, design, development, manufacturing, integration and sustainment of advanced technology aerospace systems. Revenue is measured based on the amount of consideration specified in a contract with a customer. Revenue is recognized when and as our performance obligations under the terms of the contract are satisfied which generally occurs with the transfer of services to the customer. For each long-term contract, we determine the transaction price based on the consideration expected to be received. We allocate the transaction price to each distinct performance obligation to deliver a good or service, or a collection of goods and/or services, based on the relative standalone selling prices.

Contract Combination

To determine the proper revenue recognition method for contracts, we evaluate whether two or more contracts should be combined and accounted for as one single contract and whether the combined or single contract should be accounted

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

Contract Types

The Company performs work under contracts that broadly consist of fixed-price, cost-reimbursable, time-and-materials or a combination of the three. Pricing for all customers is based on specific negotiations with each customer.

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

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

Contract Costs

Contract costs include all direct materials, labor and subcontractor costs and an allocation of indirect costs related to contract performance. Customer-furnished materials are included in both contract revenue and cost of revenue when management concludes that the company is acting as a principal rather than as an agent. Revenue for uninstalled materials is recognized when the cost is incurred and control is transferred to the customer, which revenue is recognized using the cost-to-cost method. Certain costs associated with significant long-term service arrangements are capitalized and amortized across the life of the contract. Capitalized contract costs primarily relate to prepaid pre-launch integration and engineering services and launch services subcontracted with a third-party. Pre-launch integration and engineering services and launch services are capitalized and amortized over the term of the contract on a systematic basis that is consistent with the transfer

of the goods and services to our end customer. Project mobilization costs are generally charged to the project as incurred when they are an integrated part of the performance obligation being transferred to the client. Costs to obtain a contract are expensed as incurred unless they are expected to be recovered from the customer.

Variable Consideration

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

Contract Estimates and Modifications

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

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

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

Unbilled Receivables and Deferred Revenue

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

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

66

Income Taxes

Intuitive Machines

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

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

The Company follows the guidance of ASC Topic 740, *Income Taxes*. Interest and penalties associated with tax positions are recorded in the period assessed as general and administrative expenses. The open tax years for the tax returns generally include 2019 through 2021 for state and federal reporting purposes.

Tax Receivable Agreement

In conjunction with the consummation of the Transactions, Intuitive Machines, Inc. entered into a Tax Receivable Agreement (the “TRA”) with Intuitive Machines, LLC and certain Intuitive Machines, LLC members (the “TRA Holders”). Pursuant to the TRA, Intuitive Machines, Inc. is required to pay the TRA Holders 85% of the amount of cash tax savings, if any, in U.S. federal, state, and local income tax that are based on, or measured with respect to, net income or profits, and any interest related thereto that Intuitive Machines, Inc. realizes, or is deemed to realize, as a result of certain tax attributes, including (A) existing tax basis of certain assets of Intuitive Machines, LLC and its subsidiaries, (B) tax basis adjustments resulting from taxable exchanges of Intuitive Machines, LLC Common Units acquired by Intuitive Machines, Inc., (C) certain tax benefits realized by Intuitive Machines, Inc. as a result of the Business Combination, and (D) tax deduction in respect of portions of certain payments made under the TRA. All such payments to the TRA Holders are the obligations of Intuitive Machines, Inc., and not that of Intuitive Machines, LLC. As of December 31, 2023, there have been no exchanges of Intuitive Machines, LLC units for Class A Common Stock of Intuitive Machines, Inc. and, accordingly, no TRA liabilities currently exist.

See Note 3 - Business Combination and Related Transactions for further description of the TRA.

Earnings (Loss) Per Share (“EPS”)

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

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

Share-Based Compensation

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

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

Recent Accounting Pronouncements

In December 2023, the FASB issued ASU No. 2023-09, Income Taxes (Topic 740): Improvements to Income Tax Disclosures, which focuses on the rate reconciliation and income taxes paid. ASU No. 2023-09 requires a public business entity to disclose, on an annual basis, a tabular rate reconciliation using both percentages and currency amounts, broken out into specified categories with certain reconciling items further broken out by nature and jurisdiction to the extent those items exceed a specified threshold. In addition, all entities are required to disclose income taxes paid, net of refunds received disaggregated by federal, state/local, and foreign and by jurisdiction if the amount is at least 5% of total income tax payments, net of refunds received. For public business entities, the new standard is effective for annual periods beginning after December 15, 2024, with early adoption permitted. An entity may apply the amendments in this ASU prospectively by providing the revised disclosures for the period ending December 31, 2025 and continue to provide the pre-ASU disclosures for the prior periods, or may apply the amendments retrospectively by providing the revised disclosures for all period presented. The Company is assessing the potential impact of adopting the ASU on its financial statements.

In November 2023, the FASB issued ASU No. 2023-07, Segment Reporting (Topic 280): Improvements to Reportable Segment Disclosures, which requires a public entity to disclose significant segment expenses and other segment items on an annual and interim basis and provide in interim periods all disclosures about a reportable segment's profit or loss and assets that are currently required annually. It requires a public entity to disclose the title and position of the Chief Operating Decision Maker. The new standard is effective for fiscal years beginning after December 15, 2023, and interim periods within fiscal years beginning after December 15, 2024, with early adoption permitted. A public entity should apply the amendments in this ASU retrospectively to all prior periods presented in the financial statements. The Company is assessing the potential impact of adopting the ASU on its financial statements.

In June 2016, the FASB issued ASU 2016-13, Financial Instruments - Credit Losses (Topic 326): Measurement of Credit Losses on Financial Instruments. ASU 2016-13 requires an entity to utilize a new impairment model known as the current expected credit loss ("CECL") model to estimate its lifetime "expected credit loss" and record an allowance that, when deducted from the amortized cost basis of the financial asset, presents the net amount expected to be collected on the financial asset. ASU 2016-13 also requires new disclosures for financial assets measured at amortized cost, loans,

and available-for-sale debt securities. The Company adopted this ASU as of January 1, 2023. The adoption did not have a material impact on the Company's consolidated financial statements.

Other Current Liabilities

As of December 31, 2023 and December 31, 2022, other current liabilities consisted of the following (in thousands):

	December 31,	
	2023	2022
Financing obligation, current (see Note 6 - Leases)	\$ —	\$ 9,117
Payroll accruals	2,553	2,117
Income tax payable	20	—
Professional fees accruals	832	3,677
Commercial insurance financing	493	—
Commitment shares liability (see Note 3 - Business Combination and Related Transactions)	755	—
Other accrued liabilities	94	267
Other current liabilities	\$ 4,747	\$ 15,178

NOTE 3 - BUSINESS COMBINATION AND RELATED TRANSACTIONS

On February 13, 2023 as contemplated by the Business Combination Agreement, Intuitive Machines, Inc. and Intuitive Machines, LLC consummated the Business Combination, whereby: (i) Intuitive Machines, LLC appointed Intuitive Machines, Inc. as its managing member; (ii) Intuitive Machines, Inc. issued to certain existing members of Intuitive Machines, LLC, 10,566 shares of Intuitive Machines Class B Common Stock having one vote per share and no economic rights, or 68,140,188 shares of Class C Common Stock having three votes per share and no economic rights, in each case, in exchange for payment from such Intuitive Machines, LLC members of a per-share price equal to the par value per share of such stock, and equal to the number of Intuitive Machines, LLC Common Units held by such person as of and on the

69

Closing Date; (iii) Intuitive Machines, Inc. contributed to Intuitive Machines, LLC an amount in cash of \$8.1 million, net of transaction costs, in exchange for certain units in Intuitive Machines, LLC; and (iv) the Transactions were consummated as further described below.

Intuitive Machines, LLC Conversion and Recapitalization

In connection with the Business Combination, Intuitive Machines, LLC changed its jurisdiction of organization from Texas to Delaware. Immediately prior to the closing of the Business Combination, Intuitive Machines, LLC effectuated the recapitalization whereby all outstanding equity securities of Intuitive Machines, LLC were converted into Common Units of Intuitive Machines, LLC ("Intuitive Machines, LLC Common Units"), options to purchase Intuitive Machines, LLC common units ("Intuitive Machines, LLC options") and unvested Earn Out Units of Intuitive Machines, LLC.

Consideration and Structure

As a result of the Up-C structure, the Business Combination consideration received by Intuitive Machines, LLC members consisted of securities of both Intuitive Machines, LLC having economic rights but not voting rights and Intuitive Machines, Inc. having voting rights but not economic rights equal to a value of approximately \$700.0 million. In particular, the Business Combination consideration received by the Intuitive Machines, LLC members comprised of an aggregate of (a) (i) 68,155,203 Intuitive Machines, LLC Common Units, (ii) 1,874,719 Intuitive Machines, LLC Options and (iii) 10,000,000 Earn Out Units and (b) (i) 15,015 shares of Class B Common Stock (excluding 1,873,307 shares of Class B Common Stock reserved for issuance upon exercise of Intuitive Machines, LLC Options) and (ii) 68,140,188 shares of Class C Common Stock (excluding 10,000,000 shares of Class C Common Stock reserved for issuance upon vesting of the Earn Out Units).

The 10,000,000 Earn Out Units received by the applicable Intuitive Machines, LLC Members are subject to vesting and will be earned, released and delivered upon satisfaction of the following milestones (each, a "Triggering Event"): (i) 2,500,000 Earn Out Units will vest if, during the Earn Out Period (as defined below), Intuitive Machines is awarded the OMES III Contract by NASA ("Triggering Event I"), (ii) 5,000,000 Earn Out Units will vest if, within the Earn Out Period, Triggering Event I occurs and the volume weighted average closing sale price of the Class A Common Stock equals or exceeds \$15.00 per share ("Triggering Event II-A"), (iii) 7,500,000 Earn Out Units will vest if, within the Earn Out Period, Triggering Event I has not occurred and the volume weighted average closing sale price of the Class A Common Stock equals or exceeds \$15.00 per share ("Triggering Event II-B"), and (iv) 2,500,000 Earn Out Units will vest if, within the Earn Out Period, Triggering Event III occurs the volume weighted average closing sale price of the Class A Common Stock equals or exceeds \$17.50 per share ("Triggering Event III"), provided, that Triggering Event II-A and Triggering Event II-B may not both be achieved. "Earn Out Period" means (i) with respect to Triggering Event I, the time period beginning on September 16, 2022 and ending at 11:59 pm ET on December 31, 2023, and (ii) with respect to Triggering Event II-A, Triggering Event II-B and Triggering Event III, the time period beginning on the date that is 150 days following the Closing Date and ending on the date that is the five (5) year anniversary of the Closing Date. If a Change of Control (as defined in the Business Combination Agreement) occurs during the Earn Out Period that results in the holders of the Class A Common Stock receiving a per share price greater than or equal to \$15.00 or \$17.50, respectively, then immediately prior to the consummation of such Change of Control, to the extent not previously triggered, then Triggering Event II-A or Triggering Event II-B will be deemed to have occurred, as applicable, and the applicable Earn Out Units shall vest.

Upon the vesting of any Earn Out Units, each of the applicable Intuitive Machines, LLC Members will be issued (i) by Intuitive Machines, LLC an equal number of Intuitive Machines, LLC Common Units and (ii) by Intuitive Machines, an equal number of shares of Class C Common Stock, in exchange for surrender of the applicable Earn Out Units and the payment to Intuitive Machines, Inc. of a per-share price equal to the par value per share of the Class C Common Stock. See Note 2 for further discussion of Triggering Event I which vested upon the OMES III award by NASA in May 2023.

After the expiration of the applicable lock-up period on August 14, 2023, holders of certain Intuitive Machines, LLC Common Units will be permitted to exchange such Intuitive Machines, LLC Common Units (along with the cancellation of the paired share of Class B Common Stock or share of Class C Common Stock) for shares of Class A Common Stock on a one-for-one basis pursuant to the second amended and restated limited liability company agreement of Intuitive Machines, LLC (the "Second A&R Operating Agreement") (subject to customary conversion rate adjustments for stock splits, stock dividends and reclassifications) or, at the election of Intuitive Machines, Inc. (determined by a majority of the directors of Intuitive Machines, Inc. who are disinterested with respect to such determination), cash from a substantially concurrent public offering or private sale in an amount equal to the net amount, on a per share basis, of cash received as a result of such public offering or private sale.

70

The Series A Investment

On September 16, 2022, concurrently with the execution of the Business Combination Agreement, Intuitive Machines, Inc. entered into the Series A Purchase Agreement with Kingstown 1740 Fund, LP (an existing security holder of Intuitive Machines, Inc. and an affiliate of IPAX's sponsor, Inflection Point Holdings LLC (the "Sponsor") and Ghaffarian Enterprises, LLC (an affiliate of Kamal Ghaffarian, an Intuitive Machines, LLC founder) (collectively, the "Series A Investors"), pursuant to which, and on the terms and subject to the conditions of which, Intuitive Machines, Inc. agreed to issue and sell to the Series A Investors (i) an aggregate of 26,000 shares of 10% Series A Cumulative Convertible Preferred Stock, par value \$0.0001 per share (the "Series A Preferred Stock") which will be convertible into shares of Class A Common Stock in accordance with the terms of the Certificate of Designation of Preferences, Rights and Limitations of 10% Series A Cumulative Convertible Preferred Stock (the "Certificate of Designation") and (ii) warrants to purchase 541,667 shares of Class A Common Stock at an initial exercise price of \$15.00 per share, subject to adjustment (the "Preferred Investor Warrants").

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

Tax Receivable Agreement

Intuitive Machines, Inc. entered into the TRA with Intuitive Machines, LLC and the TRA Holders at closing of the Business Combination. Pursuant to the TRA, Intuitive Machines, Inc. will generally be required to pay the TRA Holders

85% of the amount of the cash tax savings, if any, in U.S. federal, state, and local taxes that are based on, or measured with respect to, net income or profits, and any interest related thereto that Intuitive Machines, Inc. (and applicable consolidated, unitary, or combined subsidiaries thereof, if any realizes, or is deemed to realize, as a result of certain tax attributes (the "Tax Attributes"), including:

- existing tax basis in certain assets of Intuitive Machines, LLC and certain of its direct or indirect subsidiaries, including assets that will eventually be subject to depreciation or amortization, once placed in service;
- tax basis adjustments resulting from taxable exchanges of Intuitive Machines, LLC Common Units (including any such adjustments resulting from certain payments made by Intuitive Machines, Inc. under the TRA) acquired by Intuitive Machines, Inc. from a TRA Holder pursuant to the terms of the Second A&R Operating Agreement;
- certain tax benefits realized by Intuitive Machines, Inc. as a result of certain U.S. federal income tax allocations of taxable income or gain away from Intuitive Machines, Inc. and to other members of Intuitive Machines, LLC and deductions or losses to Intuitive Machines, Inc. and away from other members of Intuitive Machines, LLC, in each case as a result of the Business Combination; and
- tax deductions in respect of portions of certain payments made under the TRA.

Under the terms of the TRA, Intuitive Machines, Inc. will make payments to the TRA Holders in respect of 85% of the cash tax savings resulting from the net tax benefit of certain Tax Attributes. However, until a TRA Holder exchanges at least 5% of its Intuitive Machines, LLC Common Units, Intuitive Machines, Inc. will hold such payments applicable to existing basis until the TRA Holder satisfies such threshold exchange. As of December 31, 2023, no TRA Holder had exchanged at least 5% of its Intuitive Machines, LLC Common Units. Future exchanges will result in incremental tax attributes and potential cash tax savings for Intuitive Machines, Inc. Depending on Intuitive Machines' assessment on realizability of such Tax Attributes, the arising TRA liability will be recorded through income.

Equity Facility

On September 16, 2022, the Company entered into the Cantor Purchase Agreement with CFPI relating to an equity facility under which shares of newly issued Class A Common Stock may be sold to CFPI by Intuitive Machines, Inc. Pursuant to the terms of the Cantor Purchase Agreement, Intuitive Machines, Inc. will have the right, but not the obligation, from time to time at its sole discretion, until the first day of the month following the 18-month period from and after the Commencement (as defined in the Cantor Purchase Agreement), to direct CFPI to purchase up to the lesser of (i) \$50.0 million of newly issued shares of Class A Common Stock and (ii) the Exchange Cap, by delivering written notice to CFPI prior to the commencement of trading on any trading day, subject to certain customary conditions and limitations set forth

in the Cantor Purchase Agreement. In connection with the execution of the Cantor Purchase Agreement, the Company agreed to issue 100,000 shares of Class A Common Stock to CFPI. The Company entered into a registration rights agreement with CFPI, pursuant to which it agreed to register for resale, pursuant to Rule 415 under the Securities Act, the shares of Class A Common Stock that are sold to CFPI under the equity facility and the Commitment Shares. During the second quarter of 2023, we recorded a recapitalization adjustment to increase other current liabilities and decrease to paid-in capital for \$1.0 million to recognize the Commitment Share liability within our consolidated balance sheets which was not previously recognized in the balance sheet of IPAX prior to the closing of the Business Combination.

In June 2023, the Company issued 95,785 Commitment Shares to CFPI. Under the terms of the Cantor Purchase Agreement, to the extent after the resale of the Commitment Shares by CFPI is less than \$1.0 million, the Company will pay CFPI the difference between \$1.0 million and the net proceeds of the resale of the Commitment Shares received by CFPI in cash. As of December 31, 2023, none of the Commitment Shares have been sold by CFPI and the Company has recorded a liability of approximately \$755 thousand, reflected in other current liabilities in our consolidated balance sheets as of December 31, 2023, representing the difference between \$1.0 million and the fair value of the Commitment Shares.

As of December 31, 2023, no shares of Class A Common Stock have been sold to CFPI under the Cantor Purchase Agreement.

Forward Purchase Agreements

Prior to the closing of Business Combination, the Company entered into forward purchase agreements with two separate counterparties pursuant to which each counterparty agreed to purchase 1,250,000 shares of Class A Common Stock from shareholders who had previously tendered such shares for redemption but agreed to reverse their redemption and sell such shares to the counterparties at the redemption price of approximately \$10.19 per share. The Company prepaid approximately \$25.5 million to the counterparties at the closing of the Business Combination to secure its purchase obligation to repurchase the 2,500,000 shares of Class A Common Stock at the redemption price per share on the option expiration date that was one month after closing of the Business Combination. The forward purchase agreements were accounted for as a prepaid asset and marked to fair value through earnings each period until the agreements were terminated or expired. The Company paid transaction fees to the counterparties totaling \$750 thousand which was recorded as general and administrative expense during the first quarter of 2023.

On February 23, 2023, one of the counterparties exercised their right to optional early termination of the forward purchase agreement for 1,250,000 shares of Class A Common Stock and returned approximately \$12.7 million in cash to the Company resulting in an immaterial net loss on termination during the first quarter of 2023. On March 8, 2023, the remaining forward purchase agreement expired resulting in the Company's repurchase of 1,250,000 shares of Class A Common Stock resulting in a net gain on settlement of the agreement of approximately \$93 thousand recorded in other income (expense) during the first quarter of 2023. The repurchased shares of Class A Common Stock were recorded as treasury stock upon expiration of the forward purchase agreement in the amount of \$12.8 million based on a stock price of \$10.26 per share on the date of repurchase.

NOTE 4 - REVENUE

Disaggregated Revenue

We disaggregate our revenue from contracts with customers by contract type. The following table provides information about disaggregated revenue for the years ended December 31, 2023 and 2022 (in thousands):

	Year Ended December 31,			
	2023	2022		
Revenue by Contract Type				
Fixed price	\$ 58,712	74 %	\$ 80,801	94 %
Cost reimbursable	13,920	18 %	—	— %
Time and materials	6,889	9 %	5,145	6 %
Total	\$ 79,521	100 %	\$ 85,946	100 %

Contract Assets and Liabilities

Contract assets primarily relate to deferred contract costs for subcontracted launch services, as well as work completed not yet billed for performance obligations that are satisfied over time. Deferred contract costs and unbilled receivables are

72

recorded contract assets on our consolidated balance sheets. Contract assets related to deferred contract costs are amortized straight-line across the life of the long-term service arrangement. Contract assets related to work completed for performance obligations that are satisfied over time are transferred to receivables when the right to consideration becomes unconditional. Contract liabilities relate to billings or consideration received in advance of performance (obligation to transfer goods or services to a customer) under the contract as well as provisions for loss contracts. Contract liabilities are recognized as revenue when the performance obligation has been performed. Current deferred revenue and provisions for loss contracts are recorded in current contract liabilities on our consolidated balance sheets. Long-term deferred revenue and provisions for loss contracts are recorded in long-term contract liabilities on our consolidated balance sheets.

The following table presents contract assets as of December 31, 2023 and December 31, 2022 (in thousands):

	December 31,		December 31,
	2023	2022	2022
Contract Assets			
Unbilled receivables	\$ 6,146	\$ 346	346
Deferred contract costs	343	6,633	6,633
Total	\$ 6,489	\$ 6,979	6,979

Amortization expense associated with deferred contract costs for subcontracted launch services was recorded in cost of revenue and was \$31.2 million and \$43.3 million, respectively, for the years ended December 31, 2023 and 2022.

The following table presents contract liabilities as of December 31, 2023 and December 31, 2022 (in thousands):

	December 31, 2023	December 31, 2022
Contract liabilities – current		
Deferred revenue	\$ 22,926	\$ 39,831
Contract loss provision	9,567	10,120
Accrued launch costs	13,018	6,705
Total contract liabilities – current	45,511	56,656
Contract liabilities – long-term		
Contract loss provision	—	2,188
Total contract liabilities – long-term	—	2,188
Total contract liabilities	\$ 45,511	\$ 58,844

Revenue recognized from amounts included in contract liabilities at the beginning of the period was \$38.2 million and \$31.4 million during the year ended December 31, 2023 and 2022, respectively.

Loss Contracts

Contract losses are a result of constraining variable consideration and estimated contract costs exceeding current contract price. The Company experiences favorable or unfavorable changes to contract losses from time to time due to changes in estimated contract costs and modifications that result in changes to contract price. We recorded unfavorable and (favorable) changes in net losses related to contracts with customers of \$30.3 million and \$(9.3) million, respectively, for the years ended December 31, 2023 and 2022.

As of December 31, 2023, the status of these loss contracts was as follows:

- The first contract, for lunar payload services, became a loss contract in 2019 due to the constraint of variable consideration. Variable consideration has been constrained to \$0 from a total potential amount of \$12.3 million. For the years ended December 31, 2023, and 2022, changes in contract price and estimated contract costs resulted in unfavorable and (favorable) changes of \$10.2 million and \$(11.1) million, respectively. As of December 31, 2023, and 2022, this contract was approximately 99% complete and 96% complete, respectively. The contract was successfully completed in February 2024. As of December 31, 2023 and 2022, the contract loss provision recorded in contract liabilities, current in our consolidated balance sheets was \$10 thousand and \$0.4 million, respectively.
- The second contract, for lunar payload services, became a loss contract in 2021 due to the constraint of variable consideration and estimated contract costs exceeding current contract price. Variable consideration has been

constrained to \$0 from a total potential amount of \$7.8 million. For the years ended December 31, 2023 and 2022, changes in estimated contract costs resulted in an additional \$5.8 million and a reduction of \$(4.7) million in contract loss, respectively. As of December 31, 2023, and 2022, this contract was approximately 64% complete and 33% complete, respectively. The period of performance for this contract currently runs through June 2024 although we anticipate that the launch and post-launch services will occur after that date. As of December 31, 2023 and 2022, the contract loss provision recorded in contract liabilities, current was \$7.4 million and \$7.7 million, respectively, and zero and \$2.2 million, respectively, in contract liabilities, non-current in our consolidated balance sheets.

- The third contract, for lunar payload services, became a loss contract in 2022 due to the constraint of variable consideration and estimated contract costs exceeding current contract price. Variable consideration has been constrained to \$0 from a total potential amount of \$11.4 million. For the years ended December 31, 2023 and 2022, changes in estimated contract costs resulted in an additional \$14.2 million and \$6.0 million in contract loss, respectively. As of December 31, 2023 this contract was approximately 89% complete. The period of performance for this contract currently runs through June 2024 although we anticipate that the launch and post-launch services will occur after that date. As of December 31, 2023 and 2022, the contract loss provision recorded in contract liabilities, current in our consolidated balance sheets was \$2.1 million and \$1.9 million, respectively.
- The remaining loss contracts are individually and collectively immaterial.

Remaining Performance Obligations

Remaining performance obligations represent the remaining transaction price of firm orders for which work has not been performed and excludes unexercised contract options. As of December 31, 2023, the aggregate amount of the transaction price allocated to remaining performance obligations was \$57.2 million. The Company expects to recognize revenue on approximately 90-95% of the remaining performance obligations over the next 12 months, and the remaining in 2025 and thereafter. Remaining performance obligations do not include variable consideration that was determined to be constrained as of December 31, 2023.

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

NOTE 5 - PROPERTY AND EQUIPMENT, NET

As of December 31, 2023 and 2022, property and equipment, net consisted of the following (in thousands):

	December 31, 2023	December 31, 2022

Leasehold improvements	\$ —	\$ 1,544
Vehicles and trailers	129	129
Computers and software	2,864	1,673
Furniture and fixtures	1,666	794
Machinery and equipment	2,772	2,211
Construction in progress	13,795	17,747
Property and equipment, gross	21,226	24,098
Less: accumulated depreciation and amortization	(2,877)	(2,922)
Property and equipment, net	\$ 18,349	\$ 21,176

Total depreciation expense related to property and equipment for the years ended December 31, 2023 and 2022 was \$1.4 million and \$1.1 million, respectively.

As of December 31, 2023 and 2022, the Company pledged property and equipment with net book value of approximately \$18.3 million and \$20.3 million, respectively, as security for its Credit Mobilization Facility (as defined below) with Live Oak Banking Company.

74

As of December 31, 2023, construction in progress includes construction costs of \$13.5 million associated with the fabrication of a commercial communications satellite. The Company capitalized interest in connection with construction in progress of \$967 thousand and \$247 thousand for the years ended December 31, 2023 and 2022, respectively.

During the fourth quarter of 2023 and in connection with moving operations to our new facility, the Lunar Production and Operations Center ("LPOC"), as discussed further in Note 6, management identified the move as a significant adverse change in the usage of space from our prior facility. As such, management determined that certain leasehold improvements and furniture and fixtures from our prior facility will not be utilized at the LPOC and the carrying value will not be recoverable. For the year ended December 31, 2023, we recorded impairment charges of approximately \$1.0 million in our consolidated statements of operations.

NOTE 6 - LEASES

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

The Company has eight real estate leases with lease terms ranging from 6 months to 250 months and four equipment leases with lease terms ranging from 36 months to 60 months, some of which contain options to extend and some of which contain options to terminate the lease without cause at the option of lessee.

The Company's real estate leasing agreements include terms requiring the Company to reimburse the lessor for its share of real estate taxes, insurance, operating costs and utilities which the Company accounts for as variable lease costs when incurred since the Company has elected to not separate lease and non-lease components, and hence are not included in the measurement of lease liability. For the years ended December 31, 2023 and 2022, there were no significant variable lease costs. There are no restrictions or covenants imposed by any of the leases, and none of the Company's leases contain material residual value guarantees.

In September 2021, we signed a ground lease agreement for the development of our LPOC that will serve as a production and testing facility of lunar lander components and other aerospace related operations. The lessor will reimburse up to \$40.0 million for certain costs incurred by us for design, construction, and development. Management concluded that it was deemed the owner, for accounting purposes only, of the facility under build-to-suit lease accounting due to its involvement in the construction activities of the facility. Accordingly, we are accounting for the construction of the facility as a financing arrangement. As of December 31, 2022, we had capitalized \$10.3 million of construction in progress and a corresponding financing obligation of \$9.1 million. Upon completion of the construction, the lease agreement will have an initial term of 20 years with four optional renewal periods of 5 years each.

During the fourth quarter of 2022, construction was completed for the Small Engine Verification facility (the "SEV" facility) portion of the LPOC, and we took possession of the SEV facility. Upon commencement of the SEV facility portion of the lease, management determined that it qualified for sale and leaseback accounting, with the leaseback being classified as an operating lease. No gain or loss was recognized or deferred on the sale of the SEV facility, as the fair value upon completion was determined to be equal to the carrying value. As of December 31, 2023, the Company recorded right-of-use assets of \$2.9 million and corresponding lease liabilities of approximately \$3.2 million. As of December 31, 2022, the Company recorded right-of-use assets and corresponding lease liabilities of approximately \$3.1 million.

During the third quarter of 2023, the remaining construction for the LPOC was near completion and we took possession of the entire facility. Upon commencement of the lease, we determined that the LPOC qualified for sale and leaseback accounting, with the leaseback being classified as an operating lease. No gain or loss was recognized or deferred on the sale of the lunar operations center, as the fair value upon commencement was determined to be equal to the carrying value. As of the lease commencement date, we derecognized approximately \$30.4 million of construction in progress and the corresponding financing obligation of \$30.4 million associated with capitalized construction costs of the lunar operations center and related reimbursements received from the lessor. We recognized operating lease right-of-use assets of \$32.3 million and operating lease liabilities of \$26.7 million as of the lease commencement date, which included \$5.6 million of reimbursable costs to be received from the lessor. As of December 31, 2023, we have approximately \$3.8 million of contractual obligations to complete construction of the LPOC, of which \$0.7 million is expected to be reimbursed by the lessor recorded as other current liabilities and \$3.1 million to be funded from available cash recorded as current operating lease liabilities.

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

	Year Ended December 31,	
	2023	2022
	\$	\$
Operating lease cost	\$ 1,536	\$ 714
Finance lease cost	3	—
Short-term lease cost	333	117
Total lease cost	\$ 1,872	\$ 831

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

	Year Ended December 31,			
	2023		2022	
	Operating Leases	Finance Leases	Operating Leases	Finance Leases
Cash paid for amounts included in the measurement of lease liabilities:				
Cash flows from operating activities	\$ 1,034	\$ 3	\$ 832	\$ —
Cash flows from investing activities	\$ 1,344	\$ 5	\$ —	\$ —
Cash flows from financing activities	\$ —	\$ 2	\$ —	\$ —
Right-of-use assets obtained in exchange for new operating lease liabilities	\$ 32,393	\$ 93	\$ 3,480	\$ —
Weighted average remaining lease term - operating leases (months)	226	35	155	0
Weighted average discount rate - operating leases	6.1 %	7.8 %	5.7 %	— %

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

The table below includes the estimated future undiscounted cash flows for operating and finance leases as of December 31, 2023 (in thousands):

Year Ending December 31,	Operating Leases		Finance Leases	
	\$		\$	
2024	\$ 1,822		\$ 33	
2025			1,836	33
2026			1,831	28
2027			1,364	5
2028			1,451	4
Thereafter			56,783	—
Total undiscounted lease payments	\$ 65,087		\$ 103	
Less: imputed interest			32,177	11

Present value of lease liabilities	\$ 32,910	\$ 92
Plus: construction costs to be funded by the Company	3,150	—
Less: reimbursable construction costs from the lessor	(677)	—
Total lease liabilities	\$ 35,383	\$ 92

NOTE 7 - DEBT

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

	December 31, 2023	December 31, 2022
Credit Mobilization Facility	\$ 8,000	\$ 20,000
Less: deferred financing costs	—	(39)
Less: current maturities	(8,000)	(16,098)
Long-term debt, net of current maturities	\$ —	\$ 3,863

76

As of December 31, 2023 and 2022, the weighted-average interest rate on short-term borrowings outstanding was 10.20% and 6.55%, respectively.

Live Oak Credit Mobilization Facility

On December 12, 2019, we entered into a loan agreement with Live Oak Banking Company (the "Credit Mobilization Facility") which provided a \$12.0 million Credit Mobilization Facility with a due date of December 12, 2022 and a \$1.0 million line of credit with a due date of December 12, 2020. Both the Credit Mobilization Facility and line of credit bear interest (payable monthly) at a rate per annum equal to 6%. The Credit Mobilization Facility and line of credit are secured by substantially all of the assets of the Company. On December 8, 2020 the Company entered into a Loan Modification Agreement with Live Oak Banking Company ("Live Oak") which amended the terms of the line of credit, including decreasing the maximum principal from \$1.0 million to \$400 thousand, extending the maturity date from December 12, 2020 to December 10, 2021, and changing the interest rate from 6.0% to a variable interest rate at the prime rate, as published in the Wall Street Journal newspaper, plus 2.0%. On April 30, 2021, we entered into a commitment with Live Oak Banking Company which provided a \$12.0 million contract mobilization credit facility with a loan maturity of November 15, 2022, which superseded the existing contract mobilization credit facility. On December 10, 2021, the line of credit expired. The Company had no balance outstanding at that time and did not renew the line of credit.

On July 14, 2022, we entered into the Second Amended and Restated Loan Agreement with Live Oak which provided an \$8.0 million mobilization credit facility with a loan maturity of July 14, 2024 and extended the maturity date of our existing \$12.0 million mobilization credit facility to November 14, 2023. The \$8.0 million mobilization credit facility requires early payment of principal upon the completion of certain mission milestones of \$4.1 million and \$3.9 million in 2023 and 2024, respectively. The \$12.0 million mobilization credit facility required principal payments of \$8.0 million on August 15, 2023 and \$4.0 million on November 14, 2023. The mobilization credit facilities bear interest (payable monthly) at a rate per annum equal to the greater of (a) the prime rate, as published in the Wall Street Journal newspaper, plus 2.0% and (b) 5.0%. The mobilization credit facilities require the Company to meet certain financial and other covenants and are secured by substantially all of the assets of the Company.

During the third quarter of 2023, we considered options to modify the terms of the Second Amended and Restated Loan Agreement with Live Oak. We received confirmation from Live Oak to defer the \$8.0 million principal payment due on August 15, 2023 under the \$12.0 million mobilization credit facility pending the outcome of the loan modification. On October 31, 2023, management decided to no longer pursue loan modification and promptly paid the deferred \$8.0 million principal payment. On November 3, 2023, we received a letter of good standing from Live Oak stating the Company was current on all payments due and was in full compliance with the terms and conditions of the \$8.0 million and \$12.0 million mobilization credit facilities under the Second Amended and Restated Loan Agreement. On November 15, 2023, we paid the remaining \$4.0 million on the \$12.0 million mobilization credit facility. There was \$8.0 million and \$20.0 million outstanding under the credit mobilization facilities as of December 31, 2023 and 2022, respectively.

NOTE 8 - INCOME TAXES

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

	Year Ended December 31,	
	2023	2022
Current:		
Federal	\$ —	\$ —
State	33	(16)
Deferred:		
Federal	—	—
State and local	7	(7)
Total income tax provision (benefit)	\$ 40	\$ (23)

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

	Year Ended December 31,	
	2023	2022
Income/(loss) before income taxes	\$ 15,062	\$ (6,428)
Statutory income tax rate	21.0 %	21.0 %
Expected income tax expense/(benefit)	3,163	(1,349)
Noncontrolling interest	10,052	—
Nontaxable entity	—	1,348
Fair value activity on earn-out liability	(13,913)	—
Other permanent differences	(1,796)	—
Research and development benefit	(611)	—
State income tax expense	(703)	(23)
Change in valuation allowance	3,949	1
Other	(101)	—
Total income tax provision (benefit)	<u>\$ 40</u>	<u>\$ (23)</u>
Effective tax rate	0.27 %	0.36 %

The Company's effective tax rates for the years ended December 31, 2023 and 2022 were 0.27% and 0.36%, respectively. For year ended December 31, 2023, our effective tax rate differed from the statutory rate of 21% primarily due to deferred taxes for which no benefit is being recorded and losses attributable to noncontrolling interest unitholders that are **appended** taxable on their respective share of taxable income. For the year ended December 31, 2022, our effective tax rate differed from the

78

statutory rate of 21% primarily due to Intuitive Machines, LLC's status as a partnership for United States federal income tax purposes.

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

	Year Ended December 31,	
	2023	2022

Deferred tax assets:			
Net operating losses	\$ 391	\$ 165	
Restricted stock options	184	—	
Property and equipment	—	11	
Inventory	—	148	
Deferred revenue	9	12	
Investment in Intuitive Machines, LLC	67,599	—	
Other deferred tax assets	1,103	—	
Total deferred tax assets	69,286	336	
Valuation allowance	(69,265)	(324)	
Net deferred tax assets	21	12	
Deferred tax liabilities:			
Section 481(a) adjustment	(21)	(5)	
Total deferred tax liabilities	(21)	(5)	
Net deferred tax asset (liability)	\$ —	\$ 7	

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

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

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

Valuation Allowance

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

79

assessment. The Company continues to closely monitor and weigh all available evidence, including both positive and negative, in making its determination whether to maintain a valuation allowance.

Net Operating Loss

As of December 31, 2023, the company had approximately \$1.8 million of federal net operating loss carryforwards ("NOL carryforwards"), which do not have an expiration date. The Company's deferred tax assets, including these NOL carryforwards have been reduced by a valuation allowance due to a determination made that it is more likely than not that some or all of the deferred assets will not be realized based on the weight of all available evidence.

Uncertain Tax Positions

For the periods ending December 31, 2023, and 2022, the Company has no reserves for uncertain tax positions.

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

The Company files income tax returns in the U.S., including federal and various state filings. The number of years that are open under the statute of limitations and subject to audit varies depending on the tax jurisdiction. We remain subject to U.S. federal tax examinations for years after 2019.

Beginning in 2022, the Tax Cuts and Jobs Act of 2017 ("TCJA") eliminates the option to deduct research and development expenditures currently and requires taxpayers to capitalize and amortize them. Research and development expenses must be amortized over five years for research performed in the U.S. and fifteen years for research performed outside the U.S. Although Congress is considering legislation that would defer the amortization requirement to later years, it is not certain that the provision will be repealed or otherwise modified. In 2023, the company has estimated \$26.0 million of research and expenditures subject to capitalization and subsequent amortization for federal tax purposes.

NOTE 9 - MEZZANINE EQUITY AND EQUITY

Business Combination

The consolidated statements of shareholders' deficit, mezzanine equity and noncontrolling interests reflect the reverse recapitalization and Business Combination as described in Note 1 - Business Description and Note 3 - Business Combination and Related Transactions. As Intuitive Machines, LLC was deemed to be the accounting acquirer in the Business Combination, all periods prior to the consummation of the Business Combination reflect the balances and activity of Intuitive Machines, LLC. The consolidated balances as of December 31, 2022 from the financial statements of Intuitive Machines, LLC as of that date and membership unit activity in the consolidated statements of change in shareholders' deficit, as well as mezzanine and noncontrolling interests, prior to the consummation of the Business Combination have not been retroactively adjusted.

Upon consummation of the Transactions, the Company's capital stock consisted of (i) 8,243,750 shares of Class A Common Stock held by the Sponsor, (ii) 5,493,182 shares of Class A Common Stock issued to public shareholder, net of redemptions, (iii) 2,066,667 shares of Class A Common Stock issued as a result of the conversion of SAFE Agreements previously held by investors in Intuitive Machines, LLC, (iv) 10,566 shares of Class B Common Stock issued to Intuitive Machines, LLC Class B Unit holders, (v) 68,140,188 shares of Class C Common Stock issued to the Founders of Intuitive Machines, LLC, and (vi) 26,000 shares of Series A Preferred Stock issued to PIPE investors. In addition, 10,000,000 Earn Out Units were issued to the Intuitive Machines, LLC Founders representing contingently issuable shares of Class A Common Stock as further described in Note 3.

Private Placement

On September 5, 2023, the Company consummated a securities purchase agreement (the "Purchase Agreement") with Armistice Capital Master Fund Ltd (the "Purchaser") pursuant to which the Company agreed to sell securities to the Purchaser in a private placement (the "Private Placement"). The Purchase Agreement provided for the sale and issuance by

80

the Company of (i) an aggregate of 4,705,883 shares of the Company's Class A Common Stock (the "PIPE Shares") and (ii) an accompanying (a) warrant to purchase up to 4,705,883 shares of Class A Common Stock (the "Initial Series A Warrant") at an exercise price of \$4.75 per share and (b) warrant to purchase up to 4,705,883 shares of Class A Common Stock (the "Initial Series B Warrant") at an exercise price of \$4.75 per share, for aggregate gross proceeds of \$20.0 million, before deducting related transaction costs of \$1.4 million. The Initial Series A Warrant and the Initial Series B Warrant are immediately exercisable and will expire on March 5, 2029 and March 5, 2025, respectively. See Note 10 for additional information on these warrants.

On August 30, 2023, in connection with the entry into the Purchase Agreement, the Company and certain directors, officers and 5% stockholders of the Company entered into lock-up agreements. Pursuant to the applicable lock-up agreement, Michael Blitzer, a member of the board of directors of the Company, agreed not to transfer shares of Class A Common Stock or any securities convertible, exchangeable or exercisable into shares of Class A Common Stock held of record as of August 30, 2023 or acquired of record thereafter from August 30, 2023 until (i) with respect to 50% of such securities, 30 days after the date that the registration statement relating to the securities that were issued and sold in the Private Placement (the "Resale Registration Statement") has been declared effective by the SEC and (ii) with respect to the remaining 50% of such securities, until 60 days after the effective date of the Resale Registration Statement, subject, in each case, to limited exceptions. The lock-up parties other than Mr. Blitzer agreed not to transfer shares of Class A Common Stock or any securities convertible, exchangeable or exercisable into shares of Class A Common Stock beneficially owned as of August 30, 2023 or with respect to which beneficial ownership is acquired thereafter from August 30, 2023 until 60 days after the effective date of the Resale Registration Statement, subject, in each case, to limited exceptions. The Resale Registration Statement was declared effective on September 29, 2023.

The table below reflects share information about the Company's capital stock as of December 31, 2023.

	Par Value	Authorized	Issued	Treasury Stock	Outstanding
Class A Common Stock	\$ 0.0001	500,000,000	22,279,876	(1,250,000)	21,029,876
Class B Common Stock	\$ 0.0001	100,000,000	—	—	—
Class C Common Stock	\$ 0.0001	100,000,000	70,909,012	—	70,909,012
Series A Preferred Stock	\$ 0.0001	25,000,000	26,000	—	26,000
Total shares		725,000,000	93,214,888	(1,250,000)	91,964,888

Class A Common Stock

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

Class B Common Stock

Each holder of Class B Common Stock is entitled to one vote for each share of Class B Common Stock held of record in person or by proxy on all matters submitted to a vote of the holders of Class B Common Stock, whether voting separately as a class or otherwise. Class B Common Stock does not have rights to the economics of the Company nor to receive dividend distributions, except in limited circumstances. In the event of liquidation, dissolution or winding up of the affairs of the Company, Class B Common Stock holders are entitled to receive par value per share only. Class B

Common Stock ownership is limited only to Intuitive Machines, LLC members in an amount not to exceed at any time the aggregate number of Intuitive Machines, LLC Common Units held of record by such member.

Class C Common Stock

Each holder of Class C Common Stock is entitled to three votes for each share of Class C Common Stock held of record in person or by proxy on all matters submitted to a vote of the holders of Class C Common Stock, whether voting separately as a class or otherwise. Class C Common Stock does not have rights to the economics of the Company nor to receive dividend distributions, except in limited circumstances. In the event of liquidation, dissolution or winding up of the affairs of the Company, Class C Common Stock holders are entitled to receive par value per share only. Class C Common Stock

81

ownership is limited only to Intuitive Machines, LLC Founders in an amount not to exceed at any time the aggregate number of Intuitive Machines, LLC Founder Common Units held of record by such founder. The Intuitive Machines, LLC Founders are Dr. Kamal Ghaffarian, Stephen J. Altemus and Dr. Timothy Crain and their permitted transferees.

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

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

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

Series A Preferred Stock (Mezzanine Equity)

The Series A Preferred Stock votes together with the Company's Common Stock on an as-converted basis, except as required by law and under certain protective provisions. Each holder of Series A Preferred Stock shall be entitled to cast the number of votes equal to the number of whole shares of Class A Common Stock into which the shares of Series A Preferred Stock are convertible. The Series A Preferred Stock pays dividends, semi-annually at the rate of 10% of the original price per share, plus the amount of previously accrued, but unpaid dividends, compounded semi-annually, and

participates with our Common Stock on all other dividends. Accrued dividends may be paid (i) in cash, (ii) subject to satisfaction of certain equity conditions, in shares of Class A Common Stock or (iii) accumulated, compounded and added to the liquidation preference described below.

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

Each share of Series A Preferred Stock will be convertible at the holder's option into shares of Class A Common Stock at an initial conversion ratio determined by dividing the Accrued Value (as defined in the Certificate of Designation) of such shares of Series A Preferred Stock by the conversion price of \$12.00 per share subject to adjustment in accordance with the terms of the Certificate of Designation. As a result of the Private Placement discussed above and in accordance with the terms of the Certificate of Designation, the Series A Preferred Stock conversion price was reduced to \$5.10 per share.

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

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

Redeemable Noncontrolling Interests

As of December 31, 2023, the prior investors of Intuitive Machines, LLC owns 77.1% of the common units of Intuitive Machines, LLC. The prior investors of Intuitive Machines, LLC have the right to exchange their common units in Intuitive Machines, LLC (along with the cancellation of the paired shares of Class B Common Stock or Class C Common Stock in Intuitive Machines, Inc.) for shares of Class A Common Stock on a one-to-one basis or cash proceeds for an equivalent amount. The option to redeem Intuitive Machines, LLC's common units for cash proceeds must be approved by the Board, which as of December 31, 2023, is controlled by the prior investors. The ability to put common units is solely within the control of the holder of the redeemable noncontrolling interests. If the prior investors elect the redemption to be settled in

cash, the cash used to settle the redemption must be funded through a private or public offering of Class A Common Stock and subject to the Company's Board approval.

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

NOTE 10 - WARRANTS AND SAFE AGREEMENTS

Public and Private Warrants

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

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

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

During the year ended December 31, 2023, Public Warrants of 1,402,106 were exercised resulting in the issuance of an equal number of shares of Class A Common Stock. The Company has received cash proceeds of approximately \$16.1 million as of December 31, 2023.

Series A Preferred Warrants

In conjunction with the issuance of Series A Preferred Stock at closing of the Business Combination, the Company issued 541,667 Preferred Investor Warrants to purchase one share of the Company's Class A Common Stock with an

exercise price of \$15.00, subject to adjustment. The Company evaluated the terms of the Preferred Investor Warrants and determined they meet the criteria to be classified in shareholders' upon issuance.

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

As result of the Private Placement discussed in Note 9 and in accordance with the terms of the Certificate of Designation, the Series A Preferred Warrants exercise price was reduced to \$11.50 per share and the aggregate number of shares of

Class A Common Stock issuable upon exercise of the Series A Preferred Warrants was proportionally increased to 706,522.

As of December 31, 2023, there have been no exercises of the Preferred Investor Warrants.

The Initial Series A Warrant and the Initial Series B Warrant (collectively, the "Initial Warrants")

In connection with the issuance of Class A Common stock at the closing of the Private Placement as discussed in Note 9, the Company issued (i) the Initial Series A Warrant, which is exercisable for up to 4,705,883 shares of the Company's Class A Common Stock at an exercise price of \$4.75 per share and (ii) the Initial Series B Warrant, which is exercisable for up to 4,705,883 shares of Class A Common Stock at an exercise price of \$4.75 per share, in each case, subject to adjustment. The Initial Series A Warrant and Initial Series B Warrant are immediately exercisable and will expire on March 5, 2029 and March 5, 2025, respectively. The Company evaluated the terms of the Initial Warrants and determined they meet the criteria in ASC 815, "Derivatives and Hedging", to be classified as a derivative liability, initially measured at fair value with changes in fair value recognized in earnings in other income (expense) on the consolidated statement of operations.

The Initial Series A Warrant and Initial Series B Warrant had an initial fair value of \$17.4 million and \$9.3 million, respectively. The gross aggregate proceeds of \$20.0 million from the Private Placement were allocated to the Initial Series A Warrant and Initial Series B Warrant resulting in a loss on the transaction of approximately \$6.7 million recognized as loss on issuance of securities in our consolidated statement of operations. As of December 31, 2023, the fair value of the Initial Series A Warrant and Initial Series B Warrant decreased to approximately \$8.6 million and \$2.7 million, respectively, resulting in a gain of approximately \$15.4 million recognized as change in fair value of warrant liabilities in our consolidated statement of operations.

Each of the Initial Warrants includes the right of the holder to exercise such warrant on a cashless basis at any time on or after March 5, 2024 if and to the extent that the shares of Class A Common Stock underlying such warrant are not registered. The Warrants do not entitle the holder to any voting rights, dividends or other rights as a shareholder of the Company prior to exercise.

As of December 31, 2023, there have been no exercises of the Warrants.

SAFE Agreements

Prior to closing of the Business Combination, Intuitive Machines, LLC issued six SAFE Agreements in late 2021 and early 2022. The funds received upon issuance of the SAFE Agreements were used to fund operations. Pursuant to the guidance under ASC 480 "Distinguishing Liabilities from Equity," management determined that the SAFE Agreements should initially be recorded as liabilities at fair value and subsequently remeasured at fair value with changes recognized in earnings until conversion at a qualifying financing event or termination of the SAFE Agreements. As of December 31, 2022, the SAFE Agreements had a fair value of \$18.3 million recorded as a long term liability in the consolidated balance sheets.

As a result of closing of the Business Combination, the SAFE Agreements were converted into 2,066,667 shares of Class A Common Stock. At the Closing Date, the fair value of the SAFE Agreements was estimated at \$20.7 million resulting in a change in fair value of SAFE Agreements of approximately \$2.4 million recorded in the consolidated statements of operations for the year ended December 31, 2023.

84

NOTE 11 - SHARE-BASED COMPENSATION AND RETIREMENT BENEFITS

Share-Based Compensation

2021 Unit Option Plan

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

As a result of the Business Combination discussed in Note 3 - Business Combination and Related Transactions and per the terms of the Second Amended and Restated Intuitive Machines, LLC Operating Agreement, the unexpired and unexercised outstanding Incentive Unit Options at the closing of the Business Combination, whether vested or unvested, were proportionately adjusted using a conversion ratio of 0.5562 (rounded down to the nearest whole number of

options). The exercise price of each option was adjusted accordingly. Each Incentive Unit Option continues to be subject to the terms and conditions of the 2021 Plan and will be exercisable for Class B common units of Intuitive Machines, LLC (the "Class B Common Units"). When an option is exercised, the participant will receive Class A Common Stock. As a result of the conversions, there was no incremental compensation cost and the terms of the outstanding options, including fair value, vesting conditions and classification, were unchanged.

As of December 31, 2023, Intuitive Machines, LLC was authorized to issue a total of 1,325,354 Class B Common Units upon exercise of the Incentive Unit Options under the 2021 Plan. The following table provides a summary of the option activity under the 2021 Plan for the year ended December 31, 2023:

	Number of Options	Exercise Price	Weighted Average		Remaining Contractual	Aggregate Intrinsic Value
			Weighted Average	Remaining Contractual		
	Options	(Years)	Options	(Years)		
Outstanding as of December 31, 2022	1,865,094	\$ 2.93		8.90	\$ —	—
Granted	—	—				—
Exercised	(430,552)	1.80				495,135
Forfeited / Cancelled	(109,188)	4.73				—
Balance as of December 31, 2023	1,325,354	\$ 3.15		7.61	\$ 1,223,510	
Exercisable as of December 31, 2023	526,353	\$ 2.60		7.41	\$ 534,947	

Aggregate intrinsic value represents the difference between the exercise price of the options and the estimated fair value of the Company's units determined by our Board for each of the respective periods.

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

	Weighted-Average	Grant Date	Fair Value
Non-vested as of December 31, 2022	\$ 1.01		
Granted	—		
Vested	0.98		
Forfeited	2.56		
Non-vested as of December 31, 2023	\$ 1.80		

The weighted average grant-date fair value per share of options granted to employees was zero and \$3.07 during 2023 and 2022, respectively. Following the consummation of the Business Combination, no new awards were granted under the 2021 Plan. Share-based compensation expense related to options was \$787 thousand and \$624 thousand for the

years ended December 31, 2023 and 2022, respectively, and was classified in the consolidated statement of operations under general and administrative expense. As of December 31, 2023, the Company had \$699 thousand in estimated unrecognized

share-based compensation costs related to outstanding unit options that is expected to be recognized over a weighted average period of 3.40 years.

The following weighted average assumptions were used to calculate the fair value of each unit option award under the 2021 Plan using the Black-Scholes option pricing model:

	December 31, 2022
Expected unit price volatility	65 – 70%
Risk-free interest rate	2.9 – 3.6%
Expected annual dividend yield	0.0 %
Expected term (years)	6.50

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

The 2023 Plan, which became effective in conjunction with closing of the Business Combination, provides for the award to certain directors, officers, employees, consultants and advisors of the Company of incentive and nonqualified stock options, stock appreciation rights, restricted stock, restricted stock units, other stock-based awards as well as cash-based awards and dividend equivalents, as determined, and subject to the terms and conditions established, by the Company's Compensation Committee. Under the 2023 Plan, a maximum of 12,706,811 shares of Class A Common Stock are authorized to be issued. As of December 31, 2023, the Company has issued restricted stock units (“RSUs”) as outlined in the following disclosure. No other awards have been granted under the 2023 Plan.

Restricted Stock Units

In 2023, the Company granted RSUs with time-based vesting requirements under the 2023 Plan. These RSUs typically vest over one to four years. The fair value of RSUs is based on the Company's closing stock price on the date of grant.

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

Type of Award	Number of Awards	Fair Value
Restricted Stock Units	12,706,811	\$699,000
Stock Options	0	\$0
Stock Appreciation Rights	0	\$0

	Number of Units	Weighted Average Grant Date Fair Value
Outstanding as of December 31, 2022	—	\$ —
Granted	1,851,124	7.02
Vested	—	—
Forfeited	(24,178)	7.56
Balance as of December 31, 2023	1,826,946	\$ 7.01

Share-based compensation expense related to RSUs was \$3.5 million for year ended December 31, 2023, and disclosed in the consolidated statement of operations under general and administrative expense. As of December 31, 2023, the Company had \$9.4 million in estimated unrecognized share-based compensation costs related to unvested RSUs that is expected to be recognized over a weighted average period of 2.98 years.

Defined Contribution Retirement Plan

We have an elective defined contribution plan for our employees that provides retirement benefits in return for services rendered. This plan provides an individual account for each participant and has terms that specify how contributions to the participant's account are to be determined. Contributions to this Annual Report. An index plan are based on pretax income discretionary amounts determined on an annual basis. Our expense for the defined contribution plan totaled approximately \$945 thousand and \$521 thousand for the years ended December 31, 2023 and 2022, respectively.

86

NOTE 12 - FAIR VALUE MEASUREMENTS

The following tables summarize the fair value of those assets and liabilities that are recorded in the Company's consolidated balance sheets as of December 31, 2023 and 2022 at fair value on a recurring basis.

	December 31, 2023								
	Frequency of Measurement	Total		Level 1		Level 2		Level 3	
		Total	Level 1	Level 2	Level 3	Total	Level 1	Level 2	Level 3
Liabilities									
Earn-out liabilities	Recurring	\$ 14,032	\$ —	\$ —	\$ 14,032	\$ —	\$ —	\$ —	\$ 14,032
Warrant liabilities - Series A	Recurring	8,612	—	—	—	—	—	—	8,612

Warrant liabilities - Series B	Recurring	2,682	—	—	—	2,682
Warrant liabilities		11,294	—	—	—	11,294
Total liabilities measured at fair value		\$ 25,326	\$ —	\$ —	\$ —	\$ 25,326

December 31, 2022						
	Frequency of Measurement	Total	Level 1	Level 2	Level 3	
Liabilities						
SAFE Agreement liabilities	Recurring	\$ 18,314	\$ —	\$ —	\$ —	\$ 18,314
Total liabilities measured at fair value		\$ 18,314	\$ —	\$ —	\$ —	\$ 18,314

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

	Earn-out liabilities	Warrant	Warrant	SAFE	
		liabilities - Series A	liabilities - Series B	Total Warrant liabilities	Agreement liabilities
Balance, December 31, 2022	\$ —	\$ —	\$ —	\$ —	\$ 18,314
Additions	99,659	17,459	9,270	26,729	—
Change in fair value	(66,252)	(8,847)	(6,588)	(15,435)	2,353
Converted to equity	(19,375)	—	—	—	(20,667)
Balance, December 31, 2023	\$ 14,032	8,612	2,682	11,294	\$ —

Earn-out Liabilities

The fair value of the earn-out liabilities as of December 31, 2023 was estimated using a Monte Carlo simulation approach that modeled the triggering events including the simulated stock price of the Company over the maturity dates. The significant assumptions utilized in estimating the fair value of the earn-out liabilities include: (i) Intuitive Machines stock price of \$2.56; (ii) a dividend yield of 0.0%; (iii) a risk-free rate of 3.84%; and (iv) expected volatility of 105%.

In conjunction with the closing of the Business Combination on February 13, 2023, the fair value of the earn-out liabilities was estimated at \$99.7 million. The significant assumptions utilized in estimating the fair value of the earn-out liabilities include: (i) Intuitive Machines stock price of \$10.42; (ii) a dividend yield of 0.0%; (iii) a risk-free rate of 3.93%; and (iv) expected volatility of 100%. The probability of the Company being awarded the OMES III contract was assumed at 60%.

Warrant Liabilities

The fair value of the Series A Warrant and the Series B Warrant liabilities as of December 31, 2023 was estimated using a Black-Scholes-Merton model. The significant assumptions utilized in estimating the fair value of the Series A Warrant liabilities include: (i) a per share price of the Class A Common Stock of \$2.56; (ii) a dividend yield of 0.0%; (iii) a risk-free rate of 3.84%; and (iv) expected volatility of 105%. The significant assumptions utilized in estimating the fair value of the Series B Warrant liabilities include: (i) a per share price of the Class A Common Stock of \$2.56; (ii) a dividend yield of 0.0%; (iii) a risk-free rate of 4.69%; and (iv) expected volatility of 92%.

87

In connection with the closing of the Private Placement on September 5, 2023 as described further in Note 9, the fair values of the Series A Warrant and the Series B Warrant liabilities were estimated at \$17.4 million and \$9.3 million, respectively. The significant assumptions utilized in estimating the fair value of the Series A Warrant liabilities include: (i) a per share price of the Class A Common Stock of \$4.96; (ii) a dividend yield of 0.0%; (iii) a risk-free rate of 4.37%; and (iv) expected volatility of 90%. The significant assumptions utilized in estimating the fair value of the Series B Warrant liabilities include: (i) a per share price of the Class A Common Stock of \$4.96; (ii) a dividend yield of 0.0%; (iii) a risk-free rate of 5.18%; and (iv) expected volatility of 76%.

SAFE Agreements

Prior to the Business Combination described in Notes 1 and 3, the fair value of the SAFE Agreements under the equity financing scenario were estimated using a Monte Carlo simulation approach. The fair value of the SAFE Agreements under the liquidity event and dissolution event scenarios were estimated based on the present value of the purchase amount.

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

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

In conjunction with the closing of the Business Combination on February 13, 2023, the fair value of the SAFE Agreements was estimated at \$20.7 million. The fair value was estimated using the 2,066,667 shares of Class A Common Stock issued to the SAFE investors at the Closing Date using the issuance price of \$10.00 per share.

NOTE 13 - NET INCOME PER SHARE

Basic net income per share of Class A common stock is computed by dividing net income attributable to Class A common shareholders from February 13, 2023, or the Closing Date, to December 31, 2023 by the weighted-average number of shares of Class A common stock outstanding for the same periods.

Diluted net income per share of Class A common stock includes additional weighted average common shares that would have been outstanding if potential common shares with a dilutive effect had been issued using the if-converted method for the Series A Preferred Stock and the treasury method for our RSUs, options, and warrants. During loss periods, diluted net loss per share for all periods presented is the same as basic net loss per share as the inclusion of the potentially issuable shares would be anti-dilutive.

Prior to the Business Combination, the membership structure of Intuitive Machines, LLC included membership units. In conjunction with the closing of the Business Combination, the Company effectuated a recapitalization whereby all membership units were converted to common units of Intuitive Machines, LLC and Intuitive Machines, Inc. implemented a revised class structure including Class A common stock having one vote per share and economic rights, Class B common stock having one vote per share and no economic rights, and Class C Common Stock having three votes per share and no economic rights. Shares of the Company's Class B Common Stock and Class C Common Stock do not participate in the earnings or losses of the Company and are therefore not participating securities. The Company has determined that the calculation of loss per unit for periods prior to the Business Combination would not be meaningful to the users of these consolidated financial statements. Therefore, net loss per share information has not been presented for periods prior to the Business Combination on February 13, 2023. The basic and diluted net income per share for the year ended December 31, 2023 represent only the period of February 13, 2023 to December 31, 2023.

The following table presents the computation of the basic and diluted income per share of Class A Common Stock for the period of February 13, 2023 (the Closing Date) to December 31, 2023 (in thousands, except share data):

	Year Ended
	December 31, 2023
Numerator	
Net income for the period from February 13, 2023 through December 31, 2023	\$ 20,773
Less: Net loss attributable to redeemable noncontrolling interests for the period from February 13, 2023 through December 31, 2023	(42,031)
Net income for the period from February 13, 2023 through December 31, 2023 attributable to the Company	62,804
Less: Cumulative preferred dividends	(2,343)
Net income for the period from February 13, 2023 through December 31, 2023 attributable to Class A common shareholders	\$ 60,461
Denominator	
Basic weighted-average shares of Class A common stock outstanding	17,648,050
RSUs and Options	1,112,364
Series A Preferred Stock	3,719,506
Warrants	3,084,393
Diluted weighted-average shares of Class A common stock outstanding	25,564,313
Net income per share of Class A common stock - basic	\$ 3.43
Net income per share of Class A common stock - diluted	\$ 2.46

The following table presents potentially dilutive securities, as of the end of the period, excluded from the computation of diluted net earnings per share of Class A Common Stock.

	Year Ended
	December 31, 2023
RSUs ⁽¹⁾	1,832,918
Options ⁽¹⁾	261,432
Warrants ⁽¹⁾	32,048,682
Earn Out Units ⁽²⁾	7,500,000

(1) Represents number of instruments outstanding at the end of the period that were evaluated under the treasury stock method for potentially dilutive effects and were determined to be anti-dilutive.

(2) Represents number of Earn Out Units outstanding at the end of the period that were excluded due to unsatisfied contingent issuance conditions. See Note 3 for terms and conditions of the contingencies related to the Earn Out Units.

NOTE 14 - COMMITMENTS AND CONTINGENCIES

Legal Proceedings

From time to time, the Company is found a party to various lawsuits, claims and other legal proceedings that arise in the ordinary course of business. The Company applies accounting for contingencies to determine when and how much to accrue for and disclose related to legal and other contingencies. Accordingly, the Company discloses contingencies deemed to be reasonably possible and accrues loss contingencies when, in consultation with legal advisors, it is concluded that a loss is probable and reasonably estimable. While the resolution of these legal proceedings and claims cannot be predicted with certainty, management believes the outcome of such matters will not have a material adverse effect on our consolidated financial statements.

NOTE 15 - RELATED PARTY TRANSACTIONS

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

89

Axiom Space, Inc.

The Company recognized revenue from Axiom Space, Inc. ("Axiom") related to engineering services of Part IV \$153 thousand and \$1.6 million for the years ended December 31, 2023 and 2022, respectively. As of December 31, 2022, there was \$0.8 million of affiliate accounts receivable which was fully reserved. During the third quarter of 2023, the affiliate accounts receivable balance was collected and the reserve was reversed. As of December 31, 2023, there were no affiliate accounts receivable related to Axiom. Kamal Ghaffarian, the Chairman of the Board and one of the co-founders of Intuitive Machines, LLC is a co-founder and current member of management at Axiom. Revenue related to Axiom are incurred in the normal course of business and amounts are settled under normal business terms.

IBX, LLC and PTX, LLC

The Company incurred expenses with IBX, LLC and PTX, LLC ("IBX/PTX") related to bid & proposal, capture management and various consulting services of \$0.1 million and \$2.1 million for the years ended December 31, 2023 and 2022, respectively. As of December 31, 2023 and 2022, there was approximately \$0.4 million of affiliate accounts payable related to IBX/PTX expenses. Kamal Ghaffarian is a member of Management at Intuitive Machines and a member of Management at IBX/PTX. Expenses related to IBX/PTX are incurred in the normal course of business and amounts are settled under normal business terms.

KBR, Inc.

On November 12, 2020, KBR, Inc. ("KBR") made an initial capital contribution in Space Network Solutions resulting in a 10% ownership of Space Network Solutions, which was previously a wholly owned subsidiary of Intuitive Machines, LLC. The Company recognized affiliate revenue from KBR related to engineering services of \$3.1 million and \$1.9 million for

the years ended December 31, 2023 and 2022, respectively. As of December 31, 2023 and 2022, there were \$0.5 million and \$0.3 million, respectively, of affiliate accounts receivable related to KBR revenue. Revenue related to KBR are incurred in the normal course of business and amounts are settled under normal business terms.

ASES

The Company recognized revenue from ASES related to engineering services of \$1.1 million for the year ended December 31, 2023. As of December 31, 2023, there was \$0.1 million of affiliate accounts receivable related to ASES revenue. ASES is a joint venture between Aerodyne Industries, LLC and KBR. Kamal Ghaffarian, the Chairman of the Board and one of the co-founders of Intuitive Machines, LLC is a current member of management at Aerodyne Industries with an ownership interest in Aerodyne Industries. Revenue related to ASES are incurred in the normal course of business and amounts are settled under normal business terms.

X-energy, LLC

As of December 31, 2023 and 2022, there were zero and \$0.1 million, respectively, of affiliate accounts payable related to X-energy, LLC ("X-energy") expenses. Expenses related to X-energy are incurred in the normal course of business and amounts are settled under normal business terms.

Penumbra, LLC

In November 2019, certain members of our management team formed Penumbra, LLC ("Penumbra") as an Isle of Man entity. The sole purpose of forming Penumbra was to permit us to obtain required licenses for its Lunar Data Network line of business to operate in the ordinary course. The Company incurred expenses with Penumbra related to license fees for the year ended December 31, 2022 of \$134 thousand, and incurred no expenses for the year ended December 31, 2023. As of December 31, 2023, no member of our management team has received any financial benefit from its ownership interest in Penumbra, LLC, other than expense reimbursements incurred in the ordinary course. As of December 31, 2023, this entity is dissolved.

NOTE 16 - VARIABLE INTEREST ENTITIES

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

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

Space Network Solutions, LLC

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

Space Network Solutions was formed to provide cyber security as well as communication & tracking services using its expertise in developing secure ground system architecture for lunar space missions. In the second quarter of 2023, NASA awarded Space Network Solutions a cost-plus-fixed-fee indefinite-delivery, indefinite quantity contract to support work related to the Joint Polar Satellite System, NASA's Exploration and In-space Services. Intuitive Machines and KBR entered into a separate joint venture agreement (the "OMES III JV Agreement") within Space Network Solutions to execute the OMES III contract with a profits interest of 47% for Intuitive Machines and 53% for KBR. We have determined that the OMES III JV Agreement represents a silo within Space Network Solutions and is a standalone VIE. Intuitive Machines is the primary beneficiary of this [Annual Report](#).

silo based on the governance structure of the OMES III JV Agreement.

IX, LLC Joint Venture

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

The IX LLC JV was formed to pursue nuclear space pro JV received an award from Battelle Energy Alliance to design a fission surface power system that can operate on the surface of the Moon to support sustained lunar presence and exploration of Mars.

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

Balance Sheet	SNS		IX, LLC	
	December 31, 2023	December 31, 2022	December 31, 2023	December 31, 2022
Cash and cash equivalents	\$ 1,187	\$ —	\$ —	\$ 556
Trade accounts receivable, net	12,501	—	—	750
Contract assets	—	—	—	—
Total current assets	13,688	—	—	1,306
Total assets	\$ 13,688	\$ —	\$ —	\$ 1,306
Accounts payable and accrued expenses	\$ 9,093	\$ —	\$ —	\$ 194
Accounts payable - affiliated companies	2,949	—	—	323
Contract liabilities, current	—	—	—	790
Total current liabilities	12,042	—	—	1,307
Total liabilities	\$ 12,042	\$ —	\$ —	\$ 1,307

Statements of Operations	SNS		IX, LLC	
	Year Ended December 31,		Year Ended December 31,	
	2023	2022	2023	2022
Revenue	\$ 12,502	\$ —	\$ 4,290	\$ 710
Operating expenses:				
Cost of revenue (excluding depreciation)	11,997	—	4,290	710
General and administrative expense (excluding depreciation)	259	—	—	—
Total operating expenses	12,256	—	4,290	710
Operating income	246	—	—	—
Net income	\$ 246	\$ —	\$ —	\$ —

NOTE 17 - SUBSEQUENT EVENTS

Warrant Transactions

On January 10, 2024, the Company entered into a Warrant Exercise Agreement with an existing investor to exercise in full the Initial Series B Warrant to purchase up to an aggregate 4,705,883 shares of Class A Common Stock. In consideration for the immediate and full exercise of the Initial Series B Warrant, the existing investor received (i) a new unregistered Series A Common Stock Purchase Warrant to purchase up to an aggregate of 4,705,883 shares of Class A Common Stock with an exercise price of \$2.75 per share and a term of 5 years, 6 months (the "Second Series A Warrant") and (ii) a new unregistered Series B Common Stock Purchase Warrant to purchase up to an aggregate of 4,705,883 shares of Class A Common Stock with an exercise price of \$2.75 per share and a term of 18 months (the "Second Series B Warrant") in a private placement pursuant to Section 4(a)(2) of the Securities Act of 1933. In connection with the Warrant Exercise Agreement, the Company also agreed to reduce the exercise price of the Initial Series B Warrant from \$4.75 to \$2.50 per

92

share and reduced the exercise price of the Initial Series A Warrant from \$4.75 to \$2.75 per share. The gross proceeds to the Company from the exercise of the Initial Series B Warrant was approximately \$11.8 million.

In a series of transactions during February 2024, the investor exercised in full its remaining Second Series B Warrant, Initial Series A Warrant, and Second Series A Warrant providing an additional \$38.8 million of gross proceeds to the Company.

Loan and Loan Conversion

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

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

On January 28, 2024, the Company and the Guarantor entered into a letter agreement (the "Letter Agreement") pursuant to which, on January 29, 2024: (i) the Guarantor contributed \$10.0 million to the Company for purposes of repaying the principal amount owed to the Lender under the Credit Line as of the repayment date specified thereunder (the "Repayment Obligation"), in exchange for which (x) the Company issued to the Guarantor 3,487,278 shares of the

Company's Class A Common Stock and Conversion Warrants described further below. Following the Contribution, the Company all amounts due to the Lender in satisfaction of the Credit Line were repaid in full.

Pursuant to the Letter Agreement, the Company agreed to issue to the Guarantor, pursuant to Section 4(a)(2) of the Securities Act of 1933, (i) a new unregistered Series A Common Stock Purchase Warrant to purchase up to an aggregate of 4,150,780 shares of, at the Guarantor's election, Class A Common Stock (at an exercise price per share equal to \$2.57 per share), Class C Common Stock (at an exercise price per share equal to \$0.0001 per share), or a combination thereof, with an expiration date of January 29, 2029, and (ii) a new unregistered Series B Common Stock Purchase Warrant to purchase up to an aggregate of 4,150,780 shares of, at the Guarantor's election, Class A Common Stock (at an exercise price per share equal to \$2.57 per share), Class C Common Stock (at an exercise price per share equal to \$0.0001 per share), or a combination thereof, with an expiration date of January 29, 2025.

Series A Preferred Stock Conversion

As a result of the Warrant Exercise Agreement on January 10, 2024 in conjunction with the Warrant Transactions discussed above and in accordance with the Certificate of Designation, the Series A Preferred Stock conversion price was reduced to \$3.00 per share. In a series of notifications to the Company during February 2024, the registered holder of 21,000 shares of Series A Preferred Stock elected to convert all of its Series A Preferred Stock holdings into Class A Common Stock at a conversion price of \$3.00 per share. The Company issued 7,738,743 shares of Class A Common Stock as a result of the conversion.

Item 9. Changes in and Disagreements Disagreement with Accountants on Accounting and Financial Disclosure.

Disclosures

None.

None.

Item 9A. Controls and Procedures.

Procedures

Evaluation of Disclosure Controls and Procedures

Limitations on effectiveness of

We maintain "disclosure controls and procedures,

In designing" as defined in Rules 13a-15(e) and evaluating our disclosure controls and procedures, management recognizes 15d-15(e) under the Exchange Act that any controls and procedures, no matter how well are 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 to ensure that there are resource constraints and that management is information required to apply judgment be disclosed in evaluating the benefits reports that we file or submit under the

Exchange Act is (1) recorded, processed, summarized and reported within the time periods specified in the Securities and Exchange Commission's ("SEC") rules and forms and (2) accumulated and communicated to our management, including our principal executive and principal financial officer, as appropriate to allow timely decisions regarding required disclosure.

As required by paragraph (b) of possible controls Rules 13a-15 and procedures relative to their costs.

Evaluation of disclosure controls and procedures

Our 15d-15 under the Exchange Act, our management, with the participation of our Chief Executive Officer principal executive officer and Chief Financial Officer, has principal financial officer, evaluated the effectiveness of our disclosure controls and procedures as of the end of the period covered by this Annual Report the effectiveness of IPAX's disclosure controls and procedures (as defined in Rules 13a-15(e) and 15d-15(e) under the Exchange Act) on Form 10-K. Based on upon such evaluation, our Chief Executive Officer principal executive officer and Chief Financial Officer principal financial officer have concluded that IPAX's our disclosure controls and procedures were effective at the reasonable assurance level.

as of December 31, 2023.

Management's annual report Report on internal control over financial reporting

Internal Control Over Financial Reporting

As required by SEC rules and regulations implementing Section 404 of the Sarbanes-Oxley Act, our Our management is responsible for establishing and maintaining adequate internal control over financial reporting (as defined in Rules Rule 13a-15(f) and 15d-15(f) under the Exchange Act). IPAX's internal control over financial reporting is designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of our financial statements for external reporting purposes in accordance with GAAP. IPAX's internal control over financial reporting includes those policies and procedures that:

- (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of our company,
- (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with GAAP, and that our receipts and expenditures are being made only in accordance with authorizations of our management and directors, and
- (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use or disposition of our assets that could have a material effect on the financial statements.

Our management, conducted an assessment of including our principal executive officer and our principal financial officer, assessed the effectiveness of our internal control over financial reporting based on using the criteria set forth by Internal Control—Integrated Framework (2013) issued by the Committee of Sponsoring Organizations of the Treadway Commission (COSO) in “Internal Control — Integrated Framework (2013)” (“COSO”).

Based on this that assessment, our management concluded that our internal control over financial reporting was effective as of December 31, 2022 December 31, 2023.

Attestation report Remediation of the registered public accounting firm

Previously Reported Material Weaknesses

This As previously reported in Item 9A of our Annual Report does not include an attestation report on Form 10-K as of our independent registered public and for the year ended December 31, 2022, we previously identified material weaknesses related to processes for revenue recognition, identification and accounting firm due for significant and unusual transactions, and segregation of duties related to an exemption established by the JOBS Act for "emerging growth companies."

Changes manual journal entries. 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 in annual or interim financial statements will not be prevented or detected on a timely basis. Management has implemented a remediation plan for the following items:

- Continuing to hire personnel with public company experience and providing additional training for our personnel on internal controls as our company continues to grow;
- Implementing additional controls and processes that operate at a sufficient level of precision and frequency or that evidence the performance of the control, particularly associated with accounting and reporting of revenue and non-routine, unusual or complex transactions;
- Implementing processes and controls to better identify and manage segregation of duties;
- Considering system enhancements to reduce reliance on manual processes; and
- Engaging an external advisor to assist with evaluating and documenting the design and operating effectiveness of internal controls and assisting with the remediation of deficiencies, as necessary.

These remediation efforts resulted in remediation of previously identified material weaknesses as of December 31, 2023.

Limitations on the Effectiveness of Controls

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

including, among others, that controls may become inadequate because of changes in conditions or that the degree of compliance with policies or procedures may deteriorate.

Changes in Internal Control over Financial Reporting

There were

We assessed, with the participation of our Chief Executive Officer and Chief Financial Officer, any change in our internal control over financial reporting as of the end of the fiscal quarter covered by this Annual Report on Form 10-K. Other than the remediation of previously identified material weaknesses described above, there have been no changes in our internal control over financial reporting (as defined in Rules 13a-15(f) and 15d-15(f) under the Exchange Act) during the quarter ended December 31, 2022 December 31, 2023 covered by this Annual Report on Form 10-K that have has materially affected, or are is reasonably likely to materially affect, our internal control over financial reporting.

Item 9B. Other Information.

Information

During the three months ended December 31, 2023, none of the Company's directors or executive officers adopted or terminated any contract, instruction or written plan for the purchase or sale of Company securities that was intended to satisfy the affirmative defense conditions of Rule 10b5-1(c) or any "non-Rule 10b5-1 trading arrangement."

None.

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

Not applicable.

Inspections

Not applicable.

PART III

PART III

Item 10. Directors, Executive Officers and Corporate Governance.

Directors Executive Officers and Executive Officers Directors

The following table sets forth certain information, as of March 30, 2023 March 25, 2024, concerning the name, age names, ages and position positions of each of the individuals who currently serve as our executive officers and directors.

directors:

Name	Age	Position
Executive Officers:		
Stephen Altemus ⁽³⁾	59 60	Chief Executive Officer and President, and Director
Erik Sallee	42 51	Chief Financial Officer
Timothy Crain	50 51	Senior Vice President and Chief Technology Officer
Anna Jones	45	General Counsel and Corporate Secretary
Peter McGrath, II	56	Senior Vice President and Chief Operating Officer
Steven Vontur	53	Chief Financial Officer(interim)and Controller
Directors:		
Dr. Kamal Ghaffarian ⁽³⁾	64 65	Chairman
Michael Blitzer ⁽¹⁾⁽²⁾⁽³⁾⁽⁴⁾	46	45 Director
Lieutenant General William Liquori ⁽¹⁾⁽³⁾⁽⁴⁾	55	53 Director
Robert Masson ⁽¹⁾⁽²⁾⁽⁴⁾	55	Director
Nicole Seligman ⁽³⁾⁽⁴⁾	54 67	Director

Member of
(1) the audit
committee

- (1) Member of the audit committee
- (2) Member of the compensation committee
- (2) Member of the compensation committee
- (3) Member of the nominating and corporate governance committee
- (3) Member of the nominating and corporate governance committee
- (4) Member of conflicts committee

Our officers are well qualified as leaders. In their prior positions they have gained experience in core management skills, such as strategic and financial planning, financial reporting, compliance, risk management, and leadership development. Several of our officers and directors also have experience serving on boards of directors and board committees of other public companies and private companies and have an understanding of corporate governance practices and trends, which provides an understanding of different business processes, challenges, and strategies. Further, certain officers and directors have other experience that makes them valuable, such as prior experience in mergers and acquisitions, in financial services, and managing and investing in assets.

Stephen Altemus. Mr. Altemus has served as our Chief Executive Officer and President and a member of our Board since February 13, 2023 February 2023 and has served as the Chief Executive Officer of Intuitive Machines, OpCo LLC since 2012. Mr. Altemus is also one of our co-founder and president. co-founders. Prior to founding Intuitive Machines, in December 2012, Mr. Altemus was appointed to serve as the Deputy Director of NASA's Johnson Space Center ("JSC"), a position he held until June 2013. Formerly Director of Engineering from July 2006 to December 2012, Mr. Altemus served as the leader and steward of JSC's engineering capabilities in support of NASA's human spaceflight programs, projects, and technology activities. Mr. Altemus is also a director of Intuitive Aviation, a subsidiary of Intuitive Machines.

Mr. Altemus received a B.S. in Aeronautical Engineering from Embry Riddle Aeronautical University where he now serves as a member on the Engineering Advisory Board, and an M.S. in Engineering Management from the University of Central Florida. He joined NASA's Kennedy Space Center and the Space Shuttle Program in 1989 where he held progressively more responsible positions working in Space Shuttle operations, launch, and landing activities. He served as the Columbia Reconstruction Director after the loss of the Space Shuttle Columbia on February 1, 2003. In January 2005, he joined JSC serving as the Deputy Director of Engineering and was subsequently selected as Director in July 2006. Mr. Altemus is well qualified to serve on our Board due to his role as our Chief Executive Officer, his depth of knowledge of us and our operations, his acute business judgment and extensive familiarity with the business in which we compete.

Dr. Kamal Ghaffarian. Timothy Crain. Dr. Ghaffarian has served as the Chairman of our Board since February 13, 2023. Throughout his 35-plus year career, Dr. Ghaffarian has created multiple successful companies and has extensive experience working at the intersection of government contracting and technological innovation.

Dr. Ghaffarian started his entrepreneurial career in 1994 by founding Stinger Ghaffarian Technologies, Inc., a government services company focusing on IT, engineering, and science applications. Dr. Ghaffarian has also held numerous technical and management positions at Lockheed Martin, Ford Aerospace and Loral. Dr. Ghaffarian has obtained two Bachelor of Science degrees, including a B.S. in Computer Science in Engineering and a B.S. in Electronics Engineering, an M.S. in Science in Information Management, a Ph.D. in Management Information System and a Ph.D. in Technology.

Dr. Ghaffarian is the co-founder and chairman of the Company and a number of companies including IBX, Axiom Space, X energy and Quantum Space. Dr. Ghaffarian is well qualified to serve on our Board due to his role as our Chairman, his extensive experience in the field and deep understanding of company leadership.

Erik Sallee. Mr. Sallee Crain has served as our Senior Vice President and Chief Financial Officer since February 13, 2023 February 2024, prior to that Dr. Crain was the Company's Chief Technology Officer and has served as Intuitive Machines, OpCo's Chief Financial Officer since April 2021. Mr. Sallee brings extensive experience as a finance executive in the aerospace sector. Prior to this, Mr. Sallee was the Corporate Controller for Blue Origin, LLC where he oversaw treasury, tax, accounting, audit compliance, financial systems, and pricing. From 2015-2018, Mr. Sallee was a division Chief Financial Officer for L3 Technologies, a software and aerospace Company. From 2011-2015 Mr. Sallee worked at Raytheon in positions of increasing responsibility including Chief Financial Officer of Raytheon Solipsys, an international software company. Before moving to the industry, Mr. Sallee worked at Deloitte and was an officer in the U.S. Marine Corps where he received several awards including a Navy and Marine Corps Achievement Medal with Combat Distinguishing Device in 2005.

Mr. Sallee received an MBA and M.S. in Business and Finance from University of Maryland College Park, Smith School of Business and a B.S. in Political Science from Vanderbilt University. Mr. Sallee is a licensed Certified Public Accountant (CPA).

Dr. Timothy Crain. Dr. Crain has served as our LLC's Chief Technology Officer since February 13, 2023 and has served as Intuitive Machines OpCo's Chief Technology Officer since May 25, 2021, 2021. Dr. Crain previously served as Intuitive Machines, OpCo's LLC's vice president of research and development since co-founding the Company in 2013 with Mr. Altemus and Dr. Ghaffarian.

Dr. Crain received his Ph.D. in aerospace engineering from the University of Texas at Austin where he was a National Science Foundation Graduate Fellow and Assistant Instructor. He began his professional career in 2000 at NASA's JSC where he was a lead engineer in the Engineering Directorate's Aeroscience and Flight Mechanics Division. During his tenure at JSC he worked on the navigation design for Mars Science Lander and was the Orbit Guidance, Navigation, and Control System Manager for the Orion spacecraft. In 2009, Dr. Crain became the Flight Dynamics lead for NASA's Project Morpheus. Dr. Crain left the NASA civil service in June 2013 to co-found Intuitive Machines.

Dr. Crain is a recipient of the NASA JSC Center Director's Commendation Award, the Outstanding Young Texas Ex Award, UT Outstanding Young Engineering Graduate Award, Orion Flight Dynamics Leadership Award, and a finalist for the NASA Rotary Mid-Career Stellar Award. Dr. Crain is a board member of Penumbra, LLC.

Anna Jones. Ms. Jones has served as our General Counsel and Corporate Secretary since April 2023. Ms. Jones has a range of experience counseling boards and executives on corporate governance, compliance, securities, finance, and transactional matters across several industries. Before joining Intuitive Machines, Ms. Jones was Vice President of Securities and Corporate Counsel at Paysafe Limited from April 2021 through March 2023, where she advised on securities disclosure and compliance matters, corporate governance, finance and treasury transactions, and other transactions. Previously, Ms. Jones served as Assistant General Counsel and Corporate Secretary at Marathon Oil Corporation. Ms. Jones has also held legal positions at ConocoPhillips, Spectra Energy Corp, and Hyatt Hotels Corporation. Ms. Jones began her legal career as a corporate associate at Latham & Watkins LLP where she worked from 2006 through 2012. Ms. Jones holds a juris doctor degree from Northwestern University School of Law and a bachelor's degree in business administration.

Peter McGrath II. Mr. McGrath has served as our Senior Vice President and Chief Operating Officer since January 2024 and has been with the Company since August 2020 as Vice President of Business Development. Mr. McGrath has over 34 years of aerospace Project and Program Management, Capture Management, and Business Development experience. With a Bachelors and Masters degree in Aerospace Engineering and a Masters of Business Administration, Mr. McGrath has spent his career leading and supporting NASA, Army, Air Force, International, and Commercial programs.

Prior to joining Intuitive Machines in August 2020, Mr. McGrath worked at Boeing as the Global Sales and Marketing organization responsible for shaping, extending, and capturing business in support of NASA and commercial space

exploration missions. Mr. McGrath began his 31-year career at Boeing as a Structural Analyst on the International Space Station working on critical elements like the Cupola, mating adapters, and primary truss structure. He was a Project Engineer in Phantom Works supporting DC-XA, X-33, and X-34. He served in a Business Development capacity for Boeing Launch Services supporting both Delta and Sea Launch programs, the Launch and Satellite Systems Division, and Space Situational Awareness Programs. Mr. McGrath also served as the Increment 1 Production Program Manager for the Army's Brigade Combat Team Modernization, responsible for delivering the first three brigade sets of hardware to the warfighter.

Steven Vontur. Mr. Vontur has served as our interim Chief Financial Officer since January 2024 and Corporate Controller since July 2022. Mr. Vontur brings leadership and an extensive accounting background to build out the company's accounting and finance functions. Mr. Vontur played a key role in taking Intuitive Machines public in early 2023 and is currently the Principal Accounting Officer responsible for all aspects of accounting, reporting, and financial controls, as well as treasury operations and managing the Company's tax affairs.

Mr. Vontur has a wide range of proven experiences from his roles in public accounting, working in both public and private company environments, and brings extensive knowledge in both corporate and business unit accounting and finance operations. Prior to joining Intuitive Machines, Mr. Vontur worked at several private companies in various capacities, providing public company readiness and other accounting services from September 2020 to June 2022. Mr. Vontur spent the majority of his career at KBR, Inc. from December 2004 to August 2022, serving in multiple positions of increasing responsibility, ranging from Business Unit Controller to Director of SEC Reporting, Consolidations, and Financial Controls. Mr. Vontur began his career in public accounting from 1993 to 2004, primarily in the audit practice of Ernst & Young LLP. Mr. Vontur holds a bachelor's degree in business administration (accounting) from Texas A&M University and is a Certified Public Accountant in the state of Texas.

Dr. Kamal Ghaffarian. Dr. Ghaffarian has served as the Chairman of our Board since February 2023. Throughout his 35-plus year career, Dr. Ghaffarian has created multiple successful companies and has extensive experience working at the intersection of government contracting and technological innovation.

Dr. Ghaffarian started his entrepreneurial career in 1994 by founding Stinger Ghaffarian Technologies, Inc., a government services company focusing on IT, engineering, and science applications. Dr. Ghaffarian has also held numerous technical

and management positions at Lockheed Martin, Ford Aerospace and Loral. Dr. Ghaffarian has obtained two Bachelor of Science degrees, including a B.S. in Computer Science in Engineering and a B.S. in Electronics Engineering, an M.S. in Science in Information Management, a Ph.D. in Management Information System and a Ph.D. in Technology.

Dr. Ghaffarian, our co-founder and chairman of our Board, is the co-founder and chairman of a number of companies including IBX, Axiom Space, X energy and Quantum Space. Dr. Ghaffarian is well qualified to serve

on our Board due to his role as our Chairman, his extensive experience in the field and deep understanding of company leadership.

Michael Blitzer. Blitzer. Mr. Blitzer has served as a member of our Board since February 13, 2023. February 2023. Mr. Blitzer had served as the co-Chief Executive Officer of IPAX since February 2021 and a director of IPAX since January 2021 until the closing of the Business Combination on February 13, 2023. Mr. Blitzer is the founder and co-Chief Information Officer of Kingstown Capital Management, which he founded in 2006 and grew to a multi-billion asset manager with some of the world's largest endowments and foundations as clients. At Kingstown, Mr. Blitzer oversaw and participated in nearly all of the firm's investment decisions including countless public and private investments in the consumer and technology industries. Mr. Blitzer brings an in-depth understanding of public markets and has invested in a variety of corporate transactions such as spin-offs, rights offerings, public offerings, privatizations and mergers & acquisitions. He was also a public company director of Signature Group Holdings after its exit from bankruptcy in 2011, where he also sat on the audit committee, and was on the board of directors of the European mutual fund TREND AD.

Mr. Blitzer began his Wall Street career at J.P. Morgan Securities in 1999 advising companies globally in private debt and equity capital raises followed by work at the investment fund, Gotham Asset Management. Mr. Blitzer taught courses in Investing at Columbia Business School for five years in the 2010s. He holds an MBA from Columbia Business School and a BS from Cornell University where he received the Cornell Tradition Fellowship. Mr. Blitzer currently sits on the Executive Advisory Board of the Heilbrunn Center for Graham & Dodd Investing at Columbia Business School and is a trustee of Greens Farms Academy in Westport, CT where he is also Treasurer and Chair of the Investment Committee. Mr. Blitzer is well qualified to serve on our Board due to his role as IPAX.'s co-Chief Executive Officer and his experience with public companies.

Lieutenant General William J. Liquori. Lieutenant General Liquori has served as a member of our Board since February 13, 2023. February 2023. Lieutenant General Liquori retired as a Lieutenant General from the United States Space Force in 2022, after over thirty years of distinguished service in both the U.S. Air Force and Space Force. Lieutenant General Liquori served as the Space Force's first Chief Strategy and Resourcing Officer. Lieutenant General Liquori also led the development of the Space Force international engagement strategy; served as the lead policy interface to the Office of the Secretary of Defense, National Security Council and the National Space Council.

Lieutenant General Liquori entered the Air Force as a distinguished graduate of the Air Force ROTC program at Boston University. His career included numerous positions in Air Force Space Command, the National Reconnaissance Office, the Air Force Secretariat, U.S. European Command, the Office of the Secretary of Defense, and the White House as Director for Space Policy on the National Security Council staff. During his time at the White House, Liquori served two Presidents of the United States, was the lead author for the 2018 National Space Strategy, served as the primary NSC interface to the National Space Council, co-led the 2018 U.S.-Japan Comprehensive Dialogue on Space, and supported the early policy work leading to the establishment of the United States Space Force. He has commanded a space operations squadron and the 50th Space Wing.

Lieutenant General Liquori graduated from Boston University in 1991 with a Bachelor of Arts in Computer Science. In 1996, Lieutenant General Liquori earned a Master's Degrees from Webster University in Computer Resources and Information Management. From 2004-2005, Lieutenant General Liquori proceeded to Air University where he received Master's Degrees in Airpower Art & Science and Air & Space Power Strategy. Then, in 2009, Lieutenant General Liquori attended the Marine Corps University where he received a Master's degree in Strategic Studies. Lieutenant General Liquori is well qualified to serve on our Board due to his profound knowledge of the field and extensive leadership expertise.

Robert L. Masson. Mr. Masson has served as a member of our Board since February 13, 2023. February 2023. Mr. Masson was appointed the Chief Financial Officer of Latham Group, Inc. in June 2022. As Chief Financial Officer Noble Supply and Logistics, LLC ("Noble") and is leading the financial efforts to streamline financial operations and maximize growth opportunities. His areas of

Latham Group, Inc., Mr. Masson is responsible for responsibility include financial planning implementing, managing, and controlling all financial-related activities for the company. analysis, accounting, treasury, tax, and investor relations.

Mr. Masson is a skilled finance executive with nearly 20 years of experience in the aerospace, defense, and industrial sectors. Before joining Noble, Mr. Masson served as Chief Financial Officer of Latham Group, Inc., where he was responsible for planning, implementing, managing, and controlling all financial-related activities for the company. Mr. Masson served as Executive Vice President and Chief Financial Officer of Hypertherm, Inc., where he oversaw the company's global financial, information technology, and legal operations. From 2016-2018, Mr. Masson was Vice

98

President of Finance at Flowserve, where he led the company's operational finance, operational accounting, and corporate financial planning and analysis teams. From 2003-2016, he served in various finance leadership roles at Raytheon Technologies, including Chief Financial Officer roles for several of the company's business units.

Mr. Masson began his career as a Lieutenant and Naval Aviator for the United States Navy, where he worked from 1992-2001. Mr. Masson holds a Bachelor of Science degree in Economics from the United States Naval Academy and a Master of Business Administration from Harvard Business School. Mr. Masson currently serves as a director for Tech-Etch, Inc. where he is chair of the audit committee. Mr. Masson is well qualified to serve on our Board because of his numerous years of experience in finance and the aerospace industry and his knowledge as a director.

Nicole Seligman. Ms. Seligman has served as a member of our Board since June 2023. Ms. Seligman was the President of Sony Entertainment, Inc., a multinational entertainment company, from 2014 to 2016 and of Sony Corporation of America from 2012 to 2016. From 2005 through 2014, she served as the Executive Vice President and global General Counsel of Sony Corporation. She joined Sony in 2001 as Executive Vice President and General Counsel of Sony Corporation of America. Prior to joining Sony, she was a partner in the litigation practice at Williams & Connolly LLP where she worked on a broad range of complex civil and criminal matters and counseled a broad range of clients, including President William Jefferson Clinton and Hillary Clinton. Ms. Seligman served as law clerk to Justice Thurgood Marshall on the Supreme Court of the United States from 1984 to 1985 and as law clerk to Judge Harry T. Edwards at the U.S. Court of Appeals for the District of Columbia Circuit from 1983 to 1984. Ms. Seligman currently serves on the board of Meira GTx Holdings plc and Paramount Global (formerly known as ViacomCBS, Inc.). She previously served on the boards of directors of Viacom Inc. through December 2019, when it merged with CBS Corp., WPP plc, where she was the Senior Independent Director, Far Point Acquisition Corporation and Far Peak Acquisition Corporation. Ms. Seligman received her B.A., magna cum laude, from Harvard College (Radcliffe) and her J.D., magna cum laude, from Harvard Law School, where she was a winner of the Sears Prize. Ms. Seligman serves as Co-Chair of the Schwartzman Animal Medical Center in New York City and as the Chair of the Doe Fund, a New York non-profit offering transactional services for the homeless and formerly incarcerated. Ms. Seligman is well qualified to serve on our Board because of her senior leadership roles in global public companies, extensive business and corporate governance experience accompanied by exceptional achievements in the legal profession.

Corporate Governance

Board Composition

Our business and affairs are managed under the direction of our Board. Our Board is chaired by Dr. Kamal Ghaffarian and includes Stephen Altermus, Michael Blitzer, William Liquori, Robert Masson and Nicole Seligman as members. The Board has determined that Michael Blitzer, Lieutenant General William Liquori, Robert Masson and Nicole Seligman qualify as independent in accordance with applicable Nasdaq rules.

When considering whether directors and director nominees have the experience, qualifications, attributes and skills, taken as a whole, to enable our Board to satisfy its oversight responsibilities effectively in light of its business and structure, our Board expects to focus primarily on each person's background and experience as reflected in the information discussed in each of the directors' individual biographies set forth above in order to provide an appropriate mix of experience and skills relevant to the size and nature of its business.

Pursuant to the Business Combination Agreement, IPAX was granted rights to designate one director for election to our Board.

Director Independence

Under our Corporate Governance Guidelines and the Nasdaq rules, a director will not be independent unless our Board affirmatively determines that s/he does not have a direct or indirect material relationship with the Company or any of its subsidiaries. In addition, the director must not be precluded from qualifying as independent under the per se bars set forth by the Nasdaq rules.

Our Board undertook a review of its composition, the composition of its committees and the independence of directors and considered whether any director has a material relationship with us that could compromise his or her ability to exercise independent judgment in carrying out his or her responsibilities. Based upon information requested from and provided by each director concerning his or her background, employment and affiliations, including family relationships, our Board has determined that Michael Blitzer, William Liquori, Robert Masson and Nicole Seligman do not have a relationship that would interfere with the exercise of independent judgment in carrying out the responsibilities of a director and that each of

these directors qualifies as "independent" as that term is defined under the Nasdaq rules. In making these determinations, our Board considered the relationships that each non-employee director has with the Company and all other facts and circumstances our Board deemed relevant in determining their independence, including the director's beneficial ownership of our common stock.

Audit Committee

Controlled Company Exemption

Our Founders own more than 50% of the combined voting power for the election of directors to our Board, and, as a result, we are considered a “controlled company” for the purposes of the Nasdaq rules. As such, we qualify for exemptions from certain corporate governance requirements, including that a majority of our Board consist of “independent directors,” as defined under the Nasdaq rules. In addition, we are not required to have a nominating and corporate governance committee or compensation committee that is composed entirely of independent directors with a written charter addressing the committee’s purpose and responsibilities or to conduct annual performance evaluations of the nominating and corporate governance and compensation committees.

If at any time we cease to be a “controlled company” under the Nasdaq rules, our Board intends to take any action that may be necessary to comply with the Nasdaq rules, subject to a permitted “phase-in” period.

Classified Board of Directors

Pursuant to our Certificate of Incorporation, our directors are divided into three classes, with each class serving staggered three-year terms. Our Board currently consists of five (5) directors who are divided among the three classes as follows:

- The Class I directors are William Liquori and Robert Masson;
- The Class II director is Michael Blitzer and Nicole Seligman; and
- The Class III directors are Stephen Altemus and Dr. Kamal Ghaffarian.

Committees of our Board

Our Board directs the management of our business and affairs, as provided by Delaware law, and conduct its business through meetings of the board of directors and standing committees. We have a **separately designated** standing audit committee, compensation committee, nominating and corporate governance committee and conflicts committee, each of which operate under a written charter.

In addition, from time to time, special committees may be established under the direction of our Board when it deems it necessary or advisable to address specific issues. Current copies of our committee charters have been posted on our website (<https://www.refinitivmachines.com/investors>) under the heading “Corporate Governance” as required by applicable SEC and Nasdaq rules. The information contained on, or that may be accessed through, our website is not part of, and is not incorporated into, this prospectus or the registration statement of which it forms a part.

Audit Committee

Our audit committee is responsible for, among other things:

- overseeing our accounting and financial reporting process;

- appointing, compensating, retaining and overseeing the work of our independent registered public accounting firm and any other registered public accounting firm engaged for the purpose of preparing or issuing an audit report or related work or performing other audit, review or attest services for us;
- discussing with our independent registered public accounting firm any audit problems or difficulties and management's response;
- pre-approving all audit and non-audit services provided to us by our independent registered public accounting firm (other than those provided pursuant to appropriate preapproval policies established by the audit committee or exempt from such requirement under the rules of the SEC);
- reviewing and discussing our annual and quarterly financial statements with management and our independent registered public accounting firm;
- discussing our risk management policies;

100

- establishing procedures for the receipt, retention and treatment of complaints received by us regarding accounting, internal accounting controls or auditing matters, and for the confidential and anonymous submission by our employees of concerns regarding questionable accounting or auditing matters; and
- preparing the audit committee report required by SEC rules.

Our audit committee consists of Lieutenant General William Liquori, Michael Blitzer and Robert Masson with Mr. Masson serving as chair. All members of our audit committee meet the requirements for financial literacy under the applicable Nasdaq rules and regulations. Our board Board has affirmatively determined that each member of our audit committee qualifies as "independent" under Nasdaq's additional standards applicable to audit committee members and Rule 10A-3 of the Exchange Act applicable to audit committee members. In addition, our Board has determined that Michael Blitzer qualifies as an "audit committee financial expert," as such term is defined in Item 407(d)(5) of Regulation S-K.

Compensation Committee

Our compensation committee is responsible for, among other things:

- reviewing corporate goals and objectives with respect to the compensation of our Chief Executive Officer, evaluating our Chief Executive Officer's performance in light of these goals and objectives and setting our Chief Executive Officer's compensation;
- reviewing or making recommendations to our Board regarding the compensation of our other executive officers;

- reviewing and making recommendations to our Board regarding director compensation;
- reviewing and making recommendations to our Board regarding our incentive compensation and equity-based plans and arrangements;
- appointing and overseeing any compensation consultants;
- reviewing and discussing annually with management our “Compensation Discussion and Analysis,” to the extent required; and
- preparing the annual compensation committee report required by SEC rules, to the extent required.

Our compensation committee consists of Robert Masson and Michael Blitzer with Mr. Blitzer serving as chair. Our Board has determined that Robert Masson and Michael Blitzer qualify as “independent” under Nasdaq’s additional standards applicable to compensation committee members and each member of the compensation committee is a “non-employee director” as defined in Section 16b-3 of the Exchange Act.

Nominating and Corporate Governance Committee

Our nominating and corporate governance committee is responsible for, among other things:

- identifying individuals qualified to become members of our Board and ensure our Board has the requisite expertise and consists of persons with sufficiently diverse and independent backgrounds;
- recommending to our Board the persons to be nominated for election as directors and to each committee of our Board;
- developing and recommending to our Board corporate governance guidelines, and reviewing and recommending to our Board proposed changes to our corporate governance guidelines from time to time; and
- overseeing the annual evaluations of our Board and its committees.

Our nominating and corporate governance committee consists of Michael Blitzer, William Liquori and Nicole Seligman with Nicole Seligman serving as chair. The Board has determined that each of the members of our nominating and corporate governance committee qualify as “independent” under Nasdaq rules applicable to nominating and corporate governance committee members.

Conflicts Committee

Our conflicts committee is responsible for, among other things:

- reviewing and approving business matters in which the interests of the Company or its subsidiaries may conflict or appear to conflict with the interests of IBX or any other IBX affiliate or any director or any of such director's affiliates; and
- reviewing and approving or ratifying any related person transactions.*

Our conflicts committee consists of Michael Blitzer, William Liquori, Robert Masson and Nicole Seligman with William Liquori serving as chair. The Board has determined that each of the members of our conflicts committee qualify as "independent" under Nasdaq rules applicable to nominating and corporate governance committee members.

Our Board may from time to time establish other committees.

Code of Business Conduct and Ethics

We have a Code of Business Conduct and Ethics that applies to all of our executive officers, directors and employees, including our principal executive officer, principal financial officer, principal accounting officer or controller or persons performing similar functions. The Code of Business Conduct and Ethics is available on our website, <https://www.intuitivemachines.com/investors> under the "Corporate Governance" section.

We intend to make any legally required disclosures regarding amendments to, or waivers of, provisions of our Code of Business Conduct and Ethics on our website rather than by filing a Current Report on Form 8-K.

Compensation Committee Interlocks and Insider Participation

During 2022, our compensation committee was comprised of former directors of IPAX, Paula Sutter and Nicholas Shekerdemian. No member of the compensation committee was at any time during fiscal year 2022, 2023, or at any other time, one of our officers or employees. None of our executive officers has served as a director or member of a compensation committee (or other committee serving an equivalent function) of any entity, one of whose executive officers served as a director of our Board or member of our compensation committee.

102

Item 11. Executive Compensation.

Executive and Director Compensation of IPAX

Prior to the Consummation of the Transactions

As of December 31, 2022, IPAX had three executive officers, Michael Blitzer (Co-Chief Executive Officer and Director), Guy Shannon (Co-Chief Executive Officer and Director), and Brian Pitz (Chief Financial Officer and Director). Upon the consummation of the Transactions, and in accordance with the terms of the Business Combination Agreement, each of the IPAX executive officers ceased serving in such capacities.

We entered into an agreement with the Sponsor whereby, commencing on September 21, 2021 through the earlier of the consummation of an initial business combination and our liquidation, we agreed to pay Kingstown Capital Management L.P., an affiliate of the Sponsor, \$15,000 per month for administrative and support services provided to members of our management team. For the period from September 21, 2021 to December 31, 2022, we incurred \$228,000 of administrative services under this arrangement. Additionally, following our IPO, we also reimbursed the Sponsor for services provided by one of the Sponsor's employees who served as our chief of staff at the rate of \$12,500 per month. In connection with the consummation of the Business Combination, these agreements were terminated. See Note 5 in the notes to the audited financial statements in this Annual Report for further information.

No other compensation of any kind, including finder's and consulting fees, was paid by IPAX to its Sponsor, officers and directors, or any of their respective affiliates, for services rendered prior to or in connection with the completion of the Business Combination. However, these individuals were reimbursed for any out-of-pocket expenses incurred in connection with activities on our behalf such as identifying potential target businesses and performing due diligence on suitable initial business combinations.

Executive and Director Compensation of Intuitive Machines

This section discusses the material components of the executive compensation program for our executive officers who are named in the "Summary Compensation Table" below. In 2022, 2023, our "named executive officers" and their positions were as follows:

- Stephen Altemus, President and Chief Executive Officer;
- Timothy Crain, Chief Technology Officer; and
- Erik Sallee, Chief Financial Officer.

This discussion may contain forward-looking statements that are based on our current plans, considerations, expectations and determinations regarding future compensation programs.

Chief Executive Officer;

- Timothy Crain, Chief Technology Officer
- Erik Sallee, Chief Financial Officer; and
- Anna Jones, General Counsel and Secretary.

Mr. Sallee resigned from his position with the Company and its subsidiaries, effective as of January 26, 2024 and Mr. Vontur was appointed as interim Chief Financial Officer.

Summary Compensation Table

The following table sets forth information concerning the compensation of our named executive officers for the years ended December 31, 2021 December 31, 2023 and December 31, 2022.

Name and Principal Position	Year	Salary (\$)	Bonus (\$) ⁽¹⁾	Option Awards (\$) ⁽²⁾	All Other Compensation (\$) ⁽³⁾	Total (\$)
Stephen Altemus	2022	490,954	150,000	—	10,675	651,629
President & CEO ⁽⁴⁾	2021	379,663	100,000	—	8,700	488,363
Timothy Crain	2022	359,805	100,000	—	10,675	470,480
Chief Technology Officer ⁽⁵⁾	2021	313,368	75,000	—	8,700	397,068
Erik Sallee	2022	366,923	100,000	—	1,212	468,135
Chief Financial Officer ⁽⁶⁾	2021	234,808	60,000	90,193	3,046	388,047

2022.

Name and Principal Position	Year	Salary	Bonus	Stock Awards	All Other Compensation	Total
		(\$)	(\$) ⁽¹⁾	(\$) ⁽²⁾	(\$) ⁽³⁾	
Stephen Altermus President and Chief Executive Officer	2023	699,377	—	—	15,106	714,483
	2022	490,954	150,000	—	10,675	651,629
Timothy Crain Chief Technology Officer	2023	429,640	—	—	11,550	441,190
	2022	359,805	100,000	—	10,675	470,480
Erik Sallee Chief Financial Officer	2023	450,000	—	4,158,000	1,212	4,609,212
	2022	366,923	100,000	—	1,212	468,135
Anna Jones General Counsel and Secretary	2023	225,000 ⁽⁴⁾	—	378,000	5,262	608,262

Amounts

reflect

annual

discretionary

bonuses

paid to the

named

executive

officers for

services

performed

(1) during the

applicable

year. The

bonuses

earned with

respect to

2022 are

further

described

below in “—

2022

Bonuses.

(1) The Board determined to not approve any discretionary bonus payments with respect to 2023.

(2) Amounts reflect the full grant-date fair value of stock options granted during the applicable year computed in accordance with ASC Topic 718, rather than the amounts paid to or realized by the named individual. We provide information regarding the assumptions used to calculate the value of all option awards made to executive officers in the notes to the consolidated financial statements of Intuitive Machines OpCo included in Amendment No. 2 to our Current Report on Form 8-K filed on or about March 30, 2023.

(2) With respect to 2023, amounts reflect the grant-date fair value of restricted stock unit awards granted during the year ended December 31, 2023 computed in accordance with ASC Topic 718, Compensation-Stock Compensation. See Note 11 to our consolidated financial statements for a discussion of the relevant assumptions used in calculating these amounts.

(3) Amounts reflect the Company's 401(k) plan matching contributions.

(3) Amounts reflect the Company's 401(k) plan matching contributions.

(4) Effective on September 3, 2022, Mr. Altemus' base salary rate was increased from \$380,359 to \$699,377.

(4) Ms. Jones' employment with the Company commenced on March 27, 2023, and therefore the base salary amount set forth in the table above reflects the amount earned for the portion of 2023 in which she was employed by us. Ms. Jones had an annual base salary rate of \$300,000 in 2023.

(5) Effective on September 3, 2022, Mr. Crain's base salary rate was increased from \$313,943 to 429,640.

(6) Mr. Sallee commenced employment as our Chief Financial Officer effective, April 12, 2021; therefore, certain amounts for Mr. Sallee for 2021, such as base salary, reflect a partial year of service. Effective on September 3, 2022, Mr. Sallee's base salary rate was increased from \$330,000 to \$450,000.

Narrative to Summary Compensation Table

2023 Salaries

2022 Salaries

The named executive officers receive a base salary to compensate them for services rendered to our company. The base salary payable to each named executive officer is intended to provide a fixed component of compensation reflecting the executive's skill set, experience, role and responsibilities. The 2022 2023 annual base salaries for our named executive officers were increased from \$380,359 for Mr. Messrs. Altemus, \$313,943 for Mr. Crain and \$330,000 for Mr. Sallee to were \$699,377, \$429,640 and \$450,000, respectively, effective September 3, 2022, and the 2023 annual base salary for Ms. Jones was \$300,000. The actual base salaries earned by our named executive officers for services in 2022 2023 are set forth above in the Summary Compensation Table in the column entitled "Salary."

2023 Bonuses

2022 Bonuses

Our named executive officers were are eligible to earn discretionary cash bonuses for calendar year 2022, 2023, as determined by the Board. Mr. Sallee and Ms. Jones are eligible to earn annual cash bonuses under our bonus program based on the achievement of individual and/or our performance goals. Under the Sallee and Jones offer letters, their target bonus opportunity is 30% of their annual base salary. On February 7, 2024, the Board determined the discretionary 2023 annual cash bonus awards for the named executive officers of Managers the Company and determined that no annual cash bonus awards are payable to any named executive officer with respect to 2023. On February 7, 2024, the Board also approved one-time special restricted stock unit awards for each of Mr. Altemus, Mr. Crain and Ms. Jones in consideration of their strong

performance in 2023. The awards were granted pursuant to the Intuitive Machines, OpCo. For 2022, Messrs. Altemus Inc. 2023 Long Term Omnibus Incentive Plan and Crain were eligible will vest based on the achievement of designated Company operational performance goals, subject to receive a discretionary annual bonus as determined by the Board executive's continued employment through the 60-day anniversary of Managers, the applicable performance goal achievement date, and Mr. Sallee was eligible to receive an annual bonus of up to 30% of his base salary. Based on a review of our performance for 2022 cover 105,000, 43,000 and each named executive officer's individual performance and contributions to our success, the Board of Managers approved the bonus amounts set forth in the Summary Compensation Table in the column entitled "Bonus."

27,000 restricted stock units, respectively.

Equity Compensation

Unit Option Plan

Historical Equity Grants

Prior to the Transactions, we offered awards of options to purchase non-voting class B membership interests of Intuitive Machines OpCo to eligible service providers, including certain of our named executive officers, pursuant to the Intuitive Machines, LLC 2021 Unit Option Plan (the "2021 Plan"). In connection with the consummation of the Transactions, the options were recapitalized into options to purchase Intuitive Machines OpCo Common Units. Following Since the consummation of the Transactions, awards have not been (and will not be granted granted) under the 2021 Plan. For additional information about the 2021 Plan, please see the section titled "— 2021 Unit Option Plan" below.

In 2022 and 2023 we did not award any stock options pursuant to the 2021 Plan to any of our named executive officers. Messrs. Altemus and Crain do not hold stock options or any other compensatory equity awards.

Intuitive Machines Incentive Plan

In connection with the consummation of the Transactions, we adopted the Intuitive Machines, Inc. 2023 Long Term Omnibus Incentive Plan (the "Intuitive Machines Incentive Plan") in order to facilitate the grant of cash and equity incentives to directors, employees (including our named executive officers) and consultants of our company and certain of its affiliates and to enable our company and certain of its affiliates to obtain and retain services of these individuals, which is essential to our long-term success. We expect In 2023, the Board granted restricted stock units to grant equity-based compensation to our employees, including certain of our named executive officers under the Incentive Plan. On May 9, 2023, our Board approved grants of time-based restricted stock units ("RSUs") to Mr. Sallee and our directors Ms. Jones under the Intuitive Machines Incentive Plan covering 550,000 shares and 50,000 shares of Class A Common Stock, respectively. The RSUs will vest as to one-fourth (1/4th) of the underlying RSUs on each of the first four anniversaries of April 11, 2023, subject to the executive's continued employment as of each vesting date. Upon a termination of the executive's employment for any reason, any then-unvested RSUs will automatically be forfeited by the executive and terminated without consideration thereof.

On February 7, 2024, the Board also approved one-time, special restricted stock unit awards for each of Mr. Altemus, Mr. Crain and Ms. Jones in consideration of their strong performance in 2023. The awards were granted pursuant to the Intuitive Machines Incentive Plan.

Plan and will vest based on the achievement of designated Company operational performance goals, subject to the executive's continued employment through the 60-day anniversary of the applicable performance goal achievement date, and cover 105,000, 43,000 and 27,000 restricted stock units, respectively.

Other Elements of Compensation

Retirement Plans

We currently maintain a 401(k) retirement savings plan for our employees, including our named executive officers, who satisfy certain eligibility requirements. Our named executive officers are eligible to participate in the 401(k) plan on the same terms as other full-time employees. The U.S. Internal Revenue Code of 1986, as amended (the “Code”) allows eligible employees to defer a portion of their compensation, within prescribed limits, on a pre-tax basis through contributions to the 401(k) plan. Currently, we match contributions made by participants in the 401(k) plan up to a specified percentage of the employee contributions, and these matching contributions are fully vested as of the date on which the contribution is made. We believe that providing a vehicle for tax-deferred retirement savings through our 401(k) plan, and making matching contributions, adds to the overall desirability of our executive compensation package and further incentivizes our employees, including our named executive officers, in accordance with our compensation policies.

Employee Benefits and Perquisites

All of our full-time employees, including our named executive officers, are eligible to participate in our health and welfare plans, including:

- medical, dental and vision benefits;
- health savings and flexible spending accounts;
- short-term and long-term disability insurance;
- basic life and accidental death and dismemberment insurance;
- accident and critical illness insurance; and
- term life insurance.

- medical, dental and vision benefits;
- health savings and flexible spending accounts;
- short-term and long-term disability insurance;

104

- basic life and accidental death and dismemberment insurance;
- accident and critical illness insurance; and
- term life insurance.

We believe the perquisites described above are necessary and appropriate to provide a competitive compensation package to our named executive officers.

No Tax Gross-Ups

We do not make gross-up payments to cover our named executive officers' personal income taxes that may pertain to any of the compensation or perquisites paid or provided by our company.

Clawback Policy

We have adopted a compensation recovery policy (the Company's Policy for Recovery of Erroneously Awarded Compensation), which was effective as of October 2, 2023, that is compliant with the Nasdaq Listing Rules, as required by the Dodd-Frank Act.

Outstanding Equity Awards at Fiscal Year-End

The following table summarizes the number of **Units** shares of Class A Common Stock underlying outstanding equity incentive plan awards for each named executive officer as of **December 31, 2022** December 31, 2023.

Name	Grant Date	Option Awards				
		Number of Securities Underlying Options (#)	Number of Securities Underlying Unexercised Options (#)	Option Exercise Price (\$)	Option Expiration Date	
		Exercisable	Unexercisable			
Stephen Altemus	—	—	—	—	—	—
Timothy Crain	—	—	—	—	—	—
Erik Sallee	June 14, 2021 ⁽¹⁾	100,000	200,000	1.00	June 14, 2031	

Unless otherwise indicated, awards included in the following table were granted pursuant to the 2023 Plan.

Name	Grant Date	Option Awards				Stock Awards		
		Number of Securities Underlying Options (#)	Number of Securities Underlying Unexercised Options (#)	Option Exercise Price (\$)	Option Expiration Date	Number of Shares of Stock That Have Not Vested (#)	Market Value of Shares or Units of Stock That Have Not Vested (\$) ⁽¹⁾	
Name	Grant Date	(#) Exercisable	Unexercisable	(\$)	Expiration Date	(#)	(\$) ⁽¹⁾	
Stephen Altemus	—	—	—	—	—	—	—	—
Timothy Crain	—	—	—	—	—	—	—	—
Erik Sallee	June 14, 2021 ⁽²⁾	111,249	55,624	1.80	June 14, 2031	—	—	—
	May 9, 2023	—	—	—	—	550,000 ⁽³⁾	1,402,500	
Anna Jones	May 9, 2023	—	—	—	—	50,000 ⁽³⁾	127,500	

This stock option vests and becomes exercisable in equal annual installments over three years from the applicable grant date, subject to Mr. Sallee's continued service. In addition, if (1) Mr. Sallee's continuous service is terminated by us without "cause," Mr. Sallee will vest in the portion of the option that would have otherwise vested on the next anniversary of June 14, 2021.

- (1) Amounts are calculated based on multiplying the number of shares shown in the table by the per share closing price of our Common Stock on December 29, 2023, the last trading day of 2023, which was \$2.55.
- (2) This stock option was granted pursuant to the 2021 Plan and vests and becomes exercisable in equal annual installments over three years from the applicable grant date, subject to Mr. Sallee's continued service. Mr. Sallee resigned as Chief Financial

Officer of the Company effective January 26, 2024. In addition, if Mr. Sallee's continuous service is terminated by us without "cause," Mr. Sallee will vest in the portion of the option that would have otherwise vested on the next anniversary of June 14, 2021.

(3) This RSU award vests as to 25% of the underlying RSUs on each of the first four anniversaries of April 11, 2023, subject to the executive's continued employment through the applicable vesting date. The amounts shown represent the number of shares subject to the RSU awards that remain eligible to vest as of December 31, 2023.

Executive Compensation Arrangements

On March 20, 2021, we entered into an offer letter with Erik Sallee to serve as our Chief Financial Officer. Mr. Sallee's employment under the offer letter is at-will and will continue until terminated at any time by either party. Pursuant to his offer letter, Mr. Sallee is entitled to receive an annual base salary of \$330,000 per year; as described above, Mr. Sallee's annual base salary was increased effective September 3, 2022 to \$450,000. In addition, Mr. Sallee is eligible to participate in the 2021 Plan and in the health and welfare benefit plan and programs maintained by us for the benefit of our employees.

On February 6, 2023 we entered into an offer letter with Anna Jones to serve as our General Counsel. Ms. Jones' employment under the offer letter is at-will and will continue until terminated at any time by either party. Pursuant to her offer letter, Ms. Jones is entitled to receive an annual base salary of \$300,000 per year, as described above.

Mr. Sallee is and Ms. Jones are eligible to earn annual cash bonuses under our bonus program, based on the achievement of individual and/or our performance goals. Under the Sallee and Jones offer letter, Mr. Sallee's letters, their target bonus opportunity is 30% of his

105

their annual base salary.

In connection with entering into his offer letter, Mr. Sallee resigned as Chief Financial Officer of the Company effective January 26, 2024. On January 26, 2024, the Company and Mr. Sallee entered into our a consulting agreement (the "Consulting Agreement"). Pursuant to the Consulting Agreement, Mr. Sallee will provide consulting and advisory services at the request of the Company from January 27, 2024 through March 31, 2024. In consideration for the consulting and advisory services provided by Mr. Sallee under the Consulting Agreement, the Company will accelerate, on March 31, 2024, the vesting of 55,624 shares subject to a stock option granted under the 2021 Plan and 137,500 unvested restricted stock units granted under the Intuitive Machines Incentive Plan, subject to Mr. Sallee's continued services through such date. Under the Consulting Agreement, Mr. Sallee agreed to a general release of claims along with other standard form of confidentiality agreement, which provides for a non-disclosure covenant that lasts during employment and for five years thereafter, an employee and client/customer non-solicitation covenant that lasts during employment and for two years thereafter.

terms.

Messrs. Altemus or Crain are not, and were not, in 2021 or 2022, parties to employment agreements, agreements or offer letters in 2023.

Director Compensation

2023 Director Compensation Table

In 2022, we

The following table sets forth the compensation awarded to, earned by or paid a \$400,000 service fee to one of our executives non-employee directors and founders to our Chairman who served on our Board during the year ended December 31, 2023.

Mr. Altemus is also a member of our Board of Managers, Dr. Kamal Ghaffarian, to compensate him for his services as Executive Chairman. He but did not receive any additional compensation for services provided his service as a director.

See the section entitled “— Summary Compensation Table” above for information regarding the compensation paid to Mr. Altemus in 2023.

Name	Fees Earned or Paid		
	in Cash (\$)	Stock Awards (\$)(1)	Total (\$)
Kamal Ghaffarian	105,000	205,000	310,000
Michael Blitzer	91,250	155,000	246,250
William Liquori	81,875	155,000	236,875
Robert Masson	88,125	155,000	243,125
Nicole Seligman ⁽²⁾	58,125	155,000	213,125

Name	Fees Earned or Paid in Cash (\$)		Total (\$)
Dr. Kamal Ghaffarian		400,000	400,000

(1) With respect to 2023, amounts reflect the grant-date fair value of restricted stock unit awards granted during the year ended December 31, 2023 computed in accordance with ASC Topic 718, Compensation-Stock Compensation. See Note 11 to our consolidated financial statements for a discussion of the relevant assumptions used in calculating these amounts.

(2) Ms. Seligman joined our Board on June 23, 2023.

The following table shows the aggregate numbers of outstanding RSUs held as of December 31, 2023 by each non-employee director and our Chairman.

Name	RSUs Outstanding at 2023	Fiscal Year End
	(#)(1)	
Kamal Ghaffarian		67,434
Michael Blitzer		18,321
William Liquori		18,321
Robert Masson		18,321
Nicole Seligman		18,321

(1) Represents RSUs, each of which represents a contingent right to receive one share of Class A Common Stock. The RSUs will vest in full on the earlier to occur of the first anniversary June 23, 2023 and the date of the next annual meeting following the grant date.

In 2023, for Mr. Ghaffarian's service as Chairman of the Board, the Board also approved cash compensation for Mr. Ghaffarian of \$105,000 and an RSU award covering shares of our Class A Common Stock (the "Ghaffarian RSU Award") with an aggregate value of \$205,000. The Ghaffarian RSU Award will vest in full on the earlier to occur of the first anniversary of the grant date and the date of the next annual meeting following the grant date, subject to continued service.

Director Compensation Program

106

In connection with the consummation of the Transactions, we approved and implemented a non-employee director compensation program, amended and restated effective June 23, 2023 (the "Director Compensation Program") for our non-employee directors (each, an "Eligible Director") that consists of annual cash retainer fees and long-term equity awards. The material terms of the Director Compensation Program are described below.

The Director Compensation Program consists of the following components:
Cash Compensation:

- Annual Retainer: \$55,000
- Annual Retainer: \$55,000
- Annual Committee Chair Retainer:
- Annual Committee Chair Retainer:

- Audit: \$20,000
 - Compensation: \$15,000
- Audit: \$20,000
 - Conflicts: \$15,000
 - Nominating and Corporate Governance: \$15,000
- Compensation: \$15,000

● Annual Committee Member (Non-Chair) Retainer:

- Nominating and Corporate Governance: \$10,000
 - Audit: \$10,000
 - Compensation: \$7,500
- Annual Committee Member (Non-Chair) Retainer:
 - Conflicts: \$7,500
 - Nominating and Corporate Governance: \$7,500
- Audit: \$10,000
 - Compensation: \$7,500
 - Nominating and Corporate Governance: \$5,000

The annual cash retainer will be paid in quarterly installments in arrears. Annual cash retainers will be pro-rated for any partial calendar quarter of service.

Equity Compensation:

- June 2023 Grant: Each Eligible Director who was serving on the Board as of the first Board meeting in June 2023 was granted a restricted stock unit award covering shares of our Class A Common Stock (each, an “RSU Award”) with an aggregate value of \$155,000.
- Initial Grant: Each Eligible Director who is initially elected or appointed to serve on our Board after our annual meeting of stockholders in calendar year 2024 automatically will be granted a restricted stock unit award covering shares of our Class A Common Stock (each, an “RSU Award”) with an aggregate value of \$155,000, pro-rated for the number of days that have elapsed since the last occurring annual meeting.

Each June 2023 RSU Award will vest in full on the earlier to occur of the first anniversary of the grant date and the date of the next annual meeting following the grant date, subject to continued service.

- Initial Grant: Each Eligible Director who is initially elected or appointed to serve on our Board after the grant of the June 2023 RSU Awards automatically will be granted an RSU Award with an aggregate value of \$155,000, pro-rated for the number of days that have elapsed since the last occurring annual meeting.

Each Initial Grant will be granted on the date on which such Eligible Director is appointed or elected to serve on the Board, will vest in full on the earlier to occur of the first anniversary of the grant date and the date of the next annual meeting following the grant date, subject to continued service.

- Annual Grant: An Eligible Director who is serving on our Board as of the date of an annual meeting of stockholders (beginning with calendar year 2024) will be granted, on the date of such annual meeting, an RSU Award with an aggregate value of \$155,000.
- Annual Grant: An Eligible Director who is serving on our Board as of the date of an annual meeting of stockholders (beginning with calendar year 2024) will be granted, on the date of such annual meeting, an RSU Award with an aggregate value of \$155,000.

Each Annual Grant will vest in full on the earlier to occur of the first anniversary of the grant date and the date of the next annual meeting following the grant date, subject to continued service.

In addition, each equity award granted to an Eligible Director under the Director Compensation Program and the Ghaffarian RSU Award will vest in full immediately prior to the occurrence of a “change in control” (as defined in the Intuitive Machines Incentive Plan). Compensation under the Director Compensation Program will be subject to the annual limits on non-employee director compensation set forth in the Intuitive Machines Incentive Plan.

Equity Incentive Plans

2021 Unit Option Plan

Intuitive Machines OpCo currently maintains the Intuitive Machines, LLC 2021 Unit Option Plan, referred to in this prospectus as the 2021 Plan. We historically offered awards of options to eligible service providers, including our named executive officers, pursuant to the 2021 Plan. In connection with the consummation of the Transactions and the adoption of the Intuitive Machines Incentive Plan, we amended and restated the 2021 Plan to reflect the Transactions and to provide that, following the consummation of the Transactions, awards may not be granted under the 2021 Plan. The material terms of the 2021 Plan are summarized below.

Eligibility and Administration

Our employees, directors, consultants and other service providers are eligible to receive grants of options under the 2021 Plan. The 2021 Plan is administered by our Board of Managers. Subject to the provisions of the 2021 Plan, the plan administrator has the authority and discretion to take any actions it deems necessary or advisable for the administration of the 2021 Plan.

Limitation on Awards and Units Available

Prior to the Transactions, an aggregate 6,125,000 Units were authorized for issuance under the 2021 Plan; following the Transactions this amount was adjusted to Intuitive Machines OpCo Common Units. If an award (i) expires or terminates without having been exercised in full or (ii) is settled in cash, such expiration, termination or settlement shall not reduce the number of units that may be issued pursuant to the 2021 Plan. In the event that any units issued pursuant to an award are forfeited because of the failure to meet a contingency or condition required to vest, such units shall revert and again become available for issuance under the 2021 Plan.

Awards

The 2021 Plan provides for the grant of awards of options. The terms and conditions of outstanding options under the 2021 Plan are set forth in award agreements, including any applicable vesting and payment terms and post-termination exercise limitations. Awards of options provide for the purchase of units, in the future at an exercise price set on the grant date; following the Transactions, outstanding options were adjusted to cover Intuitive Machines OpCo Common Units. The exercise price of an option may not be less than 100% of the fair market value of the underlying units on the grant date (as adjusted to reflect the Transactions). The term of an option may not be longer than ten years.

Certain Transactions

In the event of certain changes in our capitalization such as a recapitalization, equity split or reorganization, the plan administrator will make appropriate and proportionate adjustments to the classes and maximum number of securities subject to the 2021 Plan and to the classes, number of securities and exercise price subject to outstanding awards. In the event of a corporate transaction, which includes us being a party to a merger or consolidation, or the sale of substantially all of our assets, the plan administrator has discretion to (i) provide that outstanding awards be continued or assumed or substituted by the acquiring or surviving entity, (ii) provide for the assignment of any reacquisition or repurchase rights to the acquiring or surviving entity, (iii) provide that all outstanding awards become fully vested and exercisable at a date prior to the corporate transaction, with such awards terminating if not exercised at or prior to the effective time of the corporate transaction, (iv) arrange for the lapse of any reacquisition or repurchase rights with respect to the award, (v) provide for the cancellation of outstanding awards to the extent not vested or exercised in exchange for such cash consideration, if any, as the Board of Managers, in its sole discretion may consider appropriate, or

(vi) provide for payment in such form as may be determined by the Board of Managers equal to the excess, if any, of (A) the consideration the holder of the award would have received upon exercise of the award, over (B) any exercise price payable in connection with such exercise.

Intuitive Machines Incentive Plan

On February 13, 2023, in connection with the consummation of the Transactions, we adopted the Intuitive Machines, Inc. 2023 Long Term Omnibus Incentive Plan (the “Intuitive Machines Incentive Plan”) under which Intuitive Machines and its affiliates may grant cash and equity incentive awards to its eligible service providers in order to attract and retain key personnel.

Certain current employees, directors, advisors or consultants, or prospective employees, directors, or consultants who have accepted offers of employment or consultancy, of Intuitive Machines or its affiliates, including Intuitive Machines OpCo, are eligible to participate in the Intuitive Machines Incentive Plan. The Intuitive Machines Incentive Plan is administered by a compensation committee of at least two people appointed by the Intuitive Machines (or, if no such committee has been appointed, the Board), which may delegate its duties and responsibilities to one or more officers of Intuitive Machines or any affiliate (referred to collectively as the “plan administrator”), subject to the limitations imposed under the Intuitive Machines Incentive Plan and applicable laws. The plan administrator has the authority to take all actions and make all determinations under the Intuitive Machines Incentive Plan, to interpret the Intuitive Machines Incentive Plan and award agreements, and to establish, amend, suspend, or waive any rules and regulation for proper administration of the Intuitive Machines Incentive Plan as it deems necessary or advisable. The plan administrator also has the authority to determine which eligible participants receive awards, grant awards, and set the terms and conditions of all awards under the Intuitive Machines Incentive Plan, including any vesting provisions, subject to the conditions and limitations in the Intuitive Machines Incentive Plan.

We have reserved a total of 12,706,811 shares of our Class A Common Stock for issuance pursuant to the Intuitive Machines Incentive Plan and the maximum number of shares that may be issued pursuant to the exercise of incentive stock options granted under the Intuitive Machines Incentive Plan is 12,706,811, in each case, subject to certain adjustments set forth therein. The foregoing share limits under the Intuitive Machines Plan are, in each case, subject to certain adjustments set forth therein.

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

The following table sets forth beneficial ownership of our common stock as of **March 23, 2023** **March 15, 2024** by:

- each person who is known to be the beneficial owner of more than 5% of shares of our common stock;
- each of our current named executive officers and directors; and
- all current executive officers and directors as a group.

107

- each person who is known to be the beneficial owner of more than 5% of shares of our common stock;
- each of our current named executive officers and directors; and
- all current executive officers and directors as a group.

The information below is based on an aggregate of **14,748,598** **51,080,059** shares of Class A Common Stock **10,566** shares of Class B Common Stock and **68,140,188** **70,909,012** shares of Class C Common Stock issued and outstanding as of **March 23, 2023** **March 15, 2024**. No shares of Class B Common Stock were issued and outstanding as of March 15, 2024. Beneficial ownership is determined according to the rules of the SEC, which generally provide that a person has beneficial ownership of a security if he, she, or it possesses sole or shared voting or investment power over that security, including warrants that are currently exercisable or exercisable within 60 days. Voting power represents the combined voting power of shares of Class A Common Stock, Class B Common Stock and Class C Common Stock owned beneficially by such person. On all matters to be voted upon, holders of shares of Class A Common Stock, Class B Common Stock and Class C Common Stock will vote together as a single class on all matters submitted to the stockholders for their vote or approval. Holders of Class A Common Stock and Class B Common Stock are entitled to one vote per share on all matters submitted to the stockholders for their vote or approval and holders of Class C Common Stock are entitled to three votes per share on all matters submitted to the stockholders for their vote or approval.

Unless otherwise indicated, we believe that all persons named in the table below have sole voting and investment power with respect to the voting securities beneficially owned by them.

Name and Address of Beneficial Owner ⁽¹⁾	Number of Shares of Class A Common Stock	% of Ownership	Number of Shares of Class B Common Stock	% of Ownership	Number of Shares of Class C Common Stock	% of Ownership	Number of Shares of Class A, Class B and Class C Common Stock	% of Total Voting Power
5% Holders								
Guy Shanon ⁽²⁾⁽³⁾	19,876,250	78.8	—	—	—	—	19,876,250	9.1
Inflection Point Holdings LLC ⁽³⁾	15,088,750	69.9	—	—	—	—	15,088,750	6.9

Kingstown Capital Management, LP ⁽²⁾⁽³⁾	19,876,250	78.8	—	—	—	—	19,876,250	9.1
Kingstown Management GP, LLC ⁽²⁾⁽³⁾	19,876,250	78.8	—	—	—	—	19,876,250	9.1
Directors and Executive Officers of Intuitive Machines								
Stephen Altemus ⁽⁴⁾⁽⁸⁾	—	—	—	—	15,994,866	23.5	15,994,866	21.9
Kamal Ghaffarian ⁽⁵⁾⁽⁸⁾	520,834	3.4			42,015,518	61.7	42,536,352	57.7
Timothy Crain ⁽⁶⁾ (8)	—	—	—	—	10,129,804	14.9	10,129,804	13.9
Erik Sallee ⁽⁷⁾⁽⁸⁾	—	—	—	—	—	—	—	—
Michael Blitzer ⁽²⁾ (3)	19,876,250	78.8	—	—	—	—	19,876,250	9.1
Lieutenant General William Liquori	—	—	—	—	—	—	—	—
Robert Masson	—	—	—	—	—	—	—	—
All directors and executive officers as a group (7 individuals)								
	20,397,084	82.2	—	—	68,140,188	100.0	88,537,272	100.0

(1) Unless otherwise noted, the business address of each of those listed in the table above is c/o Intuitive Machines, LLC, 3700 Bay Area Blvd, Houston, TX 77058.

(2) Inflection Point Holdings LLC is the record holder of such shares. Kingstown Capital Management, L.P. ("KCM") is the manager of Inflection Point Holdings LLC and shares voting and investment discretion with respect to the Inflection Point Ordinary Shares held of record by Inflection Point Holdings LLC. Kingstown Management GP LLC ("KMG") is the general partner of KCM and shares voting and investment discretion with respect to the Inflection Point Ordinary Shares held of record by Inflection Point Holdings LLC. Michael Blitzer and Guy Shanon are the Managing Members of KMG and share voting and investment discretion with respect to the Inflection Point Ordinary Shares held of record by Inflection Point Holdings LLC. Each of KMG, KCM, Michael Blitzer and Guy Shanon disclaims any beneficial ownership of the securities held by Inflection Point Holdings LLC other than to the extent of any pecuniary interest it or he, as applicable, may have therein, directly or indirectly. The principal business office of Kingstown Capital Management and Kingstown Management GP, LLC is c/o Inflection Point Acquisition Corp., 34 East 51st Street, 5th Floor, New York, New York 10022.

(3) Inflection Point Holdings LLC and Kingstown 1740 are the record holders of such shares. KCM is the manager of Inflection Point Holdings LLC and the investment manager of Kingstown 1740. KMGP is the general partner of KCM. Kingstown Capital Partners LLC ("KCP") is the general partner of Kingstown 1740. Mr. Blitzer and Mr. Shanon are the managing members of KMGP and KCP. KCM, KMGP, KCP, Mr. Blitzer and Mr. Shanon share voting investment discretion with respect to the securities held by Inflection Point Holdings LLC and Kingstown 1740. Each of KCM, KMGP, KCP, Mr. Blitzer and Mr. Shanon disclaims beneficial ownership over any securities directly held by Inflection Point Holdings LLC and Kingstown 1740 other than to the extent of its/his respective pecuniary interest therein, directly or indirectly. Such amounts consist of (A) the following securities owned by the Inflection Point Holdings LLC (i) 8,243,750 shares of Class A Common Stock received in exchange for the Inflection Point Class A Ordinary Shares issued upon conversion of the Founder Shares, (ii) 6,845,000 shares of Class A Common Stock underlying 6,845,000 Warrants and which will be exercisable within 60 days of the Closing Date and (B) the following securities owned by Kingstown 1740 (i) 1,150,000 shares of Class A Common Stock, (ii) 1,450,000 shares of Class A Common Stock underlying Warrants and which will be exercisable within 60 days of the Closing Date, (iii) 1,750,000 shares of Class A Common Stock issuable upon conversion of 21,000 shares of Series A Preferred Stock at the initial conversion price that Kingstown 1740 has committed to purchase and which will be convertible within 60 days of the Closing Date (without giving effect to the 9.9% beneficial ownership blocker described in the form of Certificate of Designation (the "Certificate of Designation")) and (iv) 437,500 shares of Class A Common Stock issuable upon exercise of Preferred Investor Warrants that Kingstown 1740 committed to purchase and which will be convertible within 60 days of the Closing Date (without giving effect to the 9.9% beneficial ownership blocker described in the form of Preferred Investor Warrant). The principal business office of Inflection Point Holdings LLC is c/o Inflection Point Acquisition Corp., 34 East 51st Street, 5th Floor, New York, New York 10022.

(4) Reflects 15,994,866 Intuitive Machines OpCo Common Units and a corresponding number of shares of C Common Stock held of record by a revocable trust of which Mr. Altemus is a trustee and exercises investment discretion.

(5) Consists of (i) 1,954,313 Intuitive Machines OpCo Common Units and a corresponding number of shares of Class C Common Stock held of record by GM Enterprises, LLC, (ii) 1,344,496 Intuitive Machines OpCo Common Units and a corresponding number of shares of Class C Common Stock held of record by Intuitive Machines KG Parent, LLC and (iii) 38,716,709 Intuitive Machines OpCo Common Units and a corresponding number of shares of Class C Common Stock held of record by Ghaffarian Enterprises, LLC. Dr. Kamal Ghaffarian may also be deemed to beneficially own (i) 416,667 shares of Class A Common Stock issuable upon conversion of 5,000 shares of Series A Preferred Stock at the initial conversion price that Ghaffarian Enterprises, LLC committed to purchase and which will be convertible within 60 days of the Closing Date (without giving effect to the 9.9% beneficial ownership blocker described in the form of Certificate of Designation) and (ii) 104,167 shares of Class A Common Stock issuable upon exercise of Preferred Investor Warrants that Ghaffarian Enterprises, LLC has committed to purchase and which will be convertible within 60 days of the Closing Date (without giving effect to the 9.9% beneficial ownership blocker described in the form of Preferred Investor Warrant). Dr. Kamal Ghaffarian is the sole trustee of a revocable trust, which is the sole member of each of Ghaffarian Enterprises, LLC, GM Enterprises, LLC and Intuitive Machines KG Parent, LLC. As a result, Dr. Kamal Ghaffarian may be deemed to share beneficial ownership of the securities reported herein, but disclaims beneficial ownership. The principal business office of Dr. Kamal Ghaffarian is 5937 Sunnyslope Drive, Naples, FL 34119. The principal business office of each of Ghaffarian Enterprises, LLC, GM Enterprises, LLC and Intuitive Machines KG Parent, LLC is 801 Thompson Avenue, Rockville, MD 20852.

(6) Reflects 10,129,804 Intuitive Machines OpCo Common Units and a corresponding number of shares of Class C Common Stock.

(7) Mr. Sallee may be deemed to beneficially own 55,624 Intuitive Machines OpCo Common Units and a corresponding number of shares of Class B Common Stock issuable upon the exercise of stock options that vest within 60 days of the Closing Date.

(8) Each Intuitive Machines OpCo Common Unit, when paired with one share of Class B Common Stock or one share of Class C Common Stock, will be exchangeable, in tandem with the cancellation of the paired share of Class B Common Stock or share of Class C Common Stock, for one share of Class A Common Stock. After the expiration of the Lock-Up Period (as defined in the A&R Registration Rights Agreement), holders of Intuitive Machines OpCo Common Units will be permitted to exchange such Intuitive Machines OpCo Common Units (along with the cancellation of the paired share of Class B Common Stock or share of Class C Common Stock) for shares of Class A Common Stock on a one-for-one basis pursuant to the A&R Operating Agreement (subject to customary conversion rate adjustments for stock splits, stock dividends and reclassifications) or at the election of Intuitive Machines, Inc. (determined by a majority of the directors of Intuitive Machines, Inc. who are disinterested with respect to such determination), cash from a substantially concurrent public offering or private sale in an amount equal to the net amount, on a per share basis, of cash received as a result of such public offering or private sale.

Name and Address of Beneficial Owner ⁽¹⁾	Number of Shares of		Number of Shares of		Number of Shares of		Number of Shares of	
	Common Class A		Common Class B		Common Class C		Common Class B, and Class C	
	Stock	Ownership	Stock	Ownership	Stock	Ownership	Stock	Total Voting Power
5% Holders								
Guy Shanon ⁽²⁾⁽³⁾	9,216,104	16.1	—	—	—	—	9,216,104	3.4
Kingstown Capital Management, LP ⁽³⁾	5,375,305	9.8	—	—	—	—	5,375,305	2.0
Kingstown Management GP, LLC ⁽³⁾	5,375,306	9.8	—	—	—	—	5,375,306	2.0
Armistice Capital, LLC ⁽¹⁰⁾	23,529,415	46.1	—	—	—	—	23,529,415	8.9
Directors and Executive Officers of Intuitive Machines								
Stephen Altemus ⁽⁵⁾⁽⁹⁾	245,000	*	—	—	16,581,703	23.4	16,826,703	18.9
Kamal Ghaffarian ⁽⁶⁾⁽⁹⁾	12,516,232	20.8	—	—	43,825,852	61.8	56,342,084	52.8
Timothy Crain ⁽⁷⁾⁽⁹⁾	129,000	*	—	—	10,501,457	14.8	10,630,457	12.0
Erik Sallee ⁽⁸⁾⁽⁹⁾	111,249	*	—	—	—	—	111,249	*
Michael Blitzer ⁽⁴⁾	4,200,798	7.8	—	—	—	—	4,200,798	1.6
Peter McGrath ⁽⁹⁾⁽¹¹⁾	367,187	*	—	—	—	—	367,187	*
Lieutenant General William Liquori	—	—	—	—	—	—	—	—
Robert Masson	—	—	—	—	—	—	—	—
Nicole Seligman	—	—	—	—	—	—	—	—
All directors and executive officers as a group (9 individuals)								
	17,569,466	27.7	—	—	70,909,012	100.0	88,478,478	83.4

* Less than 1%

(1) Unless otherwise noted, the business address of each of those listed in the table above is c/o Intuitive Machines, LLC, 13467 Columbia Shuttle Street, Houston, TX 77059.

(2) Consists of (i) 1,302,673 shares of Class A Common Stock and (ii) 2,538,125 shares of Class A Common Stock underlying Private Placement Warrants which are currently exercisable (without giving effect to the 9.8% beneficial ownership blocker described in the Warrant Agreement). Such securities were distributed by Inflection Point Holdings LLC to Guy Shanon for no consideration in accordance with Inflection Point Holdings LLC's limited liability company agreement.

(3) Kingstown 1740 Fund, LP ("Kingstown 1740") is the record holder of such shares. Kingstown Capital Management, L.P. ("KCM") is the investment manager of Kingstown 1740. Kingstown Management GP LLC ("KMG") is the general partner of KCM. Kingstown Capital Partners LLC ("KCP") is the general partner of Kingstown 1740. Michael Blitzer and Guy Shanon are the managing members of KMG and KCP. KCM, KMG, KCP and Mr. Shanon share voting investment discretion with respect to the securities held by Kingstown 1740. Notwithstanding his roles with KCM, KMG and KCP, Mr. Blitzer has relinquished voting power and dispositive power over securities held by entities managed or controlled by KCM, KMG and/or KMG. Each of KCM,

KMGP, KCP, Mr. Blitzer and Mr. Shanon disclaims beneficial ownership over any securities directly held by Kingstown 1740 other than to the extent of its/his respective pecuniary interest therein, directly or indirectly. Such amounts consist of the following securities owned by Kingstown 1740 (i) 1,585,904 shares of Class A Common Stock, (ii) 3,218,750 shares of Class A Common Stock underlying warrants which are currently exercisable and 570,652 shares of Class A Common Stock issuable upon exercise of Preferred Investor Warrants purchased by Kingstown 1740 in connection with the Series A Investment which are currently convertible (without giving effect to the 9.9% beneficial ownership blocker described in the form of Preferred Investor Warrant). The principal business office of Kingstown 1740 is c/o Kingstown Capital Management L.P., 167 Madison Avenue, Suite 205 #1033, New York, New York 10016.

(4) Consists of (i) 1,662,673 shares of Class A Common Stock and (ii) 2,538,125 shares of Class A Common Stock underlying Private Placement Warrants which are currently exercisable (without giving effect to the 9.8% beneficial ownership blocker described in

108

the Warrant Agreement). Such securities were distributed by Inflection Point Holdings LLC to Mr. Blitzer for no consideration in accordance with Inflection Point Holdings LLC's limited liability company agreement. Mr. Blitzer's principal place of business is located at 167 Madison Avenue, Suite 205 #1033, New York, New York 10016.

(5) Reflects (i) 140,000 restricted stock units ("RSUs") awarded to Stephen Altemus on February 7, 2024, each of which represents a contingent right to receive one share of Class A Common Stock, such RSUs will vest in four equal annual installments beginning on April 11, 2024 and do not expire, (ii) 105,000 performance-based RSUs granted to Stephen Altemus on February 7, 2024 and the achievement of which was certified by our Board on February 25, 2024, each of which represents a contingent right to receive one share of Class A Common Stock, such RSUs will vest on April 11, 2024 and do not expire and (iii) 16,581,703 Intuitive Machines OpCo Common Units and a corresponding number of shares of Class C Common Stock held of record by a revocable trust of which Mr. Altemus is a trustee and exercises investment discretion.

(6) Consists of (i) 2,026,015 Intuitive Machines OpCo Common Units and a corresponding number of shares of Class C Common Stock held of record by GM Enterprises, LLC, (ii) 1,393,824 Intuitive Machines OpCo Common Units and a corresponding number of shares of Class C Common Stock held of record by Intuitive Machines KG Parent, LLC, (iii) (A) 40,406,013 Intuitive Machines OpCo Common Units and a corresponding number of shares of Class C Common Stock, (B) 3,487,278 Conversion Shares, (C) an aggregate of 8,301,560 shares of Class A Common Stock issuable upon the exercise of the Conversion Warrants, assuming that the Conversion Warrants are each exercised in full to purchase shares of Class A Common Stock, and (D) 64,328 shares of Class A Common Stock, in each case, held of record by Ghaffarian Enterprises, LLC ("Ghaffarian Enterprises") and (iv) 67,434 restricted stock units RSUs awarded to Dr. Kamal Ghaffarian on November 15, 2023, each of which represents a contingent right to receive one share of Class A Common Stock. The RSUs will vest in full on the earlier to occur of the first anniversary of the grant date and the date of the next annual meeting following the grant date. The RSUs do not expire. Dr. Kamal Ghaffarian may also be deemed to beneficially own (i) 459,762 shares of Class A Common Stock issuable upon conversion of 5,000 shares of Series A Preferred Stock at a conversion price of \$5.10 per share purchased by Ghaffarian Enterprises in connection with the Series A Investment which are currently convertible (without giving effect to the 9.9% beneficial ownership blocker described in the form of Certificate of Designation) and (ii) 135,870 shares of Class A Common Stock issuable upon exercise of Preferred Investor Warrants purchased by Ghaffarian Enterprises in connection with the Series A Investment which are currently exercisable (without giving effect to the 9.9% beneficial ownership blocker described in the form of Preferred Investor Warrant). Dr. Kamal Ghaffarian is the sole trustee of a revocable trust, which is the sole member of each of Ghaffarian Enterprises, GM Enterprises, LLC and Intuitive Machines KG Parent, LLC. As a result, Dr. Kamal Ghaffarian may be deemed to share beneficial ownership of the securities reported herein, but disclaims beneficial ownership. The principal business office of Dr. Kamal Ghaffarian is 5937 Sunnyslope Drive, Naples, FL 34119. The principal business office of each of Ghaffarian Enterprises, GM Enterprises, LLC and Intuitive Machines KG Parent, LLC is 801 Thompson Avenue, Rockville, MD 20852.

- (7) Reflects (i) 86,000 RSUs awarded to Timothy Crain on February 7, 2024, each of which represents a contingent right to receive one share of Class A Common Stock, such RSUs will vest in four equal annual installments beginning on April 11, 2024 and do not expire, (ii) 43,000 performance-based RSUs granted to Timothy Crain on February 7, 2024 and the achievement of which was certified by our Board on February 25, 2024, each of which represents a contingent right to receive one share of Class A Common Stock, such RSUs will vest on April 11, 2024 and do not expire, and (iii) 10,501,457 Intuitive Machines OpCo Common Units and a corresponding number of shares of Class C Common Stock.
- (8) Mr. Sallee may be deemed to beneficially own 111,249 Intuitive Machines OpCo Common Units and a corresponding number of shares of Class B Common Stock issuable upon the exercise of stock options that vest within 60 days of this prospectus.
- (9) Each Intuitive Machines OpCo Common Unit, when paired with one share of Class B Common Stock or one share of Class C Common Stock, will be exchangeable, in tandem with the cancellation of the paired share of Class B Common Stock or share of Class C Common Stock, for one share of Class A Common Stock. After the expiration of the Lock-Up Period (as defined the A&R Registration Rights Agreement), holders of Intuitive Machines OpCo Common Units will be permitted to exchange such Intuitive Machines OpCo Common Units (along with the cancellation of the paired share of Class B Common Stock or share of Class C Common Stock) for shares of Class A Common Stock on a one-for-one basis pursuant to the A&R Operating Agreement (subject to customary conversion rate adjustments for stock splits, stock dividends and reclassifications) or at the election of Intuitive Machines, Inc. (determined by a majority of the directors of Intuitive Machines, Inc. who are disinterested with respect to such determination), cash from a substantially concurrent public offering or private sale in an amount equal to the net amount, on a per share basis, of cash received as a result of such public offering or private sale.
- (10) Consists of (i) 4,705,883 PIPE Shares and (ii) 18,823,532 shares of Class A Common Stock issued upon the exercise of the Armistice Warrants. The securities are directly held by Armistice Capital Master Fund Ltd., a Cayman Islands exempted company (the "Master Fund") and may be deemed to be beneficially owned by: (i) Armistice Capital, LLC ("Armistice Capital"), as the investment manager of the Master Fund; and (ii) Steven Boyd, as the Managing Member of Armistice Capital.
- (11) Consists of (i) 83,437 Intuitive Machines OpCo Common Units and a corresponding number of shares of Class B Common Stock issuable upon the exercise of a stock option that vests in three substantially equal annual installments beginning on June 14, 2024, and (ii) 250,000 RSUs awarded to Mr. McGrath on May 9, 2023, each of which represents a contingent right to receive one share of Class A Common Stock, such RSUs will vest in four equal annual installments beginning on April 11, 2024 and do not expire and (iii) 33,750 performance-based RSUs granted to Peter McGrath on February 7, 2024 and the achievement of which was certified by our Board on February 25, 2024, each of which represents a contingent right to receive one share of Class A Common Stock, such RSUs will vest on April 11, 2024 and do not expire.

109

Securities Authorized for Issuance Under Equity Compensation Plans

2021 Unit Option Plan

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

As a result of the Business Combination discussed in Note 3 - Business Combination and Related Transactions and per the terms of the Second Amended and Restated Intuitive Machines, LLC Operating Agreement, the unexpired and unexercised outstanding Incentive Unit Options at the closing of the Business Combination, whether vested or unvested, were proportionately adjusted using a conversion ratio of 0.5562 (rounded down to the nearest whole number of options). The exercise price of each option was adjusted accordingly. Each Incentive Unit Option continues to be subject to the terms and conditions of the 2021 Plan and will be exercisable for Class B common units of Intuitive Machines, LLC (the "Class B Common Units"). When an option is exercised, the participant will receive Class A Common Stock. Following the consummation of the Business Combination, no new awards were granted under the 2021 Plan.

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

The Intuitive Machines, Inc. 2023 Long Term Omnibus Incentive Plan (the "2023 Plan"), which became effective in conjunction with closing of the Business Combination in February 2023, provides for the award to certain directors, officers, employees, consultants and advisors of the Company of incentive and nonqualified stock options, stock appreciation rights, restricted stock, restricted stock units, other stock-based awards as well as cash-based awards and dividend equivalents, as determined, and subject to the terms and conditions established, by the Company's Compensation Committee. As of December 31, 2023, the Company has issued restricted stock units ("RSUs") and no other awards have been granted under the 2023 Plan.

Plan Category	Number of securities to be issued upon exercise of outstanding restricted stock units and options (a)	Weighted-average exercise price of outstanding restricted stock options and options (b)(1)	Number of securities remaining available for future issuance under equity compensation plans (excluding securities reflected in column (a)) (c)
Equity compensation plans approved by shareholders:			
2021 Plan	1,325,354	\$ 3.15	—
2023 Plan ⁽²⁾	1,826,946	—	10,879,865
Equity compensation plans not approved by shareholders	—	—	—
Total	3,152,300		10,879,865

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

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

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

Our Relationship with Ghaffarian Enterprises, LLC

On January 10, 2024, Intuitive Machines, LLC ("Intuitive Machines OpCo"), a subsidiary of Intuitive Machines, Inc. (the "Company"), entered into the Loan Documentation with the Lender. The Loan Documentation included the Credit Support Guarantees by the Guarantor and documentation by which the Guarantor supported such Credit Support Guarantees with collateral including marketable securities, in each case in favor of the Lender for the benefit of Intuitive Machines OpCo.

On January 28, 2024, the Company, Intuitive Machines OpCo Pre-Business Combination Arrangements

and the Guarantor entered into the Letter Agreement pursuant to which, on January 29, 2024: (i) the Guarantor contributed \$10.0 million to the Company and Intuitive

110

Machines OpCo for purposes of repaying the Repayment Obligation, in exchange for which (x) the Company issued to the Guarantor the Conversion Shares and the Conversion Warrants and (y) Intuitive Machines OpCo issued to the Guarantor the OpCo Conversion Warrants. Following the Contribution, the Company contributed \$10.0 million to Intuitive Machines OpCo for purposes of repaying the Repayment Obligations, in exchange for which Intuitive Machines OpCo issued to the Company the Conversion Units and the OpCo Mirror Warrants. Following the OpCo Contribution, Intuitive Machines OpCo caused the Repayment Obligation and all other amounts required to be paid to the Lender in satisfaction of the Credit Line to be repaid in full.

Pursuant to the Letter Agreement, the Guarantor agreed to make the Contribution. In exchange for the Contribution, (i) Intuitive Machines OpCo agreed to issue to the Guarantor, pursuant to Section 4(a)(2) of the Securities Act, (A) the OpCo Series A Warrant, which OpCo Series A Warrant will only be exercisable if, when and to the extent that the Conversion Series A Warrant is exercised by the holder thereof for shares of Class C Common Stock, with an exercise price per unit equal to \$2.57 and an expiration date of January 29, 2029, and (B) OpCo Series B Warrant, which OpCo Series B Warrant will only be exercisable if, when and to the extent that the Conversion Series B Warrant is exercised by the holder thereof for shares of Class C Common Stock, with an exercise price per unit equal to \$2.57 and an expiration date of July 29, 2025, and (ii) the Company agreed to issue to the Guarantor, pursuant to Section 4(a)(2) of the Securities Act, (A) the Conversion Shares and (B) (1) the Conversion Series A Warrant, which Conversion Series A Warrant is immediately exercisable and an expiration date of January 29, 2029, and (2) the Conversion Series B Warrant, which Series B Warrant is immediately exercisable and has an expiration date of July 29, 2025.

The Company further agreed that, immediately following the Conversion Transactions, the Company would contribute the OpCo Contribution in exchange for (i) the Conversion Units, (ii) the OpCo Series A Mirror Warrant, which OpCo Series A Mirror Warrant will only be exercisable if, when and to the extent that the Conversion Series A Warrant is exercised by the holder of the Conversion Series A Warrant for shares of Class A Common

Stock, with an exercise price per unit equal to \$2.57 and an expiration date of January 29, 2029, and (iii) the OpCo Series B Mirror Warrant, which OpCo Series B Mirror Warrant will only be exercisable if, when and to the extent that the Conversion Series B Warrant is exercised by the holder of the Conversion Series B Warrant for shares of Class A Common Stock, with an exercise price per unit equal to \$2.57 and an expiration date of July 25, 2025.

Our Relationship with Axiom Space,

Inc.

Dr. Kamal Ghaffarian, our co-founder and chairman of our Board, is a co-founder and current member of management of Axiom Space, Inc. (“Axiom Space” Axiom”). Axiom Space uses our services in the ordinary course of its space infrastructure development activities. As such, revenues related to Axiom Space are incurred in the normal course of business and amounts are settled under normal business terms. For the fiscal year ended December 31, 2022 and 2021, we generated \$1,558,000 and \$851,000 in The Company recognized revenue from transactions with Axiom Space, respectively, primarily related to engineering services of \$153 thousand and \$1.6 million for the provision of engineering services. years ended December 31, 2023 and 2022, respectively. As of December 31, 2022, there was \$0.8 million of affiliate accounts receivable which was fully reserved. During the third quarter of 2023, the affiliate accounts receivable balance was collected and December 31, 2021 the reserve was reversed. As of December 31, 2023, there were approximately \$836,000 and \$380,000 of no affiliate accounts receivable related to transactions Axiom.

Our Relationship with Axiom Space, respectively.

X-energy, LLC

As of December 31, 2023 and 2022, there were zero and \$0.1 million, respectively, of affiliate accounts payable related to X-energy, LLC (“X-energy”) expenses. Expenses related to X-energy are incurred in the normal course of business and amounts are settled under normal business terms.

Our Relationship with IBX, LLC

and PTX, LLC

Dr. Kamal Ghaffarian, the our co-founder and executive chairman of our Board, is a co-founder and current member of management of IBX, LLC and PTX, LLC (“IBX” IBX/PTX”). IBX IBX/PTX is an innovation and investment firm committed to advancing the state of humanity and human knowledge. We rely on IBX IBX/PTX for the provision of management and professional services in the day-to-day operation of our business. These expenses include, among others, fees for the provision of administrative, accounting and legal services. As such, expenses incurred in relation to IBX are incurred in the normal course of business and amounts are settled under normal business terms. For year ended December 31, 2022 and 2021, we had \$2,125,000 and \$366,000 in The Company incurred expenses with IBX, respectively, related to these management fees. IBX/PTX of \$0.1 million and \$2.1 million for the years ended December 31, 2023 and 2022, respectively. As of December 31, 2022 December 31, 2023 and 2021, 2022, there were \$367,000 and \$218,000, respectively, was approximately \$0.4 million of affiliate accounts payable related to IBX IBX/PTX expenses.

Our Relationship with KBR, Inc.

On November 12, 2020, KBR, Inc. (“KBR”), a U.S.-based firm operating in the science, technology and engineering industries, made an initial investment in one of our operating subsidiaries, Space Network Solutions, LLC (“Space Network Solutions”), resulting in a 10% ownership by KBR of Space Network Solutions as of the date of such investment. As of December 31, 2022, December 31, 2023, KBR held approximately 10% of the equity of Space Network Solutions. In the ordinary course of business, we regularly provide engineering services to KBR. For the years ended December 31, 2022, 2021 and 2020, we generated \$1,860,000, \$1,342,000 and \$114,000, respectively. We recognized affiliate revenue from KBR related to the provision of such engineering services to KBR of \$3.1 million and \$1.9 million for the years ended December 31, 2023 and 2022, respectively. As of December 31, 2022 December 31, 2023 and December 31, 2021, 2022, there was \$293,000 were \$0.5 million and \$333,000, \$0.3 million, respectively, of affiliate accounts receivable related to KBR revenue.

Our Relationship with ASES

ASES is a joint venture between Aerodyne Industries, LLC and KBR. Dr. Kamal Ghaffarian, our co-founder and the chairman of our Board, is a current member of management at Aerodyne Industries with an ownership interest in Aerodyne Industries. Revenue related to ASES are incurred in the normal course of business and amounts are settled under normal business terms. The Company recognized revenue generated from transactions with KBR.

ASES related to engineering services of \$1.1 million for the year ended December 31, 2023. As of December 31, 2023, there was \$0.1 million of affiliate accounts receivable related to ASES revenue.

Our Relationship with Penumbra, LLC

On November, 2019, certain members of our management team formed Penumbra, LLC (“Penumbra”) as an Isle of Man entity. The sole purpose of forming Penumbra LLC was to permit us to obtain required licenses for its Lunar Data Network line of business to operate in the ordinary course. The Company incurred expenses with Penumbra related to license fees for the year ended December 31, 2022 of \$134 thousand, and incurred no expenses for the year ended December 31, 2023. As of December 31, 2022, we owed approximately \$54,000 to Penumbra, LLC related to the procurement of licenses. As of December 31, 2022 December 31, 2023, no member of our management team has received any financial benefit from its ownership interest in Penumbra, LLC, other than expense reimbursements incurred in the ordinary course.

This entity has been dissolved.

Employment Arrangement with an Immediate Family Member of a member of our the Board and Chief Executive Officer

Joe Altemus, the son of Stephen Altemus, a member of our Board and our Chief Executive Officer, is a Mechanical Systems Engineer at Intuitive Machines. Mr. Altemus’ compensation is based on reference to external market practice of similar positions or internal pay equity when compared to the compensation paid to employees in similar positions who were not related to a member of our Board and our Chief Executive Officer.

Post-Business Combination Arrangements

In connection with the Business Combination Agreement, certain agreements were entered into. These agreements include:

Tax Receivable Agreement

In connection with the consummation of the Transactions, we entered into a Tax Receivable Agreement with Intuitive Machines OpCo and certain members of Intuitive Machines OpCo that will provide provides for payment to such members of Intuitive

Machines OpCo of 85% of the amount of the tax savings, if any, that we realize (or, under certain circumstances, are deemed to realize) as a result of:

- existing tax basis in certain assets of Intuitive Machines OpCo and certain of its direct or indirect subsidiaries (including assets that will eventually be subject to depreciation or amortization once placed in service) that is obtained (i) by Intuitive Machines in connection with the Business Combination and (ii) by Intuitive Machines in connection with and is attributable to an Intuitive Machines OpCo Common Unit exchanged or redeemed by an Intuitive Machines Member ("Existing Basis");
- existing tax basis in certain assets of Intuitive Machines OpCo and certain of its direct or indirect subsidiaries that are treated as a partnership or disregarded entity for U.S. federal, and applicable state and local, income tax purposes (but excluding any such subsidiary to the extent it is directly or indirectly held by or through any entity treated as a corporation for U.S. federal, and applicable state and local, income tax purposes);
- tax basis adjustments resulting from future redemptions or exchanges of Intuitive Machines OpCo Common Units from the Intuitive Machines Members or certain distributions (or deemed distributions) by Intuitive Machines OpCo and certain payments made under the Tax Receivable Agreement ("Basis Adjustments"); and
- deductions attributable to imputed interest and other payments of interest by Intuitive Machines pursuant to the Tax Receivable Agreement ("Interest Deductions").
- tax basis adjustments resulting from future redemptions or exchanges of Intuitive Machines OpCo Common Units from the Intuitive Machines Members or certain distributions (or deemed distributions) by Intuitive Machines OpCo (including any such adjustments resulting from certain payments made under the Tax Receivable Agreement);
- certain tax benefits we realized as a result of certain U.S. federal income tax allocations of taxable income or gain away from us and to other members of Intuitive Machines OpCo and deductions or losses to us and away from other members of Intuitive Machines OpCo, in each case, as a result of the consummation of the Transactions; and
- tax deductions in respect of portions of certain payments made by us under the Tax Receivable Agreement.

A&R Operating Agreement

112

We operate our business through Intuitive Machines OpCo and its subsidiaries. In connection with the consummation of the Transactions, we amended and restated our limited liability company agreement by adopting the **A Second Amended and Restated Limited Liability Company Agreement** (the "A&R Operating Agreement"). The A&R Operating Agreement (i) permits the issuance and ownership of the equity of Intuitive Machines OpCo as contemplated by the Business Combination Agreement following the consummation of the Transactions and (ii) admits us as the managing member of Intuitive Machines OpCo. The operations of Intuitive Machines OpCo, and the rights and obligations of the holders of Intuitive Machines OpCo Common Units, are set forth in the A&R Operating Agreement.

Appointment as Managing Member. Under the A&R Operating Agreement, we are a member and the managing member of Intuitive Machines OpCo. As the managing member, we are able to control all of the day-to-day business affairs and decision-making of Intuitive Machines OpCo without the approval of any other member, unless otherwise stated in the A&R Operating Agreement. As such, we, through our officers and directors, are responsible for all operational and administrative decisions of Intuitive Machines OpCo and the day-to-day management of Intuitive Machines OpCo's business, unless otherwise stated in the A&R Operating Agreement. Pursuant to the terms of the A&R Operating Agreement, we cannot be removed as the managing member of Intuitive Machines OpCo by other members.

Compensation. We are not entitled to compensation for our services as managing member. We are entitled to reimbursement by Intuitive Machines OpCo for fees and expenses incurred on behalf of Intuitive Machines OpCo, including all expenses associated with the Transactions and maintaining its corporate existence.

Capitalization. The A&R Operating Agreement provides for (i) a single class of Intuitive Machines OpCo Common Units; (ii) a single class of Series A Preferred Units; and (iii) a single class of **Unvested** **unvested earn out units of Intuitive Machines OpCo** (the "Unvested Earn Out **Units**, **Units**"). All Intuitive Machines OpCo Common Units have identical rights and privileges in all respects, all Series A Preferred Units shall have identical rights and privileges in all respects and all Unvested Earn Out Units have identical rights and privileges in all respects. Each Common Unit entitles the holder to a pro rata share of the net profits and net losses and distributions of Intuitive Machines OpCo.

Distributions. The A&R Operating Agreement requires "Tax Distributions," as that term is defined in the A&R Operating Agreement, to be made by Intuitive Machines OpCo to us and to its "Members," as that term is defined in the A&R Operating Agreement. Tax Distributions shall be made quarterly to us and each Member based on their allocable share of the taxable income of Intuitive Machines OpCo and at a tax rate that will be determined by us. The tax rate used to determine tax distributions will apply regardless of the actual final tax liability of any such member. Tax distributions will also be made only to the extent all distributions from Intuitive Machines OpCo for the relevant period were otherwise insufficient to enable each member to cover its tax liabilities as calculated in the manner described above. The A&R Operating Agreement also allows for distributions to be made by Intuitive Machines OpCo to its members on a pro rata basis out of "distributable cash," which is the amount of cash that may be distributed by Intuitive Machines OpCo to its Members in accordance with existing credit agreements.

LLC Unit **Redemption Right**, **redemption right**. The A&R Operating Agreement provides a redemption right to the Members (other than us and our subsidiaries) and option holders (in connection with the exercise of an Intuitive Machines OpCo Option, as such term is defined in the A&R Operating Agreement), which entitles them to have their Intuitive Machines OpCo Common Units redeemed, in whole or in part, at the election of each such person, for newly-issued shares of Class A Common Stock on a one-to-one basis or, to the extent there is cash available from a contemporaneous public offering or private sale of Class A Common Stock by us **cash** (in each case, subject to the terms and restrictions set forth in the A&R Operating Agreement). Alternatively, we may instead authorize a cash payment equal to a volume weighted average market prices of one share of Class A Common Stock for each **unit** **Intuitive Machines OpCo Common Unit** redeemed (subject to customary adjustments, including for stock splits, stock dividends and similar events affecting the Class A Common Stock). If we decide to make a cash payment, the Member has the option to rescind its redemption request within a specified time period. Upon the exercise of the redemption right, the redeeming member will surrender its **units** **Intuitive Machines OpCo Common Units** for cancellation. The A&R Operating Agreement requires that we contribute cash or shares of Class A Common Stock to Intuitive Machines OpCo in exchange for an amount of **units** **Intuitive Machines OpCo Common Units** that will be issued to us equal to the number of units redeemed from the Member. Intuitive Machines OpCo will then distribute the cash or shares of Class A Common Stock to such Member to complete the redemption. In the event of such election by a Member, we may, at our option, effect a direct exchange of cash or Class A Common Stock for such **units** **Intuitive Machines OpCo Common Units** in lieu of such a redemption. Whether by redemption or exchange, we are obligated to ensure that at all times the number of Intuitive Machines OpCo Common Units that we own equals the number of shares of Class A Common Stock issued by us (subject to certain exceptions for treasury shares and shares underlying certain convertible or exchangeable securities). Shares of Class B Common Stock and Class C Common Stock, as the case may be, will be cancelled on a one-to-one basis if we, at the election of a Member, redeem or exchange units of such Member pursuant to the terms of the A&R Operating Agreement.

Issuance of Equity-based Compensation. We may implement equity compensation plans and any actions taken under such equity compensation plans (such as the grant or exercise of options to acquire shares of Class A Common Stock), whether taken with respect to or by an employee or other service provider of Intuitive Machines, Intuitive Machines OpCo or its subsidiaries, in a manner determined by us, in accordance with the initial implementation guidelines attached to the A&R Operating Agreement, which may be amended from time to time. The Corporation may amend the A&R Operating Agreement (including the initial implementation guidelines attached thereto) as necessary or advisable in its sole discretion in connection with the adoption, implementation, modification or termination of an equity compensation plan. In the event of such an amendment, Intuitive Machines OpCo will provide notice of such amendment to the Members. Intuitive Machines OpCo is expressly authorized to issue units (i) in accordance with the terms of any equity compensation plans or (ii) in an amount equal to the number of shares of Class A Common Stock issued pursuant to any such equity compensation plans, without any further act, approval or vote of any Member or any other Persons.

persons.

Maintenance of One-to-One Ratios. Our Certificate of Incorporation and the A&R Operating Agreement requires require that we and Intuitive Machines OpCo, respectively, at all times maintain (i) a one-to-one ratio between the number of Intuitive Machines OpCo Common Units owned by us, directly or indirectly, and the number of outstanding shares of Class A Common Stock, (ii) a one-to-one ratio between the number of Intuitive Machines OpCo Common Units owned by each Member (other than us and our subsidiaries), directly or indirectly, and the aggregate number of outstanding shares of Class B Common Stock and Class C Common Stock owned by such Member, (iii) a one-to-one ratio between the number of Series A Preferred Units owned by us, directly or indirectly, and the number of outstanding shares of Series A Preferred Stock, (iv) a one-to-one ratio between the number of common warrants owned by us, directly or indirectly, and the number of outstanding common warrants Public Warrants and (v) a one-to-one ratio between the number of preferred investor warrants, Preferred Investor Warrants, owned by us, directly or indirectly, and the number of outstanding preferred investor warrants.

Preferred Investor Warrants.

Transfer Restrictions. The A&R Operating Agreement generally does not permit transfers of Intuitive Machines OpCo Common Units, Series A Preferred Units and Unvested Earn Out Units by Members, subject to limited exceptions. Any transferee of Intuitive Machines OpCo Common Units, Series A Preferred Units and Unvested Earn Out Units must execute the A&R Operating Agreement and any other agreements executed by the holders of Intuitive Machines OpCo Common Units, Series A Preferred Units and Unvested Earn Out Units and relating to such Intuitive Machines OpCo Common Units, Series A Preferred Units and Unvested Earn Out Units, as applicable, in the aggregate.

Dissolution. The A&R Operating Agreement provides that our decision with the approval of a majority of the equity interests (including, but not limited to, Intuitive Machines OpCo Common Units, Series A Preferred Units and Unvested Earn Out Units) then outstanding (excluding all units held directly or indirectly by us) will be required to voluntarily dissolve Intuitive Machines OpCo. In addition to a voluntary dissolution, Intuitive Machines OpCo will be dissolved under Section 18-801(4) of the Delaware General Corporate Law (“DGCL”) because all members withdraw/resign (unless Intuitive Machines OpCo is continued without dissolution pursuant thereto) or pursuant to Section 18-802 of the DGCL by operation of law, including entry of a decree of judicial dissolution.

Confidentiality. Each Member (other than us) agrees to hold confidential information in confidence and may not disclose or use such information except as otherwise authorized separately in writing by us. This obligation excludes information that (i) is, or becomes, generally available to the public other than as a direct or indirect result of a disclosure by such Member or its affiliates or representatives; (ii) is, or becomes, available to such Member from a source other than us, Intuitive Machines OpCo or their respective representatives; (iii) is approved for release by written authorization of our chief executive officer, chief financial officer or general counsel or any other officer designated by us; or (iv) is or becomes independently developed by such Member or its respective representatives without use of or reference to the confidential information.

Indemnification and Exculpation. The A&R Operating Agreement provides for indemnification for all expenses, liabilities and losses (including attorneys' fees, judgments, fines, excise taxes or penalties) reasonably incurred or suffered by reason of the fact that such person is or was a Member or an affiliate thereof or is or was serving as manager or a director, officer, employee, advisor, attorney, accountant or other agent or representative of the manager, the Company Representative (as such term is defined in the A&R Operating Agreement), or a director, manager, officer, employee, advisor, attorney, accountant or other agent or representative of Intuitive Machines OpCo or is or was serving at the request of Intuitive Machines OpCo as a manager, officer, director, principal, member, employee, advisor, attorney, accountant or other agent or representative of another person; *provided, however,* that no indemnified person shall be indemnified for any expenses, liabilities and losses suffered that are attributable to such indemnified person's or its affiliates' fraud, willful misconduct or knowing violation of law or for any present or future breaches of any representations, warranties or covenants by such indemnified person or its affiliates contained in the A&R Operating Agreement or in other agreements with Intuitive Machines OpCo.

Amendments. The A&R Operating Agreement may be amended or modified (including by means of merger, consolidation or other business combination to which Intuitive Machines OpCo is a party) upon our prior written consent together with the prior written consent of the holders of a majority of the equity interests (including, but not limited to,

114

Intuitive Machines OpCo Common Units, Series A Preferred Units and Unvested Earn Out Units) then outstanding (excluding all units held directly or indirectly by us); provided, that no alteration, modification or amendment shall be effective until written notice has been provided to the Members. Notwithstanding the foregoing, no amendment to any of the terms and conditions of the A&R Operating Agreement that expressly require the approval or action of certain persons may be made without obtaining the consent of the requisite number or specified percentage of such persons who are entitled to approve or take action on such matter. Additionally, no alteration, modification or amendment may be made to any of the terms and conditions of the A&R Operating Agreement that would (i) reduce the amounts distributable to a Member in a manner that is not pro rata with respect to all Members, (ii) modify the limited liability of any Member or increase the liabilities of such Member hereunder, (iii) otherwise materially and adversely affect a holder of units in a manner materially disproportionate to any other holder of units or remove a right or privilege granted to a Member (other than amendments, modifications and waivers necessary to implement the provisions permitting substitution or admission of Members) or (iv) alter or change any rights, preferences or privileges of any units in a manner that is different or prejudicial relative to any other units in the same class of unit or materially and adversely affect the rights of any Member, in each case without the prior written consent of such Member or holder of units.

A&R Registration Rights Agreement

In connection with the consummation of the Transactions, we entered into the A that certain Amended and Restated Registration Rights Agreement (the "A&R Registration Rights Agreement"), dated as of February 13, 2023, by and among, us, the Sponsor, certain shareholders of Intuitive Machines and the Series A Investors pursuant to which we granted them and their affiliates the right, under certain circumstances and subject to certain restrictions, to require us to register under the Securities Act certain securities held by such holders, including registration of the shares of Class A common stock delivered to the Intuitive Machines Members in exchange for Intuitive Machines OpCo Common Units.

See, *Shares Eligible For Future Sale — Registration Rights.*

Policies and Procedures for Related Person Transactions

Our Board has adopted a written Related Person Transaction Policy, setting forth the policies and procedures for the review and approval or ratification of related person transactions. Under the policy, our finance department is primarily responsible for developing and implementing processes and procedures to obtain information regarding related persons with respect to potential related person transactions and then determining, based on the facts and circumstances, whether such potential related person transactions do, in fact, constitute related person transactions requiring compliance with the policy. If our finance department determines that a transaction or relationship is a related person transaction requiring compliance with the policy, our Chief Financial Officer is required to present to the Audit Committee all relevant facts and circumstances relating to the related person transaction. Our Audit Committee must review the relevant facts and circumstances of each related person transaction, including if the transaction is on terms comparable to those that could be obtained in arm's length dealings with an unrelated third party and the extent of the related person's interest in the transaction, take into account the conflicts of interest and corporate opportunity provisions of our Code of Business Conduct and Ethics, and either approve or disapprove the related person transaction. If advance Audit Committee approval of a related person transaction requiring the Audit Committee's approval is not feasible, then the transaction may be preliminarily entered into by management upon prior approval of the transaction by the chair of the Audit Committee subject to ratification of the transaction by the Audit Committee at the Audit Committee's next regularly scheduled meeting; provided, that if ratification is not forthcoming, management will make all reasonable efforts to cancel or annul the transaction. If a transaction was not initially recognized as a related person, then upon such recognition the transaction will be presented to the Audit Committee for ratification at the Audit Committee's next regularly scheduled meeting; provided, that if ratification is not forthcoming, management will make all reasonable efforts to cancel or annul the transaction. Our management will update the Audit Committee as to any material changes to any approved or ratified related person transaction and will provide a status report at least annually of all then current related person transactions. No director may participate in approval of a related person transaction for which he or she is a related person.

Indemnification of Directors and Officers

The By-Laws provide that we are required to indemnify our directors and officers to the fullest extent permitted by the DGCL. In addition, the Certificate of Incorporation provides that our directors will not be liable for monetary damages for breach of fiduciary duty to the fullest extent permitted by the DGCL.

There is no pending litigation or proceeding naming our directors or officers to which indemnification is being sought, and we are not aware of any pending or threatened litigation that may result in claims for indemnification by any director or officer.

Director Independence

115

Under our Corporate Governance Guidelines and the Nasdaq rules, a director will not be independent unless our Board affirmatively determines that s/he does not have a direct or indirect material relationship with the Company or any of its subsidiaries. In addition, the director must not be precluded from qualifying as independent under the per se bars set forth by the Nasdaq rules.

Our Board undertook a review of its composition, the composition of its committees and the independence of directors and considered whether any director has a material relationship with us that could compromise his or her ability to exercise independent judgment in carrying out his or her responsibilities. Based upon information requested from and provided by each director concerning his or her background, employment and affiliations, including family relationships, our Board has determined that Michael Blitzer, William Liquori, Robert Masson and Nicole Seligman do not have a relationship that would interfere with the exercise of independent judgment in carrying out the responsibilities of a director and that each of these directors qualifies as "independent" as that term is defined under the Nasdaq rules. In making these determinations, our Board considered the relationships that each non-employee director has with the Company and all other facts and circumstances our Board deemed relevant in determining their independence, including the director's beneficial ownership of our common stock.

Director Independence

The information contained under the heading "Director Independence" in Part III, Item 10. "Directors, Executive Officers and Corporate Governance" is incorporated by reference herein.

Item 14. Principal Accountant Fees and Services.

Services

The following table summarizes the fees of Marcum Company's Audit Committee has selected Grant Thornton LLP IPAX's ("Grant Thornton") as our independent registered public accounting firm prior to the consummation of the Business Combination, billed to us in each of the last two fiscal years for audit services and billed to us in each of the last two fiscal years for other services:

Fee Category	For the period from January 27, 2021 (inception)		For the year ended December 31, 31, 2022 2021	
Audit Fees (1)		\$ 140,080	\$ 75,705	
Audit-Related Fees (2)		278,100	82,400	
Tax Fees(3)		—	—	
All Other Fees(4)		—	—	
Total		\$ 418,180	158,105	

- (1) *Audit Fees.* Audit fees consist of fees billed for professional services rendered for the audit of our year-end financial statements and services that are normally provided by our independent registered public accounting firm in connection with statutory and regulatory filings.
- (2) *Audit-Related Fees.* Audit-related fees consist of fees billed for assurance and related services that are reasonably related to performance of the audit or review of our year-end financial statements and are not reported under "Audit Fees." These services include attest services that are not required by statute or regulation and consultation concerning financial accounting and reporting standards.
- (3) *Tax Fees.* Tax fees consist of fees billed for professional services relating to tax compliance, tax planning and tax advice.
- (4) *All Other Fees.* All other fees consist of fees billed for all other services.

Audit Committee Pre-Approval Policy and Procedures

IPAX's audit committee was formed upon the consummation of its IPO. As a result, IPAX's audit committee did not pre-approve all of the foregoing services, although any services rendered prior to the formation of perform the audit committee were approved by of our consolidated financial statements for the IPAX board of directors. Since fiscal year ending December 31, 2023. Grant Thornton

has served as the formation of IPAX audit committee, the audit committee has pre-approved all auditing services and permitted non-audit services to be performed for us by our auditors, including the fees and terms thereof (subject to the de minimis exceptions for non-audit services described in the Exchange Act which are approved by the audit committee prior to the completion of the audit). On February 13, 2023, in connection with the closing of the Business Combination, our audit committee dismissed Marcum LLP, IPAX's independent registered public accounting firm prior for the Company since 2021. The following table represents fees for audit services rendered by Grant Thornton in addition to consummation aggregate fees for audit-related, tax, and all other accounting related fees provided by other professional firms (in thousands):

	Year Ended December 31,	
	2023	2022
Audit fees ⁽¹⁾	\$ 1,080	\$ 445
Audit-related fees ⁽²⁾	828	1,225
Tax fees ⁽³⁾	909	43
All other fees ⁽⁴⁾	321	—
Total fees	\$ 3,138	\$ 1,713

(1) Audit fees consist of fees for professional services rendered by Grant Thornton in connection with the audit of our annual consolidated financial statements, and quarterly reviews of our interim consolidated financial statements. Audit fees also include issuance of consents and professional services related to registration statements and comfort letters of which approximately \$227 thousand was rendered by Marcum LLP during 2023.

(2) Audit-related fees consist of fees for assurance and related services rendered that are reasonably related to the performance of the Transactions, audit, review of the consolidated financial statements, or professional services related to registration statements.

(3) Tax fees include fees associated with tax compliance services, including the preparation, review, and filing of certain tax returns, as Intuitive Machines well as tax consulting services.

(4) All other fees primarily consist of but is not limited to professional services primarily associated with readiness and review of internal control over financial reporting.

Under our charter, the Company's Audit Committee must review and pre-approve both audit and permitted non-audit services provided by the Company's independent registered public accounting firm and approved shall not engage the engagement of Grant Thornton LLP as Intuitive Machines' independent registered public accounting firm for fiscal 2023, effective immediately following the filing of this Annual Report.

Upon the consummation of the Transactions, our audit committee has adopted a policy (the "Pre-Approval Policy") that sets forth the procedures and conditions pursuant to which audit and perform any non-audit services proposed to be performed prohibited by law or regulation. Each year, the independent auditor may be pre-approved. The Pre-Approval Policy generally provides that we will not engage an independent auditor registered public accounting firm's retention to render any audit audit-related, tax or permissible non-audit service unless the service Company's financial statements, including the associated fee, is either (i) explicitly approved by the Audit Committee ("specific pre-approval") or (ii) entered into pursuant to Committee. Consistent with the pre-approval policies and procedures described of our written charter, all audit and tax services set forth above for 2023 were pre-approved by our Audit Committee, which concluded that the provision of such services by Grant Thornton were compatible with the maintenance of the

firm's independence. The Audit Committee has delegated to the Chairman of the Audit Committee the authority to evaluate and approve engagements on behalf of the Audit Committee in the Pre-Approval Policy ("general pre-approval").
event that a need arises for pre-approval between regular Audit Committee meetings. If the Chairman so approves any such engagements, he will report that approval to the full Audit Committee at the next Audit Committee meeting.

116

PART IV

PART IV

Item 15. Exhibits and Financial Statement Schedules.

Schedules

(a)(1) Financial Statements.

The following documents are included on pages F-1 through F-23 attached hereto and are filed as part of this Annual Report on Form 10-K.

Index to Financial Statements

[Report of Independent Registered Public Accounting Firm \(PCAOB ID# 688\)](#)

F-1

Financial Statements

[Balance Sheets](#)

F-2

[Statements of Operations](#)

F-3

[Statements of Changes in Shareholders' Equity](#)

F-4

[Statements of Cash Flows](#)

F-5

[Notes to Financial Statements](#)

F-6

(a)(2) Financial Statement Schedules.

All financial statement schedules have been omitted because they are not applicable, not required or the information required is shown in the financial statements or the notes thereto.

(a)(3) Exhibits.

The following is a list of exhibits filed, furnished report or incorporated by reference as part reference:

1. The index for the consolidated financial statements of Intuitive Machines is listed on page [51](#) of this Annual Report on Report. The report of Intuitive Machines, Inc.'s independent registered accounting firm (PCAOB ID: 248) with respect to the above referenced financial statements are included in Item 8 and Item 9A of this Form 10-K.

Exhibit Number	Description of Exhibit	Incorporated by Reference				
		Form	File No.	Exhibit	Filing date	Filed Herewith

2.1	<u>Business Combination Agreement, dated as of September 16, 2022, by and between Inflection Point Acquisition Corp. and Intuitive Machines, LLC</u>		S-4/A	333-001-267846	2.1	1/20/23
3.1	<u>Certificate of Incorporation of Intuitive Machines, Inc.</u>		8-K	333-001-40823	3.1	2/14/23
3.2	<u>By-Laws of Intuitive Machines, Inc.</u>		8-K	333-001-40823	3.2	2/14/23
3.3	<u>Certificate of Designation relating to the 10.0% Series A Cumulative Convertible Preferred Stock</u>		8-K	333-001-40823	3.3	2/14/23
4.1	<u>Warrant Agreement</u>		8-K	333-001-40823	4.1	9/24/21
4.2	<u>Specimen Class A Common Stock Certificate of Intuitive Machines, Inc.</u>		S-4/A	333-267846	4.5	1/20/23
4.3	<u>Specimen Warrant Certificate of Intuitive Machines, Inc.</u>		S-4/A	333-267846	4.6	1/20/23
10.1	<u>Tax Receivable Agreement, dated February 13, 2023, by and among Intuitive Machines, Inc., Intuitive Machines, LLC, the TRA Parties and other persons from time to time party thereto</u>		8-K	333-001-40823	10.1	2/14/23
10.2	<u>Second A&R Operating Agreement of Intuitive Machines, LLC, dated February 13, 2023</u>		8-K	333-001-40823	10.2	2/14/23
10.3	<u>Form of Indemnification Agreements, dated February 13, 2023, between Intuitive Machines, Inc. and each of its officers and directors</u>		8-K	333-001-40823	10.3	2/14/23
10.4	<u>Sponsor Lock-Up Agreement, dated February 13, 2023, by and among Intuitive Machines, Inc., Inflection Point Holdings LLC and the Securityholders</u>		8-K	333-001-40823	10.4	2/14/23
10.5	<u>Intuitive Machines Lock-Up Agreement, dated February 13, 2023, by and among Intuitive Machines, Inc., Inflection Point Holdings LLC and the Securityholders</u>		8-K	333-001-40823	10.5	2/14/23
10.6	<u>Amended and Restated Registration Rights Agreement, dated February 13, 2023, by and among Intuitive Machines, Inc. and each of the shareholders of Intuitive Machines, Inc. identified on the signature pages thereto</u>		8-K	333-001-40823	10.6	2/14/23
10.7+	<u>Intuitive Machines, Inc. 2023 Long Term Omnibus Incentive Plan</u>		8-K	333-001-40823	10.7	2/14/23
10.8+	<u>Form Restricted Stock Unit Award Agreement (under Intuitive Machines, Inc. 2023 Long Term Omnibus Incentive Plan)</u>		8-K	333-001-40823	10.8	2/14/23

Their consent appears as Exhibit 23.1 of this Form 10-K.

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

Exhibit Number	Description of Exhibit	Incorporated by Reference				
		Form	File No.	Exhibit	Filing Date	
2.1	Business Combination Agreement, dated as of September 16, 2022, by and between Inflection Point Acquisition Corp. and Intuitive Machines, LLC	S-4/A	333-267846	4.5	January 20, 2023	
3.1	Certificate of Incorporation of Intuitive Machines, Inc.	8-K	001-40823	3.1	February 14, 2023	
3.2	By-Laws of Intuitive Machines, Inc.	8-K	001-40823	3.2	February 14, 2023	
3.3	Certificate of Designation relating to the 10.0% Series A Cumulative Convertible Preferred Stock	8-K	001-40823	3.3	February 14, 2023	
4.1	Warrant Agreement	8-K	001-40823	4.1	September 24, 2021	
4.2	Specimen Class A Common Stock Certificate of Intuitive Machines, Inc.	S-4/A	333-267846	4.5	January 20, 2023	
4.3	Specimen Warrant Certificate of Intuitive Machines, Inc.	S-4/A	333-267846	4.6	January 20, 2023	
4.4	Form of Series A Common Stock Purchase Warrant, dated as of September 5, 2023, issued by Intuitive Machines, Inc. to the Purchaser	8-K	001-40823	4.1	September 6, 2023	
4.5	Form of Series B Common Stock Purchase Warrant, dated as of September 5, 2023, issued by Intuitive Machines, Inc. to the Purchaser	8-K	001-40823	4.2	September 6, 2023	
4.6	Form of Series A Common Stock Purchase Warrant	8-K	001-40823	4.1	January 11, 2024	
4.7	Form of Series B Common Stock Purchase Warrant	8-K	001-40823	4.2	January 11, 2024	
4.8	Form of Series A Common Unit Purchase Warrant	8-K	001-40823	4.1	January 30, 2024	
4.9	Form of Series B Common Unit Purchase Warrant	8-K	001-40823	4.2	January 30, 2024	
4.10	Form of Series A Common Stock Purchase Warrant	8-K	001-40823	4.3	January 30, 2024	
4.11	Form of Series B Common Stock Purchase Warrant	8-K	001-40823	4.4	January 30, 2024	
4.12	Form of Series A Common Unit Purchase Warrant	8-K	001-40823	4.5	January 30, 2024	
4.13	Form of Series B Common Unit Purchase Warrant	8-K	001-40823	4.6	January 30, 2024	
4.14	Description of Capital Stock	424B3	333-274621		October 3, 2023	
10.1+	Intuitive Machines, Inc. 2023 Long Term Omnibus Incentive Plan	S-8		99.1	May 9, 2023	
10.2	Tax Receivable Agreement, dated February 13, 2023, by and among Intuitive Machines, Inc., Intuitive Machines, LLC, the TRA Parties and other persons from time to time party thereto	8-K	001-40823	10.1	February 14, 2023	
10.3	Second A&R Operating Agreement of Intuitive Machines, LLC, dated February 13, 2023	8-K	001-40823	10.2	February 14, 2023	

10.4+	Intuitive Machines, Inc. 2023 Long Term Omnibus Incentive Plan	8-K	001-40823	10.7	February 14, 2023
10.5+	Form of Director Restricted Stock Unit Award Agreement	8-K	001-40823	10.2	June 23, 2023
10.6+	Form Restricted Stock Unit Award Agreement (under Intuitive Machines, Inc. 2023 Long Term Omnibus Incentive Plan)	8-K	001-40823	10.8	February 14, 2023

117

Exhibit Number	Description of Exhibit	Incorporated by Reference			
		Form	File No.	Exhibit	Filing Date
10.7+	Amended and Restated Non-Employee Director Compensation Program	8-K	001-40823	10.1	June 23, 2023
10.8+	Consulting Agreement, dated as of January 26, 2024, by and between Intuitive Machines, Inc. and Erik Sallee	8-K	001-40823	10.1	February 1, 2024
10.9	Securities Purchase Agreement, dated as of August 30, 2023, by and among Intuitive Machines, Inc. and the Purchaser named therein	8-K	001-40823	10.1	September 6, 2023
10.10	Registration Rights Agreement, dated as of August 30, 2023, by and among Intuitive Machines, Inc. and the Purchaser named therein	8-K	001-40823	10.2	September 6, 2023
10.11	Subscription Agreement, dated as of September 6, 2023, by and among Intuitive Machines, Inc. and Ghaffarian Enterprises, LLC	8-K	001-40823	10.3	September 6, 2023
10.12	Subscription Agreement, dated as of September 6, 2023, by and among Intuitive Machines, Inc. and Ghaffarian Enterprises, LLC	8-K	001-40823	10.4	September 6, 2023
10.13+	Non-Employee Director Deferral Plan				
10.14	Form of Warrant Exercise Agreement, dated January 10, 2024, by and between Intuitive Machines, Inc. and the Investor	8-K	001-40823	10.1	January 11, 2024
10.15	Credit Agreement, dated as of January 10, 2024, by and between Intuitive Machines, LLC and Pershing LLC	8-K	001-40823	10.1	January 16, 2024
10.16	Letter Agreement, dated as of January 28, 2024, by and among Intuitive Machines, Inc., Intuitive Machines, LLC and Ghaffarian Enterprises, LLC	8-K	001-40823	10.1	January 30, 2024

10.17	<u>Policy for Recovery of Erroneously Awarded Compensation</u>
21.1*	<u>List of Subsidiaries</u>
23.1	<u>Consent of Independent Registered Public Accounting Firm</u>
31.1*	<u>Certification of Chief Executive Officer pursuant to Rules 13a-14 and 15d-14 promulgated under the Securities Exchange Act of 1934</u>
31.2*	<u>Certification of Chief Financial Officer pursuant to Rules 13a-14 and 15d-14 promulgated under the Securities Exchange Act of 1934</u>
32.1**	<u>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</u>
32.2**	<u>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</u>
101.INS*	Inline XBRL Instance Document (the instance document does not appear in the Interactive Data File because its XBRL tags are embedded within the Inline XBRL document).
101.SCH*	Inline XBRL Taxonomy Extension Schema Document.
101.CAL*	Inline XBRL Taxonomy Extension Calculation Linkbase Document.
101.DEF*	Inline XBRL Taxonomy Extension Definition Linkbase Document.
101.LAB*	Inline XBRL Taxonomy Extension Label Linkbase Document.
101.PRE*	Inline XBRL Taxonomy Extension Presentation Linkbase Document.
104*	Cover Page Interactive Data File (formatted as Inline XBRL and contained in Exhibit 101.INS)

118

10.9+	<u>Intuitive Machines, Inc. Non-Employee Director Compensation Program</u>	8-K	001-40823	10.9	2/14/23
10.10	<u>Forward Purchase Agreement, dated February 9, 2023, by and among IPAX, Intuitive Machines OpCo, and Polar</u>	8-K	001-40823	10.10	2/14/23
10.11	<u>Forward Purchase Agreement, dated February 9, 2023, by and among IPAX, Intuitive Machines OpCo, and HGC</u>	8-K	001-40823	10.11	2/14/23
21.1	<u>Subsidiaries of Intuitive Machines, Inc.</u>				*

31.1	<u>Certification of Principal 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</u>	Intuitive Machines, Inc.
Date: 21 March 30, 2023	By: <u>March 25, 2024 Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002</u>	By: <u>/s/ Steven Vontur</u> *
32.1	<u>Certification of Principal Executive Officer Pursuant to Section 1350, as Adopted Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002</u>	Erik Sallee Steven Vontur *
32.2	<u>Certification of Principal Financial Officer Pursuant to Section 1350, as Adopted Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002</u>	Erik Sallee **
101.INS	Inline XBRL Instance Document – the Instance Document does not appear in the interactive data file because its XBRL tags are embedded within the Inline XBRL document	*
101.SCH	Inline XBRL Taxonomy Extension Schema Document	*
101.CAL	Inline XBRL Taxonomy Extension Calculation Linkbase Document	*
101.DEF	Inline XBRL Taxonomy Extension Definition Linkbase Document	*
101.LAB	Inline XBRL Taxonomy Extension Label Linkbase Document	*
101.PRE	Inline XBRL Taxonomy Extension Presentation Linkbase Document	*
104	Cover Page Interactive Data File (formatted as Inline XBRL and contained in Exhibit 101)	*

* Filed herewith.

**

** Furnished herewith. Furnished.

+

+ Indicates management contract or compensatory plan.

Item 16. Form 10-K Summary.

None.

Summary

None. Name	119	Title	Date
/s/ Stephen Altemus		Chief Executive Officer, President and Director	March 30, 2023 25, 2024
Stephen Altemus		(principal executive officer)Principal Executive Officer)	
/s/ Steven Vontur		Controller Interim Chief Financial Officer	March 30, 2023 25, 2024
Steven Vontur		(principal accounting officer)Interim Principal Financial Officer)	
		SIGNATURES	
Pursuant to the requirements of Section 13 or 15(d) of the Securities Exchange Act of 1934, the Registrant has duly caused /s/ Dr. Kamal Ghaffarian Chairman of the Board of Directors to sign this Report, on its behalf, by the undersigned thereunto directed, duly authorized.			March 30, 2023 25, 2024
Dr. Kamal Ghaffarian			
/s/ Michael Blitzer		Director	March 30, 2023 25, 2024
Michael Blitzer			
/s/ Lieutenant General William Liquori		Director	March 30, 2023 25, 2024
Lieutenant General William Liquori			
/s/ Robert Masson		Director	March 30, 2023 25, 2024
Robert Masson			
/s/ Nicole Seligman		Director	March 25, 2024
Nicole Seligman			

120

Exhibit 10.13

INTUITIVE MACHINES, INC.

NON-EMPLOYEE DIRECTOR DEFERRAL PLAN

REPORT 1. ESTABLISHMENT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM THE PLAN

To the Shareholders and Board of Directors of

Intuitive Machines, Inc. (formerly, a Delaware corporation (the "Company"), hereby establishes this nonqualified deferred compensation plan to be known as Inflection Point Acquisition Corp.) Opinion on the Financial Statements

We have audited the accompanying balance sheets of Intuitive "Intuitive Machines, Inc. (formerly known Non-Employee Director Deferral Plan," as Inflection Point Acquisition Corp. amended from time to time (the "Plan") (the "Company") as effective December [●], 2023. The Plan is not intended to meet the qualification requirements of December 31, 2022 and 2021, the related statements of operations, stockholders' equity and cash flows for the year ended December 31, 2022 and for the period from January 27, 2021 (inception) through December 31, 2021 and the related notes (collectively referred to as the "financial statements"). In our opinion, the financial statements present fairly, in all material respects, the financial position Section 401(a) of the Company as of December 31, 2022 Code. Exhibit A, which is incorporated herein by this reference, defines certain terms used in the Plan and 2021 and the results of its operations and its cash flows for each includes certain operational rules related to those terms.

2. PURPOSE

The purpose of the year ended December 31, 2022 Plan is to establish the terms and for conditions pursuant to which Directors may defer certain stock awards they receive as Directors pursuant to the period from January 27, 2021 (inception) through December 31, 2021, in conformity with accounting principles generally accepted in Equity Plan. The Plan does not authorize or contemplate any additional shares of Stock beyond the United States shares of America.

Basis for Opinion

These financial statements are Stock authorized under the responsibility Equity Plan. The applicable terms of the Company's management. Our responsibility is Equity Plan are hereby incorporated herein by this reference.

3. ADMINISTRATION

The Plan will be administered by the Administrator. The Administrator has discretionary authority, subject only to the express an opinion on provisions of the Company's financial statements based on our audits. We are a public accounting firm registered with Plan, to administer and interpret the Public Company Accounting Oversight Board (United States) ("PCAOB") Plan; to prescribe forms, rules and are required procedures relating to be independent the Plan; and to otherwise do all things necessary or desirable to carry out the purposes of the Plan. Determinations of the Administrator made with respect to the Company Plan are final, conclusive and binding upon all persons or entities.

4. ELIGIBILITY

Except as may otherwise be determined by the Administrator from time to time, each Director is eligible to participate in the Plan.

5. DEFERRAL ELECTIONS

(a) Election Forms.

(i) If permitted by the Administrator, a Director may elect to defer receipt of settlement of an Equity Award pursuant to a form approved by the Administrator (an "Election Form").

(ii) The terms and conditions of a Deferred Equity Award shall be determined by the Administrator and set forth in an Election Form. As determined by the Administrator, an Election Form will provide for a Director to receive distribution of such Director's Deferred Equity Award on the Director's Separation from Service from the Board. Notwithstanding anything to the contrary, a Director shall not be permitted to elect to defer any Equity Awards unless such election complies with Section 409A.

1

(b) Initial Elections. Subject to this Section 5(b):

(i) An Election Form shall apply to any Equity Award that is granted to a Director for any period of service that commences following the year in which such Election Form is filed.

(ii) A Director who first becomes eligible to participate in the Plan may file an Election Form during the first 30 days of such eligibility; *provided* that such Election Form shall apply only to any Equity Award that is granted to such Director for any period of service that commences after the date that such Election Form is filed.

(iii) A Director may file an Election Form to defer the settlement of an Equity Award that is subject to a vesting period of at least 12 months; *provided* that (i) such Election Form is made on or before the 30th day after the Director is granted the Equity Award; and (ii) the Election Form is

made at least 12 months in advance of the earliest date on which the vesting period of the Equity Award could expire.

6. DISTRIBUTIONS

(a) **Distribution Date.** Subject to this Section 6, distribution of a Director's vested Stock Account will be made to such Director in a lump sum in accordance with an Election Form and consistent with Section 409A; *provided, however,* that the Stock Account will be distributed in shares of Stock evidenced in such manner as the Administrator determines appropriate in accordance with the U.S. federal securities laws and Equity Plan, including book-entry registration or delivery of stock certificates.

(b) **Specified Employee.** If a Director is a "specified employee" under Section 409A at the applicable rules and regulations time of the Securities and Exchange Commission and the PCAOB.

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

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

/s/ Marcum LLP

Marcum LLP

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

New York, NY

March 30, 2023

INTUITIVE MACHINES, INC. (F/K/A INFLECTION POINT ACQUISITION CORP.)
BALANCE SHEETS

	December 31, 2022	December 31, 2021
Assets:		
Cash	\$ 14,932	\$ 359,610
Prepaid expenses	335,888	475,532
Total current assets	350,820	835,142
Prepaid expenses – noncurrent portion	—	326,032
Marketable Securities held in Trust Account	334,589,588	329,755,798
Total assets	\$ 334,940,408	\$ 330,916,972
Liabilities, Redeemable Ordinary Shares and Shareholders' Equity		
Accrued offering costs and expenses	\$ 3,695,849	\$ 218,421
Due to related party	112,448	1,032
Working Capital Loan	625,000	—
Total current liabilities	4,433,297	219,453
Deferred underwriting fee	—	11,541,250
Total liabilities	4,433,297	11,760,703
Commitments and Contingencies (Note 6)		
Class A ordinary share subject to possible redemption, 31,588,011 shares at redemption value	320,719,698	315,880,110
Shareholders' Equity:		
Preference shares, \$0.0001 par value; 5,000,000 shares authorized; none issued and outstanding	—	—
Class A ordinary shares, \$0.0001 par value; 500,000,000 shares authorized; 1,386,989 shares issued and outstanding (excluding 31,588,011 shares subject to possible redemption)	139	139
Class B ordinary shares, \$0.0001 par value; 50,000,000 shares authorized; 8,243,750 shares issued and outstanding	825	825
Additional paid-in capital	10,292,368	3,590,706
Accumulated deficit	(505,919)	(315,511)
Total Shareholders' Equity	9,787,413	3,276,159
Total Liabilities, Redeemable Ordinary Shares and Shareholders' Equity	\$ 334,940,408	\$ 330,916,972

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

INTUITIVE MACHINES, INC. (F/K/A INFLECTION POINT ACQUISITION CORP.)
STATEMENTS OF OPERATIONS

	Year Ended December 31, 2022	For the Period from January 27, 2021 (Inception) through December 31, 2021
Formation and operating costs	\$ 5,024,198	\$ 491,341
Loss from operations	(5,024,198)	(491,341)
Other income:		
Change in fair value of over-allotment	—	193,471
Issuance cost of over-allotment	—	(23,439)
Interest income	4,833,790	5,798
Total other income, net	4,833,790	175,830
Net loss	\$ (190,408)	\$ (315,511)
Basic and diluted weighted average shares outstanding of Class A ordinary shares	32,975,000	9,322,714
Basic and diluted net loss per share, Class A ordinary shares	\$ (0.00)	\$ (0.02)
Basic and diluted weighted average shares outstanding of Class B ordinary shares	8,243,750	7,485,546
Basic and diluted net loss per share, Class B ordinary shares	\$ (0.00)	\$ (0.02)

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

INTUITIVE MACHINES, INC. (F/K/A INFLECTION POINT ACQUISITION CORP.)

STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY

FOR THE YEAR ENDED DECEMBER 31, 2022 AND

FOR THE PERIOD FROM JANUARY 27, 2021 (INCEPTION) THROUGH DECEMBER 31, 2021

	Class A Ordinary Shares		Class B Ordinary Shares		Additional Paid-in Capital		Accumulated Deficit		Total Shareholders' Equity	
	Shares	Amount	Shares	Amount						
Balance as of January 27, 2021 (inception)	—	\$ —	—	\$ —	—	\$ —	—	\$ —	—	\$ —
Issuance of Class B ordinary shares to initial shareholders	—	—	8,625,000	863	24,137		—		25,000	
Sale of 6,845,000 Private Placement Warrants, net of offering costs	—	—	—	—	6,831,701		—		6,831,701	
Capital contribution for sale of Class B shares to Anchor Investors	—	—	—	—	9,680,125		—		9,680,125	
Sale of 1,386,989 Units not subject to redemption, net of underwriter discount and offering costs	1,386,989	139	—	—	12,756,833		—		12,756,972	
Allocated proceeds to Public Warrants, net of underwriter discount and offering costs	—	—	—	—	11,025,229		—		11,025,229	
Forfeiture of 381,250 Class B founder shares	—	—	(381,250)	(38)	38		—		—	
Remeasurement of exercised over- allotment option	—	—	—	—	87,830		—		87,830	
Remeasurement of Class A ordinary shares subject to redemption	—	—	—	—	(36,815,188)		—		(36,815,188)	
Net loss	—	—	—	—	—		(315,511)		(315,511)	
Balance as of December 31, 2021	1,386,989	\$ 139	8,243,750	\$ 825	\$ 3,590,706	\$ (315,511)	\$ 3,276,159			
Remeasurement of Class A ordinary shares subject to possible redemption	—	—	—	—	(4,839,588)		—		(4,839,588)	
Reduction of deferred underwriting fee	—	—	—	—	11,541,250		—		11,541,250	
Net loss	—	—	—	—	—		(190,408)		(190,408)	

Balance as of							
December 31, 2022	1,386,989	\$ 139	8,243,750	\$ 825	\$ 10,292,368	\$ (505,919)	\$ 9,787,413

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

INTUITIVE MACHINES, INC. (F/K/A INFLECTION POINT ACQUISITION CORP.)
STATEMENTS OF CASH FLOWS

	For the Period from January 27, 2021	
	Year Ended December 31, 2022	(Inception) through December 31, 2021
Cash Flows from Operating Activities:		
Net loss	\$ (190,408)	\$ (315,511)
Adjustments to reconcile net loss to net cash provided by (used in) operating activities:		
Formation cost paid by Sponsor in exchange of issuance of Class B ordinary shares	—	11,388
Operating expense paid by promissory note - related party	—	8,500
Change in fair value of over-allotment	—	(193,471)
Issuance cost of over-allotment	—	23,439
Interest earned on marketable securities held in trust account	(4,833,790)	(5,798)
Changes in operating assets and liabilities:		
Prepaid assets	465,676	(475,532)
Other assets	—	(326,032)
Due to related party	111,416	1,032
Accrued offering costs and expenses	3,477,428	67,421
Net cash used in operating activities	(969,678)	(1,204,564)
Cash Flows from Investing Activities:		
Investment of cash in Trust Account	—	(329,750,000)
Net cash used in investing activities	—	(329,750,000)
Cash Flows from Financing Activities:		
Proceeds from issuance of Private Placement Warrants	—	6,845,000
Proceeds from sale of Units, net of underwriting discount	—	325,155,000
Payment of promissory note – related party	—	(188,805)
Proceeds from working capital loan	625,000	—
Payment of offering costs	—	(497,021)
Net cash provided by financing activities	625,000	331,314,174
Net Change in Cash and cash equivalents	(344,678)	359,610
Cash and cash equivalents – Beginning	359,610	—
Cash and cash equivalents– Ending	\$ 14,932	\$ 359,610
Non-cash investing and financing activities:		
Offering costs paid by Sponsor in exchange for issuance of Class B ordinary shares	\$ —	\$ 13,612
Offering costs paid by promissory note - related party	\$ —	\$ 180,305
Capital contribution for excess fair value of Class B shares sold by the Sponsor to Anchor Investors determined to be offering cost	\$ —	\$ 9,680,125

Deferred underwriting commissions payable charged to additional paid in capital	\$ —	\$ 11,541,250
Remeasurement of Class A ordinary shares subject to possible redemption	\$ 4,839,588	\$ 36,815,188
Reduction of deferred underwriting fee	<u><u>\$ 11,541,250</u></u>	<u><u>\$ —</u></u>
Accrued offering costs	\$ —	\$ 151,000

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

INTUITIVE MACHINES, INC. (F/K/A INFLECTION POINT ACQUISITION CORP.)

NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2022

NOTE 1. ORGANIZATION, BUSINESS OPERATIONS, PROPOSED BUSINESS COMBINATION AND GOING CONCERN

Intuitive Machines, Inc. (f/k/a Inflection Point Acquisition Corp.) (the “Company”) was a blank check company incorporated as a Cayman Islands exempted company on January 27, 2021. The Company was incorporated for the purpose of effecting a merger, share exchange, asset acquisition, share purchase, reorganization or similar business combination with one or more businesses (an “Initial Business Combination”).

Business Prior to the Business Combination

All activity for the period from January 27, 2021 (inception) through December 31, 2022 related to the Company’s formation and the initial public offering (the “IPO”) which is described below, and, subsequent to the IPO, identifying a target company for an Initial Business Combination and consummating the Business Combination (described below). The Company generated non-operating income in the form of interest income on cash and cash equivalents from the proceeds derived from the IPO.

The Company’s sponsor was Inflection Point Holdings LLC, a Cayman Islands limited liability company (the “Sponsor”). The registration statement for the Company’s IPO was declared effective on September 21, 2021 (the “Effective Date”). On September 24, 2021, the Company consummated the IPO of 30,000,000 units at \$10.00 per unit (the “Units”), which is discussed in Note 3. Each Unit consisted of one Class A ordinary share (the “Class A ordinary shares” or “Public Shares”) of the Company, par value \$0.0001, and one-half of one redeemable warrant (the “Public Warrants”) of the Company, with each whole warrant entitling the holder to purchase one Class A ordinary share for \$11.50 per share, subject to adjustment. The underwriters had a 45-day option from the Effective Date to purchase up to an additional 4,500,000 Units to cover over-allotments, if any. On October 29, 2021, the underwriters partially exercised the over-allotment option (the “Over-Allotment” and together with the IPO, the “Public Offering”) and purchased an additional 2,975,000 Units (the “Over-Allotment Units”), generating additional gross proceeds of \$29,750,000, and forfeited their option to purchase the remaining 1,525,000 Units.

Simultaneously with the closing of the IPO, the Company consummated the private placement (the “Private Placement”) of 6,250,000 warrants (each an “IPO Private Placement Warrant”) to the Sponsor, each exercisable to purchase one Class A ordinary share at \$11.50 per share, at a price of \$1.00 per IPO Private Placement Warrant, generating gross proceeds to the Company of \$6,250,000, which is described in Note 4. On October 29, 2021, simultaneously with the sale of the Over-Allotment Units, the Sponsor purchased an additional 595,000 warrants in a private placement (the “Over-Allotment Private Placement Warrants” and together with the IPO Private Placement Warrants, the “Private Placement Warrants”), generating aggregate gross proceeds to the Company of \$595,000.

An aggregate of 12 qualified institutional buyers (“Anchor Investors”) expressed an interest to purchase an aggregate of approximately \$322.3 million of the Units sold in the IPO. None of the Anchor Investors expressed an interest in purchasing more than 9.9% of the Units sold in the IPO. The Anchor Investors were allocated and purchased a total of 29,540,000 Units or 98.5% of the Units sold in the IPO. One of the Anchor Investors, Kingstown 1740 Fund, LP, (“Kingstown 1740”) is an affiliate of the Sponsor, and was allocated and purchased 2,900,000 Units sold in the IPO.

In addition, subject to each Anchor Investor purchasing 100% of the Units allocated to it, in connection with the closing of the IPO, the Sponsor sold membership interests reflecting an allocation of Class B ordinary shares, par value \$0.0001 per share (the “Founder Shares”) to each Anchor Investor, amounting to an aggregate of 1,625,000 Founder Shares to all Anchor Investors collectively (see Note 6). The Company estimated the aggregate fair value of these Founder Shares attributable to Anchor Investors to be approximately \$9.68 million, or \$5.96 per share. The excess of the fair value of the Founder Shares was determined to be an offering cost in accordance with Staff Accounting Bulletin Topic 5A. Upon the completion of the IPO, offering costs allocated (1) to the Public Shares not subject to possible redemption and the Public Warrants were charged to additional paid-in capital; (2) to the Public Shares subject to redemption were charged to temporary equity; and (3) to the over-allotment option were charged to expense.

Transaction costs amounted to \$26,658,313 consisting of \$4,595,000 of underwriting commissions, \$11,541,250 of deferred underwriting commissions, \$9,680,125 excess fair value of founder shares (see Note 5), and \$841,938 of other offering costs, with \$23,439 allocated to the over-allotment option, \$24,538,134 allocated to the Class A ordinary shares subject to redemption, and \$2,096,740 allocated to the Class A ordinary shares not subject to redemption, the Public Warrants and the Private Placement Warrants.

INTUITIVE MACHINES, INC. (F/K/A INFLECTION POINT ACQUISITION CORP.)

NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2022

Following the closing of the IPO on September 24, 2021, \$300,000,000 (\$10.00 per Unit) from the net proceeds of the sale of the Units in the IPO and the sale of the IPO Private Placement Warrants was deposited into a trust account (the “Trust Account”). Following the closing of the Over-Allotment on October 29, 2021, an additional \$29,750,000 (\$10.00 per Over-Allotment Unit) from the net proceeds from the sale of the Over-Allotment Units in the Over-Allotment and the sale of the Over-Allotment Private Placement Warrants was deposited into the Trust Account. The proceeds deposited in the Trust Account were invested only in U.S. government securities, within the meaning set forth in Section 2(a)(16) of the Investment Company Act, having a maturity of 185 days or less or in money market funds meeting certain conditions under Rule 2a-7 promulgated under the Investment Company Act which invest only in direct U.S. government treasury obligations. Except Director with respect to interest earned on the funds held in the Trust Account that may be released to the Company to pay taxes, if any, the proceeds from the Public Offering and the sale of the Private Placement Warrants were not released from the Trust Account until the earliest of (i) the completion of an Initial Business Combination, (ii) the redemption of the Company’s Public Shares if the Company is unable to complete an Initial Business Combination within 24 months from the closing of the IPO, subject to applicable law, or (iii) the redemption of the Company’s Public Shares properly submitted in connection with a shareholder vote to amend the Company’s amended and restated memorandum and articles of association to (A) modify the substance or timing of the Company’s obligation to allow redemption in connection with an Initial Business Combination or to redeem 100% of its Public Shares if the Company has not consummated an Initial Business Combination within 24 months from the closing of the IPO or (B) with respect to any other material provisions relating to shareholders’ rights or pre-Initial Business Combination activity. The proceeds deposited in the Trust Account could become subject to the claims of the Company’s creditors, if any, which could have priority over the claims of the Company’s public shareholders.

The Company’s management had broad discretion with respect to the specific application of the net proceeds of the Public Offering and the Private Placement Warrants, although substantially all of the net proceeds are intended to be generally applied toward consummating an Initial Business Combination (less deferred underwriting commissions). The Company’s Initial Business Combination must be with one or more operating businesses or assets with a fair market value equal to at least 80% of the value of the Trust Account (excluding the amount of any deferred underwriting discount held in trust and taxes payable on the income earned on the Trust Account). However, the Company will only complete an Initial Business Combination if the post-transaction company owns or acquires 50% or more of the issued and outstanding voting securities of the target or otherwise acquires a controlling interest in the target sufficient for it not to be required to register as an investment company under the Investment Company Act of 1940, as amended, and the rules and regulations promulgated thereunder (the “Investment Company Act”). There is no assurance that the Company will be able to successfully effect an Initial Business Combination.

The Company provided holders of Public Shares (the “Public Shareholders”), with the opportunity to redeem all or a portion of their Public Shares upon the completion of an Initial Business Combination either (i) in connection with a general meeting called to approve such Initial Business Combination or (ii) without a shareholder vote by means of a tender offer. The decision as to whether the Company will seek shareholder approval of any Initial Business Combination or conduct a tender offer will be made by the Company, solely in its discretion. The Public Shareholders were entitled to redeem their Public Shares for a pro rata portion of the amount then on deposit in the Trust Account (initially \$10.00 per Public Share, plus any pro rata interest earned on the funds held in the Trust Account and not previously released to the Company to pay its taxes).

The Company had 24 months from the closing of the IPO to complete an Initial Business Combination (the “Combination Period”). However, if the Company was unable to complete an Initial Business Combination within the Combination Period, the Company would have (i) ceased all operations except for the purpose of winding up, (ii) as promptly as reasonably possible but not more than ten business days thereafter, redeemed the Public Shares, at a per-share price, payable in cash, equal to the aggregate amount then on deposit in the Trust Account, including interest earned on the funds held in the Trust Account (less tax payable and up to \$100,000 of interest to pay dissolution expenses) divided by the number of then outstanding Public Shares, which redemption would have completely extinguished Public Shareholders’ rights as shareholders (including the right to receive further liquidation distributions, if any), and (iii) as promptly as reasonably possible following such redemption, subject to the approval of the Company’s remaining shareholders and the Company’s board of directors, liquidate and dissolve, subject in the case of clauses (ii) and (iii) to the Company’s obligations under Cayman Islands law to provide for claims of creditors and in all cases subject to the other requirements of applicable law.

The Business Combination

On September 16, 2022, the Company entered into a business combination agreement (the “Business Combination Agreement”) with Intuitive Machines, LLC, a Texas limited liability company (“Intuitive Machines” and, subsequent to the Proposed Business Combination, “Intuitive Machines OpCo”), pursuant to which, subject to the satisfaction or waiver of certain closing

conditions, including the approval of the Business Combination Agreement and the transactions contemplated thereby by the Company's shareholders, (1) at the closing of the transactions contemplated by the Business Combination Agreement (the "Closing") and following the Domestication (as defined below), (a) the Company will acquire equity securities and become the managing member of Intuitive Machines OpCo and (b) the Company will issue voting equity securities without economic rights to the existing members of Intuitive Machines prior to the Closing ("Intuitive Machines Members"), resulting in a combined company organized in an umbrella partnership C corporation ("Up-C") structure, in which substantially all of the assets and the business of the combined company will be held by Intuitive Machines OpCo; (2) the Company will domesticate (the "Domestication") as a Delaware corporation in accordance with the Delaware General Corporation Law ("DGCL"), the Companies Act (As Revised) of the Cayman Islands (the "Companies Act") and the Company's amended and restated memorandum and articles of association, (3) Intuitive Machines will change its jurisdiction from Texas to Delaware (the "Conversion") and complete a recapitalization (the "Recapitalization") whereby all outstanding equity securities of Intuitive Machines will be converted or exchanged into common units, options, and unvested earn out units, as applicable, and (4) the other transactions contemplated by the Business Combination Agreement and documents related thereto will be consummated (such transactions, together with the business combination and the Domestication, Conversion, and Recapitalization, the "Proposed Business Combination"). In connection with the Proposed Business Combination, the Company will be renamed "Intuitive Machines, Inc." ("New Intuitive Machines").

INTUITIVE MACHINES, INC. (F/K/A INFLECTION POINT ACQUISITION CORP.)

NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2022

On February 13, 2023, the Company consummated the Business Combination and related transactions pursuant to that certain Business Combination Agreement, dated September 16, 2022, as further described in the Current Report on Form 8-K filed by the Company on February 14, 2023.

The Domestication

As a condition to the Business Combination, the Company changed its jurisdiction of incorporation by effecting a deregistration under Section 206 of the Companies Act and a domestication under Section 388 of the DGCL, pursuant to which the Company's jurisdiction of incorporation changed from the Cayman Islands to the State of Delaware. Immediately prior to the Domestication, pursuant to the Company's amended and restated memorandum and articles of association, each Founder Share converted automatically, on a one-for-one basis, into a Class A ordinary share. Immediately following such conversion, in connection with the Domestication, each of the then issued and outstanding Class A ordinary shares converted automatically, on a one-for-one basis, into one share of New Intuitive Machines Class A common stock, par value \$0.0001 per share, each of which carries voting rights of one vote per share (collectively, the "New Intuitive Machines Class A Common Stock"); (iii) each whole warrant to purchase one Class A ordinary share (each warrant, a "Company Warrant") automatically represents the right to purchase one share of New Intuitive Machines Class A Common Stock on the same terms as the Company Warrants (each a "New Intuitive Machines Warrant") and (c) each of the units of the Company outstanding as of immediately prior to the Domestication was automatically canceled and each holder became entitled to one share of New Intuitive Machines Class A Common Stock and one-half of one New Intuitive Machines Warrant, per unit. No fractional New Intuitive Machines Warrants were issued upon such cancellation.

Concurrently with the Domestication and subject to the satisfaction or waiver of the conditions set forth in the Business Combination Agreement, including approval by the Company's shareholders, the Company adopted a certificate of incorporation (the "Certificate of Incorporation") that, among other things, implemented a revised class structure with the shares of New Intuitive Machines Class A Common Stock having one vote per share and economic rights, the shares of Class B common stock of New Intuitive Machines, par value \$0.0001 per share, having one vote per share and no economic rights (collectively, the "New Intuitive Machines Class B Common Stock") and the shares of Class C common stock of New Intuitive Machines, par value \$0.0001 per share, having three votes per share and no economic rights (collectively, the "New Intuitive Machines Class C Common Stock" and the New Intuitive Machines Class A Common Stock, the New Intuitive Machines Class B Common Stock and New Intuitive Machines Class C Common Stock, collectively, the "New Intuitive Machines Common Stock"). The Certificate of Incorporation also authorized the issuance of "blank check" preferred stock, par value \$0.0001 per share, having such characteristics as the board may, from time to time, provide. The Company's board of directors adopted a Certificate of Designation of Preferences, Rights and Limitations of 10% Series A Cumulative Convertible Preferred Stock, creating the Series A Preferred Stock (as defined below).

The Conversion and Recapitalization

In connection with the Business Combination, Intuitive Machines changed its jurisdiction of organization from Texas to Delaware. Immediately prior to the Closing, Intuitive Machines effectuated the Recapitalization whereby all outstanding equity securities of Intuitive Machines were converted into common units of Intuitive Machines OpCo ("Intuitive Machines OpCo Common Units"), options to purchase Intuitive Machines OpCo Common Units ("Intuitive Machines OpCo Options") and unvested earn out units of Intuitive Machines OpCo ("Earn Out Units").

Consideration and Structure

As a result of the Up-C structure, the business combination consideration received by Intuitive Machines Members consisted of securities of both Intuitive Machines OpCo having economic rights but not voting rights and New Intuitive Machines having voting rights but not economic rights equal to a value of approximately \$700,000,000. In particular, the business combination consideration received by the Intuitive Machines Members comprised of an aggregate of (a) (i) 68,125,987 Intuitive Machines OpCo Common Units, (ii) 1,874,013 Intuitive Machines OpCo Options and (iii) 10,000,000 Earn Out Units and (b) (i) 278 shares of New Intuitive Machines Class B Common Stock (excluding 1,874,013 shares of New Intuitive Machines Class B Common Stock reserved for issuance upon exercise of Intuitive Machines OpCo Options) and (ii) 68,125,709 shares of New Intuitive Machines Class C Common Stock (excluding 10,000,000 shares of New Intuitive Machines Class C Common Stock reserved for issuance upon vesting of the Earn Out Units).

INTUITIVE MACHINES, INC. (F/K/A INFLECTION POINT ACQUISITION CORP.)

NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2022

The 10,000,000 Earn Out Units received by the applicable Intuitive Machines Members are subject to vesting and will be earned, released and delivered upon satisfaction of the following milestones: (i) 2,500,000 Earn Out Units will vest if, during the Earn Out Period (as defined below), Intuitive Machines is awarded the OMES III Contract by NASA (“Triggering Event I”), (ii) 5,000,000 Earn Out Units will vest if, within the Earn Out Period, Triggering Event I occurs and the volume weighted average closing sale price of New Intuitive Machines Class A Common Stock equals or exceeds \$15.00 per share (“Triggering Event II-A”), (iii) 7,500,000 Earn Out Units will vest if, within the Earn Out Period, Triggering Event I has not occurred and the volume weighted average closing sale price of New Intuitive Machines Class A Common Stock equals or exceeds \$15.00 per share (“Triggering Event II-B”), and (iv) 2,500,000 Earn Out Units will vest if, within the Earn Out Period, Triggering Event III occurs the volume weighted average closing sale price of New Intuitive Machines Class A Common Stock equals or exceeds \$17.50 per share (“Triggering Event III”), provided, that Triggering Event II-A and Triggering Event II-B may not both be achieved. “Earn Out Period” means (i) with respect to Triggering Event I, the time period beginning on September 16, 2022 and ending at 11:59 pm ET on December 31, 2023, and (ii) with respect to Triggering Event II-A, Triggering Event II-B and Triggering Event III, the time period beginning on the date that is 150 days following the date of Closing and ending on the date that is the five (5) year anniversary of the date of Closing. If a Change of Control (as defined in the Business Combination Agreement) occurs during the Earn Out Period that results in the holders of New Intuitive Machines Class A Common Stock receiving a per share price greater than or equal to \$15.00 or \$17.50, respectively, then immediately prior to the consummation of such Change of Control, to the extent not previously triggered, then Triggering Event II-A or Triggering Event II-B will be deemed to have occurred, as applicable, and the applicable Earn Out Units shall vest.

After the expiration of the applicable lock-up period, holders of certain Intuitive Machines OpCo Common Units will be permitted to exchange such Intuitive Machines OpCo Common Units (along with the cancellation of the paired share of New Intuitive Machines Class B Common Stock or share of New Intuitive Machines Class C Common Stock) for shares of New Intuitive Machines Class A Common Stock on a one-for-one basis pursuant to the second amended and restated limited liability company agreement of Intuitive Machines OpCo (the “Second A&R Operating Agreement”) (subject to customary conversion rate adjustments for stock splits, stock dividends and reclassifications) or, at the election of New Intuitive Machines (determined by a majority of the directors of New Intuitive Machines who are disinterested with respect to such determination), cash from a substantially concurrent public offering or private sale in an amount equal to the net amount, on a per share basis, of cash received **Deferred Equity Award** as a result of such public offering or private sale.

Upon the vesting of any Earn Out Units, each of the applicable Intuitive Machines Members will be issued (i) by Intuitive Machines OpCo an equal number of Intuitive Machines OpCo Common Units and (ii) by New Intuitive Machines an equal number of shares of New Intuitive Machines Class C Common Stock, in exchange for surrender of the applicable Earn Out Units and the payment to New Intuitive Machines of a per-share price equal to the par value per share of the New Intuitive Machines Class C Common Stock. Upon the exercise of any Intuitive Machines OpCo Option, (i) Intuitive Machines OpCo will issue to the exercising holder such number of Intuitive Machines OpCo Common Units to be received by such exercising holder as a result of such exercise and (ii) New Intuitive Machines will issue to the exercising holder an equal number of shares of New Intuitive Machines Class B Common Stock, in exchange for the payment to New Intuitive Machines of a per-share price equal to the par value per share of the New Intuitive Machines Class B Common Stock.

The Series A Investment

On September 16, 2022, concurrently with the execution of the Business Combination Agreement, the Company entered into a purchase agreement (the “Series A Purchase Agreement”) with Kingstown 1740 (an existing security holder of the Company and an affiliate of the Sponsor) and Ghaffarian Enterprises, LLC (an affiliate of Kamal Ghaffarian, an Intuitive Machines founder) (collectively, the “Series A Investors”), pursuant to which, and on the terms and subject to the conditions of which, New Intuitive Machines agreed to issue and sell to the Series A Investors (i) an aggregate of 26,000 shares of 10% Series A Cumulative Convertible Preferred Stock, par value \$0.0001 per share (the “Series A Preferred Stock”) which will be convertible into shares of New Intuitive Machines Class A Common Stock in accordance with the terms of the Certificate of Designation of Preferences, Rights and Limitations of 10% Series A Cumulative Convertible Preferred Stock (the “Certificate of Designation”) to be adopted by the Company’s board of directors following the Domestication but prior to the Closing and (ii) warrants to purchase 541,667 shares of New Intuitive Machines Class A Common Stock at an initial exercise price of \$15.00 per share, subject to adjustment (the “Preferred Investor Warrants”).

INTUITIVE MACHINES, INC. (F/K/A INFLECTION POINT ACQUISITION CORP.)

NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2022

Tax Receivable Agreement

The Business Combination Agreement contemplates that, at the Closing, New Intuitive Machines will enter into a tax receivable agreement (the “Tax Receivable Agreement”) with Intuitive Machines OpCo and certain Intuitive Machines Members (the “TRA Holders”). Pursuant to the Tax Receivable Agreement, New Intuitive Machines will generally be required to pay the TRA Holders 85% of the amount of the cash tax savings, if any, in U.S. federal, state, and local taxes that are based on, or measured with respect to, net income or profits, and any interest related thereto that New Intuitive Machines (and applicable consolidated, unitary, or combined subsidiaries thereof, if any and collectively the “Tax Group”) realizes, or is deemed to realize, as a result of certain tax attributes (the “Tax Attributes”), including:

- existing tax basis in certain assets of Intuitive Machines OpCo and certain of its direct or indirect subsidiaries, including assets that will eventually be subject to depreciation or amortization, once placed in service;
- tax basis adjustments resulting from taxable exchanges of Intuitive Machines OpCo Common Units (including any such adjustments resulting from certain payments made by New Intuitive Machines under the Tax Receivable Agreement) acquired by New Intuitive Machines from a TRA Holder pursuant to the terms of the Second A&R Operating Agreement;
- certain tax benefits realized by New Intuitive Machines as a result of certain U.S. federal income tax allocations of taxable income or gain away from New Intuitive Machines and to other members of Intuitive Machines OpCo and deductions or losses to New Intuitive Machines and away from other members of Intuitive Machines OpCo, in each case as a result of the Proposed Business Combination; and
- tax deductions in respect of portions of certain payments made under the Tax Receivable Agreement.

Upon the completion of the Business Combination, New Intuitive Machines became a party to the Tax Receivable Agreement. Under the terms of the Tax Receivable Agreement, New Intuitive Machines will make payments to the TRA Holders in respect of 85% of the cash tax savings resulting **Separation** from the net tax benefit to New Intuitive Machines of certain Tax Attributes (calculated using certain assumptions, and subject to the terms of the Tax Receivable Agreement). However, until a TRA Holder exchanges at least 5% of its Intuitive Machines OpCo Common Units, New Intuitive Machines will hold such payments applicable to existing basis until the TRA Holder satisfies such threshold exchange. Upon the completion of the Business Combination, no TRA Holder will have exchanged at least 5% of its Intuitive Machines OpCo Common Units. The tax impacts of the transaction were estimated based on the applicable law in effect on June 30, 2022.

Future exchanges will result in incremental tax attributes and potential cash tax savings for New Intuitive Machines. Depending on New Intuitive Machines’ assessment on realizability of such tax attributes, the arising Tax Receivable Agreement liability will be recorded at the exchange date against equity, or at a later point through income.

However, if all of the TRA Holders were to exchange or sell us all of their Intuitive Machines OpCo Common Units, New Intuitive Machines would recognize a deferred tax asset of approximately \$169.2 million and a liability under the Tax Receivable Agreement of approximately \$147.2 million, assuming: (i) all exchanges or purchases occurred on the same day; (ii) a price of \$10 per share; (iii) a constant corporate tax rate; (iv) that New Intuitive Machines will have sufficient taxable income to fully utilize the tax benefits; and (v) no material changes in tax law. These amounts are estimates and have been prepared for illustrative purposes only. The actual amount of deferred tax assets and related liabilities that New Intuitive Machines will recognize will differ based on, among other things, the timing of the exchanges, the price per share of New Intuitive Machines Class A Common Stock at the time of the exchange, and the tax rates then in effect and certain change of control or early termination events occurring.

INTUITIVE MACHINES, INC. (F/K/A INFLECTION POINT ACQUISITION CORP.)

NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2022

If New Intuitive Machines exercises its right to terminate the Tax Receivable Agreement or in the case of a change in control of New Intuitive Machines or a material breach of New Intuitive Machines' obligations under the Tax Receivable Agreement, all obligations under the Tax Receivable Agreement will be accelerated and New Intuitive Machines will be required to make a payment to the TRA Holders in an amount equal to the present value of future payments under the Tax Receivable Agreement. This payment would be based on certain assumptions, including that New Intuitive Machines would have sufficient taxable income to fully utilize the benefits arising from the Tax Attributes subject to the Tax Receivable Agreement. If New Intuitive Machines were to elect to terminate the Tax Receivable Agreement immediately after the Proposed Business Combination, assuming the market value of New Intuitive Machines Class A Common Stock is equal to \$10 per share, the Company currently estimates that it would be required to pay approximately \$99.7 million to satisfy its total liability.

Equity Facility

On September 16, 2022, the Company entered into a common stock purchase agreement (the "Cantor Purchase Agreement"), dated September 16, 2022, with CF Principal Investments LLC ("CFPI") relating to an equity facility under which shares of newly issued New Intuitive Machines Class A Common Stock may be sold to CFPI by New Intuitive Machines. Pursuant to the terms of the Cantor Purchase Agreement, New Intuitive Machines will have the right, but not the obligation, from time to time at its sole discretion, until the first day of the month following the 18-month period from and after the Commencement (as defined in the Cantor Purchase Agreement), to direct CFPI to purchase up to the lesser of (i) \$50 million of newly issued New Intuitive Machines Class A Common Stock and (ii) the Exchange Cap, by delivering written notice to CFPI prior to the commencement of trading on any trading day, subject to certain customary conditions and limitations set forth in the Cantor Purchase Agreement. In connection with the execution of the Cantor Purchase Agreement, the Company agreed to issue 100,000 shares (the "Commitment Shares") of New Intuitive Machines Class A Common Stock to CFPI. The Company entered into a registration rights agreement with CFPI, pursuant to which it agreed to register for resale, pursuant to Rule 415 under the Securities Act, the shares of New Intuitive Machines Class A Common Stock that are sold to CFPI under the equity facility and the Commitment Shares.

Sponsor Support Agreement

Concurrently with the execution and delivery of the Business Combination Agreement, the Sponsor, the Company and Intuitive Machines entered into the Sponsor Support Agreement pursuant to which the Sponsor agreed to, among other things, vote and approve the Business Combination Agreement and all other documents and transaction contemplated thereby, and to waive, subject to the consummation of the Proposed Business Combination, any and all anti-dilution rights with respect to the rate that the Founder Shares convert into Class A ordinary shares in connection with the transactions contemplated by the Business Combination Agreement, in each case, subject to the terms and conditions of the Sponsor Support Agreement. In connection with the Sponsor Support Agreement, the Company provided the Sponsor with indemnification against certain claims brought against the Sponsor for a period of six years following the Closing.

Non-Redemption Agreement

Concurrently with the execution of the Business Combination Agreement, the Company and Intuitive Machines entered into a non-redemption agreement (the "Non-Redemption Agreement") with Kingstown 1740, an affiliate of the Sponsor, pursuant to which Kingstown 1740 agreed not to redeem the 2,900,000 Class A ordinary shares held by it.

For additional information regarding the Business Combination, see the Company's Form 8-K/A, dated February 13, 2023 and filed with the SEC on February 15, 2023.

Liquidity and Capital Resources

As of December 31, 2022, the Company had \$14,932 in its operating bank account, and working capital deficiency \$4,082,477. On September 30, 2021, the Sponsor agreed to provide the Company with loans in such amounts as may be required by the Company to fund the Company's working capital requirements up to an aggregate of \$250,000. On March 8, 2022, the Sponsor agreed to provide the Company with loans in such amounts as may be required by the Company to fund the Company's working capital requirements up to an aggregate of \$500,000.

On August 4, 2022, the Sponsor agreed to loan the Company up to \$1,000,000 to be used for ongoing expenses reasonably related to the business of the Company and the consummation of an Initial Business Combination pursuant to a convertible promissory note (the "Working Capital Note").

INTUITIVE MACHINES, INC. (F/K/A INFLECTION POINT ACQUISITION CORP.)

NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2022

All unpaid principal under the Working Capital Note Service shall be due and payable in full on the earlier of (i) September 24, 2023 and (ii) the effective date of an Initial Business Combination, involving the Company and one or more businesses (such earlier date, the "Maturity Date"), unless accelerated upon the occurrence of an event of default as set forth in the Working Capital Note. The Sponsor will have the option, at any time on or prior to the Maturity Date, to convert up to \$1,000,000 outstanding under the Working Capital Note into warrants to purchase Class A ordinary shares at a conversion price of \$1.00 per warrant, with each warrant entitling the holder to purchase one Class A ordinary share at a price of \$11.50 per share, subject to the same adjustments applicable to the Private Placement Warrants. As of December 31, 2022, there was \$625,000 outstanding under the Working Capital Note.

Until the consummation of the Business Combination, the Company used the funds not held in the Trust Account for identifying and evaluating target businesses, performing due diligence on prospective target businesses, traveling to and from the offices, plants or similar location of prospective target businesses or their representatives or owners, reviewing corporate documents and material agreements of prospective target businesses and structuring, negotiating and completing a Business Combination.

Upon the close of the Business Combination, Initiative Machines received approximately \$34 million of gross proceeds to fund operations. We believe that the cash available from the consummation of the Business Combination and related transactions will be sufficient to fund the short-term liquidity needs and the execution of the business plan through at least the twelve month-period from the date of the Business Combination.

Prior to the Closing of the Business Combination, holders of 27,481,818 shares of IPAX Class A Ordinary Shares exercised their right to redeem such shares for cash at a price of approximately \$10.18 per share for aggregate payments of \$279,884,314. We may need to raise additional capital to fund our operations and our business plan. There can be no assurance that we will be successful in obtaining capital sufficient to meet our operating needs on terms or a timeframe acceptable to us or at all. Further, in the event that market conditions preclude our ability to consummate such a transaction, we may be required to evaluate additional alternatives in restructuring our business and our capital structure.

Risks and Uncertainties

Management is currently evaluating the impact of the COVID-19 pandemic and Russian-Ukraine war on the industry and has concluded that while it is reasonably possible that the virus and the war could have a negative effect on the Company's financial position, results of its operations and/or search for a target company, the specific impact is not readily determinable as of the date of these financial statements. The financial statements do not include any adjustments that might result from the outcome of this uncertainty.

NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Presentation

The accompanying financial statements are presented in conformity with accounting principles generally accepted in the United States of America ("GAAP") and pursuant to the rules and regulations of the Securities and Exchange Commission (the "SEC").

Emerging Growth Company

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

INTUITIVE MACHINES, INC. (F/K/A INFLECTION POINT ACQUISITION CORP.)

NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2022

Further, Section 102(b)(1) of the JOBS Act exempts emerging growth companies from being required to comply with new or revised financial accounting standards until private companies (that is, those that have not had a Securities Act registration statement declared effective or do not have a class of securities registered under the Exchange Act) are required to comply with the new or revised financial accounting standards. The JOBS Act provides that a company can elect to opt out of the extended transition period and comply with the requirements that apply to non-emerging growth companies but any such election to opt out is irrevocable. The Company has elected not to opt out of such extended transition period which means that when a standard is issued or revised and it has different application dates for public or private companies, the Company, as an emerging growth company, can adopt the new or revised standard at the time private companies adopt the new or revised standard. This may make comparison of the Company's financial statements with another public company which is neither an emerging growth company nor an emerging growth company which has opted out of using the extended transition period difficult or impossible because of the potential differences in accounting standards used.

Use of Estimates

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

Making estimates requires management to exercise significant judgment. It is at least reasonably possible that the estimate of the effect of a condition, situation or set of circumstances that existed at the date of the financial statements, which management considered in formulating its estimate, could change in the near term due to one or more future confirming events. Such estimates may be subject to change as more current information becomes available and accordingly, the actual results could differ significantly from those estimates.

Cash and Cash Equivalents

The Company considers all short-term investments with an original maturity of three months or less when purchased to be cash equivalents. The Company did not have any cash equivalents as of December 31, 2022 and 2021.

Marketable Securities Held in Trust Account

At December 31, 2022 and 2021, all of the assets held in the Trust Account were held in money market funds which invest in U.S. Treasury securities. The Company's investments held in the Trust Account are classified as trading securities. Trading securities are presented on the balance sheet at fair value at the end of each reporting period. Gains and losses resulting from the change in fair value of these investments are included in interest earned on marketable securities held in Trust Account in the accompanying statement of operations. The estimated fair values of investments held in the Trust Account are determined using available market information.

Concentration of credit risk

Financial instruments that potentially subject the Company to concentration of credit risk consist of a cash account in a financial institution which, at times, may exceed the Federal depositary insurance coverage of \$250,000. The Company has not experienced losses on this account.

Fair Value of Financial Instruments

The fair value of the Company's assets and liabilities, which qualify as financial instruments under ASC Topic 820, "Fair Value Measurement," approximates the carrying amounts represented in the accompanying balance sheets, primarily due to their short-term nature. See Note 8 for further discussion of the fair values of the Company's assets and liabilities.

Derivative Financial Instruments

The Company evaluates its financial instruments to determine if such instruments are derivatives or contain features that qualify as embedded derivatives in accordance with ASC Topic 815, "Derivatives and Hedging". Derivative instruments are initially recorded at fair value on the grant date and re-valued at each reporting date, with changes in the fair value reported in the statements of operations. Derivative assets and liabilities are classified in the balance sheets as current or non-current based on whether or not net-cash settlement or conversion of the instrument could be required within 12 months of the balance sheet date.

For issued or modified warrants that meet all of the criteria for equity classification, the warrants are required to be recorded as a component of additional paid-in capital at the time of issuance. For issued or modified warrants that do not meet all the criteria for equity classification, the warrants are required to be recorded at their initial fair value on the date of issuance, and each balance sheet date thereafter. Changes in the estimated fair value of the warrants are recognized as a non-cash gain or loss on the statements of operations. The Company has analyzed the Public Warrants and Private Placement Warrants and determined they meet all of the requirements for equity classification under ASC 815 (see Notes 3 and 4).

INTUITIVE MACHINES, INC. (F/K/A INFLECTION POINT ACQUISITION CORP.)

NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2022

Net Loss Per Ordinary Share

We comply with accounting and disclosure requirements of ASC Topic 260, "Earnings Per Share." Our statements of operations includes a presentation of loss per share for ordinary shares subject to possible redemption in a manner similar to the two-class method of loss per share. The remeasurement associated with the redeemable Class A ordinary shares is excluded from net loss per ordinary share as the redemption value approximates fair value. The Company has two classes of shares, Class A ordinary shares and Class B ordinary shares. Earnings and losses are shared pro rata between the two classes of shares. The Company has not considered the effect of the warrants sold in the IPO, the Over-Allotment, the Private Placement and the Over-Allotment Private Placement to purchase an aggregate of 23,332,500 of the Company's Class A ordinary shares in the calculation of diluted loss per share, since their exercise is contingent upon the future consummation of an Initial Business Combination which cannot be assured. As a result, diluted net loss per ordinary share is the same as basic net loss per ordinary share for the periods. The table below presents a reconciliation of the numerator and denominator used to compute basic and diluted net loss per share for each class of ordinary shares.

	For the year ended		For the period from	
	December 31, 2022		(inception) through December 31, 2021	
	Class A	Class B	Class A	Class B
Basic and diluted net income (loss) per share:				
Numerator:				
Allocation of net income (loss)	\$ (152,326)	\$ (38,082)	\$ (174,998)	\$ (140,513)
Denominator:				
Basic and diluted weighted-average shares outstanding	32,975,000	8,243,750	9,322,714	7,485,546
Basic and diluted net income (loss) per share	\$ (0.00)	\$ (0.00)	\$ (0.02)	\$ (0.02)

Offering Costs associated with the Public Offering

The Company complies with the requirements of the ASC 340-10-S99-1. Offering costs consisted of legal, accounting, underwriting fees and other costs incurred through the IPO that were directly related to the Public Offering. Offering costs associated with the Public Offering amounted to \$26,658,313, consisting of \$4,595,000 of underwriting commissions, \$11,541,250 of deferred underwriting commissions, \$9,680,125 of excess fair value of founder shares (see Note 5), and \$841,938 of other offering costs, with \$23,439 allocated to the over-allotment option, \$24,538,134 allocated to the Class A ordinary shares subject to redemption, and \$2,096,740 allocated to the Class A ordinary shares not subject to redemption, the Public Warrants and the Private Placement Warrants.

Ordinary Shares Subject to Possible Redemption

31,588,011 Class A ordinary shares sold as part of the Units in the Public Offering contain a redemption feature which allows for the redemption of such Public Shares in connection with the Company's liquidation, if there is a shareholder vote or tender offer in connection with an Initial Business Combination and in connection with certain amendments to the Company's amended and restated memorandum and articles of association. In accordance with SEC and its staff's guidance on redeemable equity instruments, which has been codified in ASC 480-10-S99, redemption provisions not solely within the control of the Company require ordinary shares subject to redemption to be classified outside of permanent equity.

The Class A ordinary shares are subject to SEC and its staff's guidance on redeemable equity instruments, which has been codified in ASC 480-10-S99. If it is probable that the equity instrument will become redeemable, the Company has the option to either accrete changes in the redemption value over the period from the date of issuance (or from the date that it becomes probable that the instrument will become redeemable, if later) to the earliest redemption date of the instrument or to recognize changes in the redemption value immediately as they occur and adjust the carrying amount of the instrument to equal the redemption value at the end of each reporting period. The Company recognizes changes in redemption value immediately as they occur. Immediately upon the closing of the IPO, the Company recognized the remeasurement from initial book value to redemption amount value. The change in the carrying value of redeemable ordinary shares resulted in charges against additional paid-in capital.

INTUITIVE MACHINES, INC. (F/K/A INFLECTION POINT ACQUISITION CORP.)

NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2022

Related Party Redemption Waiver Agreement

In September 2021, the Company entered into a redemption waiver agreement with one of its Anchor Investors, Kingstown 1740, whereby Kingstown 1740 agreed to waive its redemption rights on 1,386,989 Class A ordinary shares (the “Non-Redemption Shares”) it held, and these ordinary shares are classified as shareholders’ equity.

As of December 31, 2022 and 2021, the Class A ordinary shares subject to possible redemption reflected on the balance sheets are reconciled in the following table:

Gross proceeds from IPO and partial exercise of over-allotment option	\$ 329,750,000
Less: proceeds from shares not subject to redemption	(13,869,890)
Less:	
Proceeds allocated to public warrants	(11,995,753)
Over-allotment liability	(281,301)
Ordinary share issuance costs	(24,538,134)
Plus:	
Remeasurement of carrying value to redemption value	<u>36,815,188</u>
Class A ordinary shares subject to redemption, December 31, 2021	
Plus:	<u>315,880,110</u>
Remeasurement of carrying value to redemption value	<u>4,839,588</u>
Class A ordinary shares subject to redemption, December 31, 2022	
	<u>\$ 320,719,698</u>

Income Taxes

Under ASC 740, “*Income Taxes*,” deferred tax assets and liabilities are recognized for the future tax consequences attributable to temporary differences between the financial statement carrying amounts of existing assets and liabilities and their respective tax bases. Deferred tax assets and liabilities are measured using enacted tax rates expected to apply to taxable income in the years in which those temporary differences are expected to be recovered or settled. The effect on deferred tax assets and liabilities of a change in tax rates is recognized in income in the period of the enactment date. Valuation allowances are established when it is more likely than not that some or all of the deferred tax assets will not be realized.

ASC 740 prescribes a recognition threshold and a measurement attribute for the financial statement recognition and measurement of tax positions taken or expected to be taken in a tax return. For those benefits to be recognized, a tax position must be more-likely-than-not to be sustained upon examination by taxing authorities. The Company recognizes accrued interest and penalties related to unrecognized tax benefits as income tax expense. No amounts were accrued for the payment of interest and penalties at December 31, 2022 and 2021. The Company is currently not aware of any issues under review that could result in significant payments, accruals or material deviation from its position.

There is currently no taxation imposed on income by the Government of the Cayman Islands. In accordance with federal income tax regulations, income taxes are not levied on the Company, but rather on the individual owners. United States (“U.S.”) taxation would occur on the individual owners if certain tax elections are made by U.S. owners and the Company were treated as a passive foreign investment company. Additionally, U.S. taxation could occur to the Company itself if the Company is engaged in a U.S. trade or business. The Company is not expected to be treated as engaged in a U.S. trade or business at this time.

Recent Accounting Pronouncements

In August 2020, the Financial Accounting Standards Board (“FASB”) issued Accounting Standards Update (“ASU”) 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) (“ASU 2020-06”) to simplify accounting for certain financial instruments. ASU 2020-06 eliminates the current models that require separation of beneficial conversion and cash conversion features from convertible instruments and simplifies the derivative scope exception guidance pertaining to equity classification of contracts in an entity’s own equity. The new standard also introduces additional disclosures for convertible debt and freestanding instruments that are indexed to and settled in an entity’s own equity. ASU 2020-06 amends the diluted earnings per share guidance, including the requirement to use the if-converted method for all convertible instruments. ASU 2020-06 is effective for fiscal years beginning after December 15, 2023 for emerging growth companies and should be applied on a full or modified retrospective basis, with early adoption permitted beginning on

January 1, 2021. The Company is currently assessing the impact, if any, that ASU 2020-06 would have on its financial position, results of operations or cash flows.

Management does not believe that any other recently issued, but not yet effective, accounting standards, if currently adopted, would have a material effect on the Company's financial statements.

INTUITIVE MACHINES, INC. (F/K/A INFLECTION POINT ACQUISITION CORP.)

NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2022

NOTE 3. PUBLIC OFFERING

On September 24, 2021, the Company sold 30,000,000 Units, at a purchase price of \$10.00 per Unit in its IPO. Each Unit consists of one Class A ordinary share and one-half of one redeemable Public Warrant. Each whole Public Warrant will entitle the holder to purchase one Class A ordinary share at a price of \$11.50 per share, subject to adjustment. Each Public Warrant will become exercisable 30 days after the completion of an Initial Business Combination and will expire five years after the completion of an Initial Business Combination, or earlier upon redemption or liquidation.

One of the Anchor Investors, Kingstown 1740, an affiliate of the Sponsor, was allocated and purchased 2,900,000 Units sold in the IPO.

The underwriters had a 45-day option from the Effective Date to purchase up to an additional 4,500,000 Units to cover over-allotments. On October 29, 2021, the underwriters partially exercised the over-allotment option and purchased an additional 2,975,000 Units, generating aggregate gross proceeds of \$29,750,000, and forfeited their option to purchase the remaining 1,525,000 Units.

The Company provided a discount to the underwriters at the closing of the IPO of \$4,000,000, and an additional discount of \$595,000 upon the closing of the Over-Allotment. Additionally, the underwriting agreement states that the Company will pay Citigroup Global Markets Inc. ("Citi") a deferred discount of \$0.35 per Unit sold in the Public Offering including pursuant to the Over-Allotment, or an aggregate of \$11,541,250 (see Note 6), upon the Company's completion of an Initial Business Combination, which would be payable from the amounts held in the Trust Account solely in the event we complete an Initial Business Combination, subject to the terms of the underwriting agreement. On November 27, 2022, in connection with the proposed Business Combination, Citi agreed to waive its entitlement to the deferred underwriting commission of \$11,541,250 to which it became entitled upon completion of the Company's Initial Public Offering, subject to the completion of an Initial Business Combination. Accordingly, as of December 31, 2022 and 2021, fees of \$0 and \$11,541,250 (see Note 6) were recorded as deferred and payable upon the Company's completion of an Initial Business Combination, respectively.

Warrants — As of December 31, 2022 and 2021, there were 16,487,500 Public Warrants and 6,845,000 Private Placement Warrants outstanding. The Company evaluated the terms of the warrants and determined the warrants meet the criteria in ASC 815, "Derivatives and Hedging", to be classified in shareholders equity upon issuance. Each whole warrant will entitle the holder to purchase one Class A ordinary share at a price of \$11.50 per share, subject to adjustment as discussed herein. The warrants will become exercisable 30 days after the completion of the Company's Initial Business Combination, and will expire five years after the completion of the Company's Initial Business Combination at 5:00 p.m., New York City time, or earlier upon redemption or liquidation.

The Private Placement Warrants are identical to the Public Warrants included in the Units sold in the IPO except that the Private Placement Warrants may not (including the Class A ordinary shares issuable upon exercise of the Private Placement Warrants), subject to certain limited exceptions, be transferred, assigned or sold by the holders until 30 days after the completion of the Company's Initial Business Combination.

The Company has agreed that as soon as practicable, but in no event later than 15 business days after the closing of the Initial Business Combination, the Company will use its best efforts to file with the SEC a post-effective amendment to the registration statement for the Public Offering or a new registration statement covering the registration, under the Securities Act, of the Class A ordinary shares issuable upon exercise of the warrants. The Company will use its best efforts to cause the same to become effective and to maintain the effectiveness of such registration statement, and a current prospectus relating thereto, until the expiration of the warrants in accordance with the provisions of the warrant agreement. If a registration statement covering the Class A ordinary shares issuable upon exercise of the warrants is not effective by the sixtieth (60th) business day after the closing of the Initial Business Combination, warrant holders may, until such time as there is an effective registration statement and during any period when the Company will have failed to maintain an effective registration statement, exercise warrants on a "cashless basis" in accordance with Section 3(a)(9) of the Securities Act or another exemption. Notwithstanding the above, if the Class A ordinary shares are at the time of any exercise of a warrant not listed on a national securities exchange such that they satisfy the definition of a "covered security" under Section 18(b)(1) of the Securities Act, the Company may, at its option, require holders of warrants who exercise their warrants to do so on a "cashless basis" in accordance with Section 3(a)(9) of the Securities Act and, in the event the Company so elects, it will not be required to file or maintain in effect a registration statement, and in the event the Company does not so elect, it will use its best efforts to register or qualify the shares under applicable blue sky laws to the extent an exemption is not available.

INTUITIVE MACHINES, INC. (F/K/A INFLECTION POINT ACQUISITION CORP.)

NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2022

Redemption of Warrants When the Price per Class A Ordinary Share Equals or Exceeds \$18.00

Once the warrants become exercisable, the Company may redeem the outstanding warrants:

- in whole and not in part;
- at a price of \$0.01 per warrant;
- upon a minimum of 30 days' prior written notice of redemption (the "30-day redemption period"); and
- if, and only if, the closing price of the Class A ordinary shares equals or exceeds \$18.00 per share (as adjusted for share sub-divisions, share dividends, reorganizations, recapitalizations and the like) for any 20 trading days within a 30-trading day period ending three business days before it sends the notice of redemption to the warrant holders.

Additionally, if the number of outstanding Class A ordinary shares is increased by a share capitalization payable in Class A ordinary shares, or by a sub-division of ordinary shares or other similar event, then, on the effective date of such share capitalization, sub-division or similar event, the number of Class A ordinary shares issuable on exercise of each warrant will be increased in proportion to such increase in the outstanding ordinary shares. A rights offering made to all or substantially all holders of ordinary shares entitling holders to purchase Class A ordinary shares at a price less than the fair market value will be deemed a share capitalization of a number of Class A ordinary shares equal to the product of (i) the number of Class A ordinary shares actually sold in such rights offering (or issuable under any other equity securities sold in such rights offering that are convertible into or exercisable for Class A ordinary shares) and (ii) the quotient of (x) the price per Class A ordinary share paid in such rights offering and (y) the fair market value. For these purposes (i) if the rights offering is for securities convertible into or exercisable for Class A ordinary shares, in determining the price payable for Class A ordinary shares, there will be taken into account any consideration received for such rights, as well as any additional amount payable upon exercise or conversion and (ii) fair market value means the volume weighted average price of Class A ordinary shares as reported during the ten (10) trading day period ending on the trading day prior to the first date on which the Class A ordinary shares trade on the applicable exchange or in the applicable market, regular way, without the right to receive such rights.

Further, if: (i) the Company issues additional Class A ordinary shares or equity-linked securities for capital raising purposes in connection with the closing of its Initial Business Combination at an issue price or effective issue price of less than \$9.20 per Class A ordinary share (with such issue price or effective issue price to be determined in good faith by the board of directors and, in the case of any such issuance to the Sponsor or its affiliates, without taking into account any Founder Shares held by the Sponsor or such affiliates, as applicable, prior to such issuance) (the "Newly Issued Price"), (y) the aggregate gross proceeds from such issuances represent more than 60% of the total equity proceeds (including from such issuances and the Public Offering), and interest thereon, available for the funding of the Initial Business Combination on the date of the consummation of the Initial Business Combination (net of redemptions) and (z) the volume weighted average trading price of the Class A ordinary shares during the 20 trading day period starting on the trading day prior to the day on which the Company consummates its Initial Business Combination (such price, the "Market Value") is below \$9.20 per share, then the exercise price of the warrants will be adjusted (to the nearest cent) to be equal to 115% of the higher of the Market Value and the Newly Issued Price and the \$18.00 per share redemption trigger price will be adjusted (to the nearest cent) to be equal to 180% of the higher of the Market Value and the Newly Issued Price.

NOTE 4. PRIVATE PLACEMENT

Simultaneously with the closing of the IPO, the Company's Sponsor purchased an aggregate of 6,250,000 IPO Private Placement Warrants at a price of \$1.00 per IPO Private Placement Warrant, for an aggregate purchase price of \$6,250,000. On October 29, 2021, simultaneously with the closing of the Over-Allotment, the Sponsor purchased an additional 595,000 Over-Allotment Private Placement Warrants at a price of \$1.00 per Over-Allotment Private Placement Warrant, generating aggregate gross proceeds of \$595,000.

The Private Placement Warrants are identical to the Public Warrants included in the Units sold in the Public Offering except that the Private Placement Warrants may not (including the Class A ordinary shares issuable upon exercise of the Private Placement Warrants), subject to certain limited exceptions, be transferred, assigned or sold by the holders until 30 days after the completion of the Company's Initial Business Combination. If the Company does not complete the Initial Business Combination within 24 months from the closing of the IPO, the Private Placement Warrants will expire worthless.

NOTE 5. RELATED PARTY TRANSACTIONS**Founder Shares**

On February 3, 2021, the Sponsor paid \$25,000, or approximately \$0.003 per share, to cover certain offering and formation costs in consideration for 7,187,500 Founder Shares. On March 5, 2021, the Company effected a 1.2 to 1 share recapitalization with respect to its Class B ordinary shares, resulting in the Sponsor holding an aggregate of 8,625,000 Founder Shares. Up to 1,125,000 Founder Shares were subject to forfeiture by the Sponsor depending on the extent to which the underwriters' over-allotment option was exercised. On October 29, 2021, as a result of the partial exercise of the over-allotment option, the Sponsor forfeited 381,250 of these Founder Shares and the remaining Founder Shares are no longer subject to forfeiture.

The Sponsor and the Company's officers and directors have agreed not to transfer, assign or sell any of their Founder Shares and any Class A ordinary shares issuable upon conversion thereof until the earlier to occur of: (i) one year after the completion of the Initial Business Combination, or (ii) the date on which the Company completes a liquidation, merger, share exchange or other similar transaction after the Initial Business Combination that results in all of the Company's shareholders having the right to exchange their Class A ordinary shares for cash, securities or other property; except to certain permitted transferees and under certain circumstances (the "lock-up"). Notwithstanding the foregoing, if (1) the closing price of Class A ordinary shares equals or exceeds \$12.00 per share (as adjusted for share sub-divisions, share capitalizations, reorganizations, recapitalizations and the like) for any 20 trading days within any 30-trading day period commencing at least 150 days after the Initial Business Combination or (2) if the Company consummates a transaction after the Initial Business Combination which results in the Company's shareholders having the right to exchange their shares for cash, securities or other property, the Founder Shares will be released from the lock-up.

In addition, subject to each Anchor Investor purchasing 100% of the Units allocated to it, in connection with the closing of the IPO, the Sponsor sold membership interests reflecting an allocation of an aggregate of 1,625,000 Founder Shares to the Anchor Investors collectively. The Company estimated the aggregate fair value of these Founder Shares attributable to Anchor Investors to be approximately \$9.68 million, or \$5.96 per share. The excess of the fair value of the Founder Shares was determined to be an offering cost in accordance with Staff Accounting Bulletin Topic 5A. Upon the completion of the IPO, offering costs allocated (1) to the Public Shares not subject to possible redemption and the Public Warrants were charged to additional paid-in capital; (2) to the Public Shares subject to redemption were charged to temporary equity; and (3) to the over-allotment liability were charged to expense.

At the Closing of the Proposed Business Combination, New Intuitive Machines will enter into a lock-up agreement superseding the lock-up imposed at IPO, pursuant to which the Sponsor and its permitted assigns will agree not to, without the prior written consent of the New Intuitive Machines board of directors, prior to the date that is six months after such Separation from Service, or if earlier, upon his or her death, except to the extent that earlier distribution would not result in such Director's incurring interest or additional tax under Section 409A.

7. AMOUNT OF DISTRIBUTION

(a) Any Deferred Equity Awards shall be credited to a separate bookkeeping account established and maintained by the Administrator to record a Director's Deferred Equity Awards (a "Stock Account"). Amounts credited to a Director's Stock Account shall not accrue interest or earnings.

(b) Each Deferred Equity Award shall be fully vested and non-forfeitable from the date on which the Stock covered by the corresponding Equity Award became vested pursuant to the Equity Plan and the applicable award agreement under the Equity Plan.

(c) Each Stock Account shall be equitably adjusted as determined by the Administrator in the event of any dividend or other distribution (whether in the form of cash, Stock or other securities),

recapitalization, stock split, reverse stock split, reorganization, merger, consolidation, split-up, spin-off, combination, repurchase, or exchange of Stock or other securities of the Company, (i) sell, pledge, grant any option to Company, issuance of warrants or other rights to purchase Stock or other securities of the Company, or other similar corporate transaction or event in a manner that is determined by the Administrator to be appropriate in order to prevent dilution or enlargement of the benefits or potential benefits intended to be made available under the Plan.

8. AMENDMENT AND TERMINATION

The Administrator may amend, modify, suspend or terminate the Plan, but no such action may be taken if it would materially and adversely affect the rights of a Director under the Plan without such Director's consent. Unless earlier terminated by action of the Administrator, the Plan will remain in effect until such time as the Company has no further rights or obligations under the Plan. The Administrator further has the right, without a Director's consent, to amend or modify the terms of the Plan and such Director's Deferred Equity Award to the extent that the Administrator deems it necessary to avoid adverse or unintended tax consequences to such Director under Section 409A.

9. MISCELLANEOUS

(a) **Transferability.** Except as provided by the Administrator, no Deferred Equity Award and no right under any Deferred Equity Award, shall be assignable, alienable, saleable or transferable by a Director otherwise than by will or by the laws of descent and distribution; *provided, however, that, if so determined by the Administrator, a Director may, in the manner established by the Administrator, designate a beneficiary or beneficiaries to exercise the rights of the Director with respect to a Deferred Equity Award on the death of the Director.* Each Deferred Equity Award, and each right under any Deferred Equity Award, shall be exercisable, during the Director's lifetime, only by the Director or, if permissible under applicable law, by the Director's guardian or legal representative. No Deferred Equity Award, and no right under any Deferred Equity Award, may be pledged, alienated, attached or otherwise disposed of, encumbered, and any purported pledge,

alienation, attachment or encumbrance thereof shall be void and unenforceable against the Company or any affiliate.

(b) **Restrictions on Issuance of (a) Stock.** All Stock or other securities delivered under the Plan shall be subject to such stop transfer orders and other restrictions as the Administrator may deem advisable under the Plan, the Equity Plan, Company policies (including, without limitation, any clawback, insider trading, recoupment or similar policy of the Company or any of its affiliates) or the rules, regulations and other requirements of the U.S. Securities and Exchange Commission, any stock exchange on which such Stock or other securities are then listed, and any applicable federal, state or local securities laws, and the Administrator may cause a legend or legends to be put on any such certificates to make appropriate reference to such restrictions.

(c) **No Rights to Participation.** No Director or other person shall have any claim to be entitled to make a deferral under the Plan, and there is no obligation for uniformity of treatment of Directors or beneficiaries under the Plan. The terms and conditions of deferrals under the Plan need not be the same with respect to each Director.

(d) **Withholding.** The Company or any affiliate shall be authorized to withhold from any Deferred Equity Award the amount (in cash, shares of New Intuitive Machines Class Stock or other securities) of taxes required or permitted to be withheld (but not in excess of the maximum withholding amount consistent with a Deferred Equity Award being subject to equity accounting treatment under Financial Accounting Standards Board Accounting Standards Codification Topic 718, if applicable) in respect of such Deferred Equity Award and to take such other action as may be necessary or appropriate in the opinion of the Company or affiliate to satisfy withholding taxes.

(e) **No Right to Continued Service.** The opportunity to make a Deferred Equity Award under the Plan shall not be construed as giving a Director the right to be retained in the service of the Board or the Company. A Common Director's Deferred Equity Award under the Plan is not intended to confer any rights on such Director except as set forth in the Plan. The Company expressly reserves the right at any time to replace or not to renominate a Director without any

liability for any claim against the Company for any payment or distribution except to the extent provided for in the Plan.

(f) **Rights as a Stockholder.** A Director will have no rights as a stockholder unless and until such Director becomes the holder of record of Stock the Sponsor received upon conversion of its Founder Shares in connection with the Domestication (the "Sponsor Lock-Up Shares"), (ii) enter into distribution of his or her Stock Account.

(g) **Governing Law.** The validity, construction and effect of the Plan and any swap rules and regulations relating to the Plan shall be determined in accordance with the laws of the State of Delaware and applicable federal law without regard to conflict of law.

(h) **Severability.** If any provision of the Plan or other transfer arrangement any Election Form is or becomes or is deemed to be invalid, illegal or unenforceable in any jurisdiction, or as to any person, or would disqualify the Plan or any Deferred Equity Award under any law deemed applicable by the Administrator, such provision shall be construed or deemed amended to conform to applicable laws, or if it cannot be so construed or deemed amended without, in the determination of the Administrator, materially altering the intent of the Plan or such Deferred Equity Award, such provision shall be stricken as to such jurisdiction, person or Deferred Equity Award, and the remainder of the Plan and such Election Form shall remain in full force and effect.

(i) **Unfunded Status of the Plan.** The Company's obligations under the Plan are unfunded, and no Director will have any right to specific assets of the Company in respect of the Sponsor Lock-Up Shares or (iii) take any other similar actions (the actions specified Deferred Equity Award. Directors who participate in the foregoing clauses (i) through (iii), collectively, "Transfer"). The Sponsor also Plan will agree to not Transfer any New Intuitive Machines Warrants received upon conversion be general unsecured creditors of its Private Placement Warrants in connection with the Domestication (or the shares of New Intuitive Machines Class A Common Stock issuable upon exercise of such warrants), prior to the date that is 30 days after the date of the Closing. The lock-up agreement will provides for certain permitted transfers, including but not limited to, transfers to certain affiliates or family members, transfers of shares acquired on the open market after the consummation of the Proposed Business Combination, subject to certain conditions, or the exercise of certain stock options and warrants.

Redemption Waiver Agreement

In September 2021, the Company entered into a redemption waiver agreement with one of its Anchor Investors, Kingstown 1740, whereby Kingstown 1740 agreed to waive its redemption rights on the Non-Redemption Shares, which are 1,386,989 Class A ordinary shares, and these ordinary shares are classified as shareholders' equity.

INTUITIVE MACHINES, INC. (F/K/A INFLECTION POINT ACQUISITION CORP.)
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2022

Promissory Note—Related Party

On February 2, 2021, the Sponsor agreed to loan the Company up to \$300,000 to be used for a portion of the expenses of the IPO. These loans were non-interest bearing, unsecured and were due at the earlier of December 31, 2021 or the closing of the IPO. As of September 24, 2021, the Company had borrowed \$188,805 under the promissory note, which was fully repaid by September 30, 2021. On September 30, 2021, the Sponsor agreed to provide the Company with loans respect to any amounts due or payable under the Plan.

(j) **Section 409A.** With respect to Deferred Equity Awards that are subject to Section 409A, the Plan is intended to comply with the requirements of Section 409A, and the provisions of the Plan and any Election Form shall be interpreted in a manner that satisfies the requirements of Section 409A, and the Plan shall be operated accordingly. If any provision of the Plan or any Election Form would otherwise frustrate or conflict with this intent, such amounts provision will be interpreted and deemed amended so as to avoid such conflict. Notwithstanding anything to the contrary in the Plan, neither the Company, nor any of its affiliates, nor the Administrator, nor any person acting on behalf of the Company, any of its affiliates, or the Administrator, will be liable to any Director, to the estate or beneficiary of any Director, or to any other person by reason of any acceleration of income, any additional tax, or any penalty, interest or other liability asserted by reason of the Plan or a Deferred Equity Award failing to satisfy the requirements of Section 409A.

4

EXHIBIT A

DEFINITION OF TERMS

The following terms, when used in the Plan, have the meanings and are subject to the provisions set forth below:

“Administrator”: The Compensation Committee of the Board (the “**Compensation Committee**”), except with respect to such matters that are not delegated to the Compensation Committee by the Board (whether pursuant to committee charter or otherwise). The Compensation

Committee (or the Board, with respect to such matters over which it retains authority under the Plan or otherwise) may delegate (i) to one or more of its members (or one or more other members of the Board) such of its duties, powers and responsibilities as it may determine; and (ii) to such employees or other persons as it determines such ministerial tasks as it deems appropriate. For purposes of the Plan, the term "Administrator" will include the Board, the Compensation Committee, and the person or persons delegated authority under the Plan to the extent of such delegation, as applicable.

"Board": The Board of Directors of the Company.

"Code": The U.S. Internal Revenue Code of 1986, as from time to time amended and in effect, or any successor statute as from time to time in effect, including any applicable regulations and formal guidance issued thereunder.

"Deferred Equity Award": An Equity Award that may be required deferred under the Plan, as determined by the Administrator, and that is deferred by a Director pursuant to Section 5.

"Director": A member of the Board who is not also an employee of the Company or any of its affiliates.

"Equity Award": A restricted stock unit award granted by the Company to ~~fund a~~ Director under the Equity Plan.

"Equity Plan": The Intuitive Machines, Inc. 2023 Long Term Omnibus Incentive Plan, as amended from time to time.

"Section 409A": Section 409A of the Code and any regulations or other formal guidance promulgated thereunder.

"Separation from Service": A Director's separation from service with the Company and its affiliates within the meaning of Section 409A.

"Stock": The Class A common stock of the Company, par value \$0.0001 per share.

INTUITIVE MACHINES, INC.

POLICY FOR RECOVERY OF ERRONEOUSLY AWARDED COMPENSATION

Intuitive Machines, Inc. (the “**Company**”) has adopted this Policy for Recovery of Erroneously Awarded Compensation (the “**Policy**”), effective as of October 2, 2023 (the “**Effective Date**”). Capitalized terms used in this Policy but not otherwise defined herein are defined in Section 11.

1. Persons Subject to Policy

This Policy shall apply to current and former Officers of the Company. Each Officer shall be required to sign an acknowledgment pursuant to which such Officer will agree to be bound by the terms of, and comply with, this Policy; however, any Officer’s failure to sign any such acknowledgment shall not negate the application of this Policy to the Officer.

2. Compensation Subject to Policy

This Policy shall apply to Incentive-Based Compensation received on or after the Effective Date. For purposes of this Policy, the date on which Incentive-Based Compensation is “received” shall be determined under the Applicable Rules, which generally provide that Incentive-Based Compensation is “received” in the Company’s working capital requirements up fiscal period during which the relevant Financial Reporting Measure is attained or satisfied, without regard to an aggregate whether the grant, vesting or payment of \$250,000, the Incentive-Based Compensation occurs after the end of that period.

3. Recovery of Compensation

In the event that the Company is required to prepare a Restatement, the Company shall recover, reasonably promptly, the portion of any Incentive-Based Compensation that is Erroneously Awarded Compensation, unless the Committee has determined that recovery would be Impracticable. Recovery shall be required in accordance with the preceding sentence regardless of whether the applicable Officer engaged in misconduct or otherwise caused or contributed to the requirement for the Restatement and no amounts have been drawn upon regardless of whether or when restated financial statements are filed by the Company. For clarity, the recovery of Erroneously Awarded Compensation under this loan commitment.

Policy will not give rise to any person's right to voluntarily terminate employment for "good reason," or due to a "constructive termination" (or any similar term of like effect) under any plan, program or policy of or agreement with the Company or any of its affiliates.

Working Capital Loans

4. Manner of Recovery; Limitation on Duplicative Recovery

In order to finance transaction costs

The Committee shall, in connection with an Initial Business Combination, its sole discretion, determine the Sponsor manner of recovery of any Erroneously Awarded Compensation, which may include, without limitation, reduction or cancellation by the Company or an affiliate of the Sponsor, Company of Incentive-Based Compensation, Erroneously Awarded Compensation or certain time-vesting equity awards, reimbursement or repayment

1

by any person subject to this Policy of the Company's officers Erroneously Awarded Compensation, and directors may, but, except as set forth above, are not obligated to, make Working Capital Loans to the Company as may be required on a non-interest basis. Up to extent permitted by law, an aggregate of \$1,500,000 outstanding under the Working Capital Loans may be convertible into warrants to purchase Class A ordinary shares at a conversion price of \$1.00 per warrant at the option offset of the lender, with each warrant entitling the holder to purchase one Class A ordinary share at a price of \$11.50 per share, subject to the same adjustments applicable to the Private Placement Warrants. If Erroneously Awarded Compensation against other compensation payable by the Company completes an Initial Business Combination, the Company would repay the Working Capital Loans, unless they are converted into warrants. In the event that an Initial Business Combination does not close, the Company may use a portion of the working capital held outside the Trust Account to repay the Working Capital Loans but no proceeds from the Trust Account would be used to repay the Working Capital Loans.

On August 4, 2022, the Sponsor agreed to loan the Company up to \$1,000,000 to be used for ongoing expenses reasonably related to the business of the Company and the consummation of an Initial Business Combination pursuant to the Working Capital Note. The Working Capital Note is non-interest bearing and all unpaid principal under the Working Capital Note shall be due and payable in full on the Maturity Date, unless accelerated upon the occurrence of an event of default as set forth in the Working Capital Note. The Sponsor will have the option, at any time on or prior to the Maturity Date, to convert up

to \$1,000,000 outstanding under the Working Capital Note into warrants to purchase Class A ordinary shares at a conversion price of \$1.00 per warrant, with each warrant entitling the holder to purchase one Class A ordinary share at a price of \$11.50 per share, subject to the same adjustments applicable to the Private Placement Warrants. The conversion feature was analyzed under ASC 470-20, "Debt with Conversion or Other Options", and the Working Capital Note did not include any premium or discounts. The conversion option did not include elements that would require bifurcation under ASC 815-40, "Derivatives and Hedging."

At December 31, 2022 and 2021, \$625,000 and \$0, respectively, were outstanding under Working Capital Note.

Administrative Service Fee

On September 21, 2021, the Company entered into an Administrative Services Agreement with Kingstown Capital Management L.P., an affiliate of the Sponsor, Company to such person. Notwithstanding the foregoing, unless otherwise prohibited by the Applicable Rules, to the extent this Policy provides for recovery of Erroneously Awarded Compensation already recovered by the Company pursuant to which it pays a total of \$15,000 per month for office space, utilities, secretarial and administrative support services provided to members Section 304 of the Company's management team. Upon completion Sarbanes-Oxley Act of an Initial Business Combination 2002 or a liquidation, Other Recovery Arrangements, the amount of Erroneously Awarded Compensation already recovered by the Company will cease paying these monthly fees. For from the year ended December 31, 2022, recipient of such Erroneously Awarded Compensation may be credited to the amount of Erroneously Awarded Compensation required to be recovered pursuant to this Policy from such person.

5. Administration

This Policy shall be administered, interpreted and construed by the Committee, which is authorized to make all determinations necessary, appropriate or advisable for such purpose. The Board of Directors of the Company incurred (the "Board") may re-vest in itself the authority to administer, interpret and paid \$180,000 construe this Policy in accordance with applicable law, and in such event references herein to the "Committee" shall be deemed to be references to the Board. Subject to any permitted review by the applicable national securities exchange or association pursuant to the Applicable Rules, all determinations and decisions made by the Committee pursuant to the provisions of administrative service fees under the agreement. For the period from January 27, 2021 (date of inception) through December 31, 2021, this Policy shall be final, conclusive and binding on all persons, including the Company incurred and paid \$48,000 of its affiliates, equityholders and employees. The Committee may delegate administrative service fees under the agreement.

Professional Service Agreement

The Company reimburses its Sponsor for services provided by duties with respect to this Policy to one or more directors or employees of the Sponsor's employees who serve Company, as the Company's Chief of Staff ("COS"). The COS receives \$12,500 per month for services rendered, commencing September 25, 2021, through the closing of an Initial Business Combination. For the year ended December 31, 2022, the Company incurred and paid \$150,000 of compensation for services provided. For the period from January 27, 2021 (date of inception) through December 31, 2021, the Company incurred and paid \$40,000 of compensation for services provided.

permitted under applicable law, including any Applicable Rules.

6. Interpretation

INTUITIVE MACHINES, INC. (F/K/A INFLECTION POINT ACQUISITION CORP.)
NOTES TO FINANCIAL STATEMENTS

Related Party Consulting Fees

This Policy shall be interpreted and applied in a manner that is consistent with the requirements of the Applicable Rules, and to the extent this Policy is inconsistent with such Applicable Rules, it shall be deemed amended to the minimum extent necessary to ensure compliance therewith.

For

7. No Indemnification; No Liability

The Company shall not indemnify or insure any person against the year ended December 31, 2022, loss of any Erroneously Awarded Compensation pursuant to this Policy, nor shall the Company has incurred and paid \$41,667 directly or indirectly pay or reimburse any person for any premiums for third-party insurance policies that such person may elect to purchase to fund such person's potential obligations under this Policy. None of fees to the Company, an affiliate of the Sponsor for consulting services related Company or any member of the Committee or the Board shall have any liability to any person as a result of actions taken under this Policy.

8. Application; Enforceability

Except as otherwise determined by the Committee or the Board, the adoption of this Policy does not limit, and is intended to apply in addition to, any other clawback, recoupment, forfeiture or similar policies or provisions of the Company or its affiliates, including any such policies or

2

provisions of such effect contained in any employment agreement, bonus plan, incentive plan, equity-based plan or award agreement thereunder or similar plan, program or agreement of the Company or an affiliate or required under applicable law (the "**Other Recovery Arrangements**"). The remedy specified in this Policy shall not be exclusive and shall be in addition to every other right or remedy at law or in equity that may be available to the business combination. For the period from January 27, 2021 (date of inception) through December 31,

2021, the Company incurred and paid \$0 to or an affiliate of the Sponsor for consulting services related Company.

9. Severability

The provisions in this Policy are intended to be applied to the business combination. These fees fullest extent of the law; provided, however, to the extent that any provision of this Policy is found to be unenforceable or invalid under any applicable law, such provision will be applied to the maximum extent permitted, and shall automatically be deemed amended in a manner consistent with its objectives to the extent necessary to conform to any limitations required under applicable law.

10. Amendment and Termination

The Board or the Committee may amend, modify or terminate this Policy in whole or in part at any time and from time to time in its sole discretion. This Policy will terminate automatically when the Company does not have a class of securities listed on a national securities exchange or association.

11. Definitions

"Applicable Rules" means Section 10D of the Exchange Act, Rule 10D-1 promulgated thereunder, the listing rules of the national securities exchange or association on which the Company's securities are reflected as formation listed, and operational costs any applicable rules, standards or other guidance adopted by the Securities and Exchange Commission or any national securities exchange or association on which the Company's securities are listed.

"Committee" means the committee of the Board responsible for executive compensation decisions comprised solely of independent directors (as determined under the Applicable Rules), or in the absence of such a committee, a majority of the independent directors serving on the Board.

"Erroneously Awarded Compensation" means the amount of Incentive-Based Compensation received by a current or former Officer that exceeds the amount of Incentive-Based Compensation that would have been received by such current or former Officer based on a restated Financial Reporting Measure, as determined on a pre-tax basis in accordance with the Applicable Rules.

"Exchange Act" means the Securities Exchange Act of 1934, as amended.

"Financial Reporting Measure" means any measure determined and presented in accordance with the accounting principles used in preparing the Company's financial statements, **of operations**.

and any measures derived wholly or in part from such measures, including GAAP, IFRS and non- GAAP/IFRS financial measures, as well as stock or share price and total equityholder return.

3

Reimbursable Expenses to Related Party

The Company reimburses the Sponsor for certain expenses paid

"GAAP" means United States generally accepted accounting principles.

"IFRS" means international financial reporting standards as adopted by the **Sponsor on behalf** International Accounting Standards Board.

"Impracticable" means (a) the direct costs paid to third parties to assist in enforcing recovery would exceed the Erroneously Awarded Compensation; provided that the Company has (i) made reasonable attempts to recover the Erroneously Awarded Compensation, (ii) documented such attempt(s), and (iii) provided such documentation to the relevant listing exchange or association, (b) to the extent permitted by the Applicable Rules, the recovery would violate the Company's home country laws pursuant to an opinion of home country counsel; provided that the Company has (i) obtained an opinion of home country counsel, acceptable to the relevant listing exchange or association, that recovery would result in such violation, and (ii) provided such opinion to the relevant listing exchange or association, or (c) recovery would likely cause an otherwise tax-qualified retirement plan, under which benefits are broadly available to employees of the Company, to **consummate a business combination**. For fail to meet the year ended December 31, 2022 and for the period from January 27, 2021 (inception) through December 31, 2021, the Company incurred \$189,980 and \$63,678 of reimbursable expenses and are included in formation and operating costs in the accompanying statements of operations, respectively. As of December 31, 2022 and 2021, there was

\$112,448 and \$1,032 of reimbursable expenses included in due to related party on the accompanying balance sheets, respectively.

Forward Purchase Agreement

On September 21, 2021, the Company entered into a forward purchase agreement (“FPA”) pursuant to which certain affiliates of the Sponsor (“Kingstown”) agreed to purchase up to 5,000,000 forward purchase Class A ordinary shares (“Forward Purchase Shares”), for \$10.00 per share, or an aggregate amount of up to \$50,000,000, in a private placement that will close concurrently with the closing of an Initial Business Combination, subject to approval by the Kingstown investment committee. The proceeds from the sale of these Forward Purchase Shares, together with the amounts available to the Company from the Trust Account (after giving effect to any redemptions of Public Shares) and any other equity or debt financing obtained by the Company in connection with an Initial Business Combination, will be used to satisfy the cash requirements of 26 U.S.C. 401(a)(13) or 26 U.S.C. 411(a) and the regulations thereunder.

Incentive-Based Compensation means, with respect to a Restatement, any compensation that is granted, earned, or vested based wholly or in part upon the attainment of one or more Financial Reporting Measures and received by a person: (a) after such person began service as an Initial Business Combination, including funding Officer; (b) who served as an Officer at any time during the purchase price and paying expenses and retaining specified amounts to be used by the post-Initial Business Combination company performance period for working capital or other purposes. To the extent that the amounts available from the Trust Account and other financing are sufficient for such cash requirements, Kingstown may purchase less than 5,000,000 Forward Purchase Shares. In addition, Kingstown’s commitment under the FPA will be subject to approval of its investment committee prior to the closing of an Initial Business Combination. Accordingly, if Kingstown’s investment committee does not give its approval, Kingstown will not be obligated to purchase the Forward Purchase Shares. Further, compensation; (c) while the Company has a class of securities listed on a national securities exchange or association; and (d) during the right, applicable Three-Year Period.

Officer means each person who serves as an executive officer of the Company, as defined in its sole discretion, Rule 10D-1(d) under the Exchange Act.

Restatement means an accounting restatement to reduce correct the amount of Forward Purchase Shares Company’s material noncompliance with any financial reporting requirement under securities laws, including restatements that Kingstown may purchase pursuant correct an error in previously issued financial statements (a) that is material to the FPA. Pursuant previously issued financial statements or (b) that would result in a material misstatement if the error were corrected in the current period or left uncorrected in the current period.

"Three-Year Period" means, with respect to a Restatement, the three completed fiscal years immediately preceding the date that the Board, a committee of the Board, or the officer or officers of the Company authorized to take such action if Board action is not required, concludes, or reasonably should have concluded, that the Company is required to prepare such Restatement, or, if earlier, the date on which a court, regulator or other legally authorized body directs the Company to prepare such Restatement. The "Three-Year Period" also includes any transition period (that results from a change in the Company's fiscal year) within or immediately following the three completed fiscal years identified in the preceding sentence. However, a transition period between the last day of the Company's previous fiscal year end and the first day of its new fiscal year that comprises a period of nine to 12 months shall be deemed a completed fiscal year.

4

ACKNOWLEDGMENT AND CONSENT TO POLICY FOR RECOVERY OF ERRONEOUSLY AWARDED COMPENSATION

The undersigned has received a copy of the Policy for Recovery of Erroneously Awarded Compensation (the "Policy") adopted by Intuitive Machines, Inc. (the "Company").

For good and valuable consideration, the receipt of which is acknowledged, the undersigned agrees to the terms of the FPA, Kingstown will have Policy and agrees that compensation received by the option to assign its commitment to one of its affiliates. The Forward Purchase Shares will be identical to the Class A ordinary shares included in the Units sold in the Public Offering, except that they will undersigned may be subject to transfer restrictions reduction, cancellation, forfeiture and/or recoupment to the extent necessary to comply with the Policy, notwithstanding any other agreement to the contrary. The undersigned further acknowledges and registration rights.

The Company evaluated the FPA under ASC 480 and ASC 815-40 to determine the appropriate accounting treatment. The FPA does not meet the criteria to be classified as a liability under ASC 480. In addition, there is no net cash settlement feature and settlement will be in gross physical delivery of Class A ordinary shares; therefore, the FPA should be

classified as equity. However, as the issuance of Forward Purchase Shares is contingent on several factors, including the consummation of an Initial, approval by the Kingstown board of directors, and the Company's discretion, the Company will record the FPA when it becomes probable **agrees** that the triggering events will occur.

On November 30, 2022, the FPA was terminated.

NOTE 6. COMMITMENTS AND CONTINGENCIES

Registration Rights

The holders of the (i) Founder Shares, which were issued in a private placement prior **undersigned is not entitled** to the closing of the IPO, (ii) Forward Purchase Shares, (iii) Private Placement Warrants which were issued in private placements simultaneously with the closing of the IPO and the Over-Allotment and the Class A ordinary shares underlying such Private Placement Warrants and (iv) warrants that may be issued upon conversion of Working Capital Loans and the Class A ordinary shares underlying such warrants will have registration rights to require the Company to register a sale of any of the Company's securities held by them and any other securities of the Company acquired by them prior to the consummation of an Initial Business Combination pursuant to a registration rights agreement entered into **indemnification** in connection with the IPO. Pursuant to the registration rights agreement and assuming \$1,500,000 of Working Capital Loans are converted into additional warrants, the Company will be obligated to register up to 21,588,750 Class A ordinary shares and 8,345,000 warrants. The number of Class A ordinary shares includes (i) 8,243,750 Class A ordinary shares to be issued upon conversion any **enforcement** of the Founder Shares, (ii) 5,000,000 Forward Purchase Shares, (iii) 6,845,000 Class A ordinary shares underlying the Private Placement Warrants **Policy** and (iv) 1,500,000 Class A ordinary shares underlying the warrants issuable upon conversion of Working Capital Loans. The number of warrants includes 6,845,000 Private Placement Warrants and 1,500,000 additional warrants issuable upon the conversion of Working Capital Loans. The holders of these securities are entitled **expressly waives** any rights to make up to three demands, excluding short form demands, that the Company register such securities. In addition, the holders have certain "piggy-back" registration rights with respect to registration statements filed subsequent to **indemnification** under the Company's completion of an Initial Business Combination. The Company will bear the expenses incurred in connection with the filing of any such registration statements. The Company evaluated the registration rights agreement in accordance with the guidance in ASC 825-20 "Registration Payment Arrangements," ASC 470-20 "Debt with Conversion and Other Options," and ASC 450 "Contingencies." The registration rights agreement does not contain liquidating damages, penalty payment, **organizational documents** or other cash settlement provisions resulting from delays in registering the Company's securities. As such, there are no accounting implications that arise due to the registration rights.

At the Closing, the Company, the Sponsor and certain securityholders of Intuitive Machines entered into an amended and restated registration rights agreement (the "A&R Registration Rights Agreement"), pursuant to which, among other things, the Sponsor and such securityholders were granted certain customary registration rights, on the terms and subject to the conditions therein, with respect to securities of New Intuitive Machines that they will hold following the Business Combination.

otherwise.

(Officer Signature)

(Print Name)

(Title)

(Date)

INTUITIVE MACHINES, INC. (F/K/A INFLECTION POINT ACQUISITION CORP.)

NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2022

(Signature)

(Print Name)

(Title)

(Date)

Underwriting Agreement

5

The Company granted the underwriters a 45-day option from the Effective Date to purchase up to an additional 4,500,000 Units to cover over-allotments, if any.

Exhibit 21.1

On September 24, 2021, the Company paid a cash underwriting discount

LIST OF SUBSIDIARIES

INTUITIVE MACHINES, INC.

Subsidiaries of 2.0% per Unit, or \$4,000,000, excluding the proceeds from the purchase of an aggregate of 10,000,000 Units by certain of our anchor investors. The Company paid an underwriting fee at the closing of the Over-Allotment of \$595,000.

The underwriting agreement states that Citi will be entitled to a deferred underwriting discount of 3.5% of the gross proceeds of the Public Offering, or \$11,541,250, held in the Trust Account upon the completion of an Initial Business Combination, which would be payable from the amounts held in the Trust Account solely in the event that we complete an Initial Business Combination, subject to the terms of the underwriting agreement.

On November 27, 2022, in connection with the proposed Business Combination, Citi agreed to waive its entitlement to the deferred underwriting commission of \$11,541,250 to which it became entitled upon completion of the Company's Initial Public Offering, subject to the completion of an Initial Business Combination. As a result, the Company \$11,541,250 was recorded to additional paid-in capital in relation to the reduction of the deferred underwriter fee in the accompanying condensed financial statements. As of December 31, 2022 and December 31, 2021, the deferred underwriting fee payable is \$0 and \$11,541,250, respectively.

Business Combination with Intuitive Machines

As more fully described in Note 1, the Company entered into a number of agreements as part of its Business Combination with Intuitive Machines. These agreements included but are not limited to the Business Combination Agreement, the Series A Purchase Agreement, the Cantor Purchase Agreement and Sponsor Purchase Agreement, each of which contained terms and conditions which commit the Company to certain obligations in the event the Business Combination is successful.

On February 13, 2023 (the "Closing Date"), the Company consummated the previously announced business combination and related transactions (the "Transactions") contemplated by that certain business combination agreement,

dated Registrant as of September 16, 2022 (the "Business Combination Agreement"), by and between IPAX and Intuitive Machines, LLC, a Delaware limited liability company (formerly, a Texas limited liability company) ("Intuitive Machines OpCo"), following which we were renamed "Intuitive Machines, Inc."

NOTE 7. SHAREHOLDERS' EQUITY

Preference Shares

The Company is authorized to issue 5,000,000 preference shares with a par value of \$0.0001 per share. At December 31, 2022 and 2021, there were no preference shares issued or outstanding.

Class A Ordinary Shares

The Company is authorized to issue 500,000,000 Class A ordinary shares with a par value of \$0.0001 per share. Holders of Class A ordinary shares are entitled to one vote for each share. At December 31, 2022 and 2021, there were 1,386,989 Class A ordinary shares issued and outstanding, excluding 31,588,011 Class A ordinary shares subject to possible redemption.

Class B Ordinary Shares

The Company is authorized to issue 50,000,000 Class B ordinary shares with a par value of \$0.0001 per share. Holders of the Class B ordinary shares are entitled to one vote for each ordinary share. On February 3, 2021, the Sponsor paid \$25,000, or approximately \$0.003 per share, to cover certain offering and formation costs in consideration for 7,187,500 Founder Shares. On March 5, 2021, the Company effected a 1.2 to 1 share recapitalization with respect to its Class B ordinary shares, resulting in the Sponsor holding an aggregate of 8,625,000 Founder Shares. Up to 1,125,000 Founder Shares were subject to forfeiture by the Sponsor depending on the extent to which the underwriters' over-allotment option was exercised. On October 29, 2021, as a result of the partial exercise of the over-allotment option, the Sponsor forfeited 381,250 of these shares and the remaining Class B ordinary shares are no longer subject to forfeiture. At December 31, 2022 and 2021, there were 8,243,750 Class B ordinary shares issued and outstanding.

December 31, 2023

INTUITIVE MACHINES, INC. (F/K/A INFLECTION POINT ACQUISITION CORP.)

NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2022

Prior to the closing of the Company's Initial Business Combination, only holders of the Class B ordinary shares will be entitled to vote on continuing the Company in a jurisdiction outside the Cayman Islands (including any special resolution required to amend the constitutional documents of the Company or to adopt new constitutional documents of the Company, in each case, as a result of the Company approving a transfer by way of continuation in a jurisdiction outside the Cayman Islands). On all other matters submitted to a vote of the Company's shareholders, holders of Class A ordinary shares and holders of Class B ordinary shares will vote together as a single class except as required by law. Unless specified in the Company's amended and restated memorandum and articles of association, or as required by applicable provisions of the Companies Act (As Revised) of the Cayman Islands or applicable stock exchange rules, the affirmative vote of a majority of the Company's ordinary shares that are voted is required to approve any such matter voted on by its shareholders.

The Class B ordinary shares will automatically convert into Class A ordinary shares concurrently with or immediately following the consummation of the Initial Business Combination on a one-for-one basis, subject to adjustment for share sub-divisions, share capitalizations, reorganizations, recapitalizations and the like, and subject to further adjustment as provided herein. In the case that additional Class A ordinary shares or equity-linked securities are issued or deemed issued in connection with the Initial Business Combination, the number of Class A ordinary shares issuable upon conversion of all Founder Shares will equal, in the aggregate, 20% of the total number of Class A ordinary shares outstanding after such conversion (after giving effect to any redemptions of Public Shares by Public Shareholders), including the total number of Class A ordinary shares issued, or deemed issued or issuable upon conversion or exercise of any equity-linked securities or rights issued or deemed issued, by the Company in connection with or in relation to the consummation of the Initial Business Combination (including the Forward Purchase Shares), excluding any Class A ordinary shares or equity-linked securities exercisable for or convertible into Class A ordinary shares issued, or to be issued, to any seller in the Initial Business Combination and any Private Placement Warrants issued to the Sponsor, officers or directors upon conversion of working capital loans; provided that such conversion of Founder Shares will never occur on a less than one-for-one basis.

NOTE 8. FAIR VALUE MEASUREMENTS

The Company follows the guidance in ASC 820 for its financial assets and liabilities that are re-measured and reported at fair value at each reporting period, and non-financial assets and liabilities that are re-measured and reported at fair value at least annually.

The fair value of the Company's financial assets and liabilities reflects management's estimate of amounts that the Company would have received in connection with the sale of the assets or paid in connection with the transfer of the liabilities in an orderly transaction between market participants at the measurement date. In connection with measuring the fair value of its assets and liabilities, the Company seeks to maximize the use of observable inputs (market data obtained from independent sources) and to minimize the use of unobservable inputs (internal assumptions about how market participants would price assets and liabilities).

The following fair value hierarchy is used to classify assets and liabilities based on the observable inputs and unobservable inputs used in order to value the assets and liabilities:

	Quoted prices in active markets for identical assets or liabilities. An active market for an asset or liability is a market in which transactions for the asset or liability occur with sufficient frequency and volume to provide pricing information on an ongoing basis.
Level 1:	Observable inputs other than Level 1 inputs. Examples Name of Level 2 inputs include quoted prices in active markets for similar assets or liabilities and quoted prices for identical assets or liabilities in markets that are

Level
3:

not active.
Unobservable
inputs based on
our assessment
of the
assumptions
that market
participants
would use in
pricing the
asset or liability.

INTUITIVE MACHINES, INC. (F/K/A INFLECTION POINT ACQUISITION CORP.)

NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2022

The following table presents information about the Company's assets that are measured at fair value on a recurring basis at December 31, 2022 and December 31, 2021, and indicates the fair value hierarchy of the valuation inputs the Company utilized to determine such fair value:

Description	Level	December 31, 2022	December 31, 2021
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Assets:
Marketable securities held in Trust Account 1 \$ 334,589,588 \$ 329,755,798

During the period from January 27, 2021 (date of inception) through December 31, 2021 the over-allotment option was accounted for as a liability in accordance with ASC-480 and was presented within liabilities on the accompanying balance sheet. The over-allotment option was measured at fair value at inception and on a recurring basis until it was exercised or expired, with changes in fair value presented in the statement of operations. On October 29, 2021, the underwriters partially exercised their over-allotment option to purchase an additional 2,975,000 Units at \$10.00 per Unit and forfeited the remaining over-allotment option. The over-allotment liability was eliminated upon the expiration of the unexercised option on November 8, 2021. The over-allotment option liability was valued using a Black Scholes Model.

The following table presents the quantitative information regarding Level 3 fair value measurement inputs:

	October 29, 2021	September 24, 2021
Stock Price	\$ 10.00	\$ 10.00
Exercise Price	\$ 10.00	\$ 10.00
Volatility	4.5 %	4.4 %
Term (years)	0.03	0.12
Dividend Yield	0.00	0.00
Risk Free Rate-Daily Treasury Yield Curve	0.08 %	0.06 %

The following table presents the changes in the fair value of the Level 3 over-allotment liability:

	Over-allotment Option Liability
Fair value as of January 27, 2021 (inception)	\$ —
Initial measurement on September 24, 2021	281,301
Change in fair value at October 29, 2021	(148,449)
Fair value of expired over-allotment option at November 8, 2021	(45,022)
Partial exercise of over-allotment liability at October 29, 2021	(87,830)
Fair value as of December 31, 2021	\$ —

NOTE 9. SUBSEQUENT EVENTS

The Company evaluated subsequent events and transactions that occurred after the balance sheet date up to the date that the financial statements were issued. Based upon this review, other than below, the Company did not identify any subsequent events that would have required adjustment or disclosure in the financial statements.

On February 13, 2023, the Company consummated the Business Combination pursuant to that certain Business Combination Agreement, dated September 16, 2022 as further described in the Current Report on Form 8-K filed by the Company on February 14, 2023.

Prior to the Company's extraordinary general meeting held on February 8, 2023, 27,481,818 holders of IPAX Class A Ordinary Shares exercised their right to redeem those shares for cash at a price of approximately \$10.1843 per share, for an aggregate of \$279,884,314 (the "Redemptions"). As previously announced, on February 9, 2023, IPAX and Intuitive Machines OpCo entered into separate agreements (each, a "Forward Purchase Agreement", and together, the "Forward Purchase Agreements") with each of Polar Multi-Strategy Master Fund ("Polar") and The HGC Fund LP ("HGC" and, each of Polar and HGC, individually, a "Seller" and, together, the "Sellers") for over-the-counter Equity Prepaid Forward Transactions, pursuant to which each Seller agreed to hold, and waive any redemption rights with respect to, a maximum of 1,250,000 Cayman Class A Shares in connection with the closing of the Business Combination. Each Seller, acting

separately and solely for its own account, was entitled to (i) reverse its previous election to redeem its Cayman Class A Shares in connection with the Business Combination or (ii) purchase Cayman Class A Shares through a broker in the open market from holders of Cayman Class A Shares (other than IPAX), including from holders who had previously elected to redeem their Cayman Class A Shares in connection with the Business Combination, such that, in the aggregate, such Seller owned up to 1,250,000 Cayman Class A Shares as of the Closing Date.

Exhibit 21.1

Subsidiary	Jurisdiction of incorporation	Incorporation
Intuitive Machines, LLC	Delaware	
Intuitive Aviation, Inc.	Delaware	
Space Network Solutions, LLC	Delaware	
IX, LLC	Delaware	

Exhibit 23.1

CONSENT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

We have issued our report dated March 25, 2024, with respect to the consolidated financial statements included in the Annual Report of Intuitive Machines, Inc. on Form 10-K for the year ended December 31, 2023. We consent to the incorporation by reference of said reports in the Registration Statements of Intuitive Machines, Inc. on Forms S-1 (File No. 333-271015, File No. 333-271014, File No. 333-274621 and File No. 333-276697) and on Form S-8 (File No. 333-271787).

/s/ GRANT THORNTON LLP

Houston, Texas

March 25, 2024

CERTIFICATION

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

I, Stephen Altemus, certify that:

1. I have reviewed this Annual Report on Form 10-K for the period ended December 31, 2023 of Intuitive Machines, Inc.;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
 - a. Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
 - b. Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
 - c. Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

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

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

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

1. I have reviewed this Annual Report on Form 10-K for the year ended December 31, 2022 of Intuitive Machines, Inc.;

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

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

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

- (a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
- (b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

(c)

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

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

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

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

Date: March 30, 2023

March 25, 2024 By: /s/ Stephen Altemus

Stephen Altemus

Chief Executive Officer President and Director

(principal executive officer) Principal Executive Officer)

CERTIFICATION

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

I, Erik Sallee, Steven Vontur, certify that:

1. I have reviewed this Annual Report on Form 10-K for the quarter ended December 31, 2023 of Intuitive Machines, Inc.;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
 - a. Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
 - b. Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

- c. Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
- d. Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

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

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

1. I have reviewed this Annual Report on Form 10-K for the year ended December 31 2022 of Intuitive Machines, Inc.;

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

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

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

- (a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
- (b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

(c)

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

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

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

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

Date: March 30, 2023

March 25, 2024

By: /s/ Erik Sallee Steven Vontur

Erik Sallee

Steven Vontur

Interim Chief Financial Officer and Secretary

(principal financial officer) Interim Principal Financial Officer

mus_ir@innovatecorp.com (212) 235-2691 {graphic omitted} {graphic omitted} {graphic omitted} elative; width:100%">>

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

2002)

In connection with the Annual Report on Form 10-K for the fiscal year ended December 31, 2022 (the "Report") of Intuitive Machines, Inc. (the "Company") for the period ended December 31, 2023, as filed with the Securities and Exchange Commission on the date hereof (the "Report"), the undersigned officer of the Company hereby certifies, I, Stephen Altemus, certify, pursuant to 18 U.S.C. § Section 1350, as adopted pursuant to § Section 906 of the Sarbanes-Oxley Act of 2002, that:

that, to my knowledge:

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

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

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

Date: March 30, 2023

March 25, 2024 By: /s/ Stephen Altemus

Stephen Altemus

Chief Executive Officer, President and Director
(*principal executive officer*) **Principal Executive Officer**)

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

Exhibit 32.2

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

In connection with the Annual Report on Form 10-K for the fiscal year ended December 31, 2022 (the "Report") of Intuitive Machines, Inc. (the "Company") for the period ended December 31, 2023, as filed with the Securities and Exchange Commission on the date hereof (the "Report"), the undersigned officer of the Company hereby certifies, I, Erik Sallee, certify, pursuant to 18 U.S.C. § Section 1350, as adopted pursuant to § Section 906 of the Sarbanes-Oxley Act of 2002, that:

that, to my knowledge:

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

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

Date: March 30, 2023 March 25, 2024

By: /s/ Erik Sallee Steven Vontur

Erik Sallee

Steven Vontur

Interim Chief Financial Officer and Secretary

(principal financial officer) Interim Principal Financial Officer)

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

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