

**UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549
FORM 10-Q**

(Mark One)

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

For the quarterly period ended September 30, 2024

OR

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

For the transition period from to

Commission file number 001-39128

Momentum Inc.

(Exact name of registrant as specified in its charter)

Delaware

84-1905538

(State or other jurisdiction of incorporation or organization)

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

**3901 N. First Street
San Jose, California**

95134

(Address of Principal Executive Offices)

(Zip Code)

(650) 564-7820

Registrant's telephone number, including area code

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

Title of each class	Trading Symbol(s)	Name of each exchange on which registered
Class A common stock	MNTS	Nasdaq Stock Market LLC
Warrants	MNTSW	Nasdaq Stock Market LLC

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

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

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

Large accelerated filer	<input type="checkbox"/>	Accelerated filer	<input type="checkbox"/>
Non-accelerated filer	<input checked="" type="checkbox"/>	Smaller reporting company	<input checked="" type="checkbox"/>
		Emerging growth company	<input checked="" type="checkbox"/>

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

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

The registrant had outstanding 25,540,419 shares of Class A common stock as of October 31, 2024.

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CAUTIONARY NOTE REGARDING FORWARD-LOOKING STATEMENTS

This Quarterly Report on Form 10-Q (this "Form 10-Q"), including, without limitation, statements under the headings "Management's Discussion and Analysis of Financial Condition and Results of Operations," includes forward-looking statements within the meaning of Section 27A of the Securities Act of 1933, as amended, (the "Securities Act") and Section 21E of the Securities Exchange Act of 1934, as amended, (the "Exchange Act"). Generally, statements that are not historical facts, including statements concerning Momentus Inc.'s (the "Company," "Momentus," "we," "us," or "our") possible or assumed future actions, business strategies, events, or results of operations, are forward-looking statements. These forward-looking statements can be identified by the use of forward-looking terminology, including the words "believes," "estimates," "anticipates," "expects," "intends," "plans," "may," "will," "potential," "projects," "predicts," "continue," or "should," or, in each case, their negative or other variations or comparable terminology, but the absence of these words does not mean that a statement is not forward-looking. There can be no assurance that actual results will not materially differ from expectations.

The forward-looking statements contained in this Form 10-Q are based on our current expectations and beliefs concerning future developments and their potential effects on us. Future developments affecting us may not be those that we have anticipated. These forward-looking statements involve a number of risks, uncertainties (some of which are beyond our control) and other assumptions that may cause actual results or performance to be materially different from those expressed or implied by these forward-looking statements. These risks and uncertainties include, without limitation, the ability of the Company to raise additional capital to finance its operations and business plan; the results of the Company's evaluation of the strategic alternatives and the risks associated with any transactions pursued as a result thereof; the ability of the Company to obtain licenses and government approvals for its missions, which are essential to its operations; successful completion of our efforts to prepare our spacecraft for flight, that the vehicles that we plan to operate in future missions will be ready on time, or that they will operate as intended; the ability of the Company to effectively market and sell satellite buses; the ability of the Company to protect its intellectual property and trade secrets; the development of markets for satellite transport and in-orbit services; the ability of the Company to develop, test and validate its technology, including its water plasma propulsion technology; delays or impediments that the Company may face in the development, manufacture and deployment of next generation satellite transport systems; the ability of the Company to convert backlog or inbound inquiries into revenue; changes in applicable laws or regulations and extensive and evolving government regulations that impact operations and business, including export control license requirements; the ability to attract or maintain a qualified workforce with the required security clearances and requisite skills; level of product service or product or launch failures or delays that could lead customers to use competitors' services; investigations, claims, disputes, enforcement actions, litigation and/or other regulatory or legal proceedings; the possibility that the Company may be adversely affected by other economic, business, and/or competitive factors; and/or other risks and uncertainties

described under Part II, Item 1A: "*Risk Factors*," in this Form 10-Q and under Part I, Item 1A. in our Annual Report on Form 10-K filed with the U.S. Securities and Exchange Commission ("SEC") on June 6, 2024. Should one or more of these risks or uncertainties materialize, or should any of our assumptions prove incorrect, actual results may vary in material respects from those projected in these forward-looking statements. We undertake no obligation to update or revise any forward-looking statements, whether as a result of new information, future events, or otherwise, except as may be required under applicable securities laws. These risks and others described under Part II, Item 1A: "*Risk Factors*," in this Form 10-Q and under Part I, Item 1A in our Annual Report on Form 10-K filed with the SEC on June 6, 2024, may not be exhaustive.

By their nature, forward-looking statements involve risks and uncertainties because they relate to events and depend on circumstances that may or may not occur in the future. We caution you that forward-looking statements are not guarantees of future performance and that our actual results of operations, financial condition and liquidity, and developments in the industry in which we operate may differ materially from those made in or suggested by the forward-looking statements contained in this Form 10-Q. These statements are inherently uncertain and investors are cautioned not to unduly rely upon these statements. In addition, even if our results or operations, financial condition and liquidity, and developments in the industry in which we operate are consistent with the forward-looking statements contained in this Form 10-Q, those results or developments may not be indicative of results or developments in subsequent periods.

ITEM 1. Financial Statements

MOMENTUS INC.
CONDENSED CONSOLIDATED BALANCE SHEETS
(UNAUDITED)
(in thousands except number of shares and par value)

	September 30, 2024	December 31, 2023
	<i>(unaudited)</i>	
ASSETS		
Current assets:		
Cash and cash equivalents	\$ 798	\$ 2,118
Insurance receivable	408	100
Prepays and other current assets	4,187	8,513
Total current assets	5,393	10,731
Property, machinery and equipment, net	2,369	3,252
Intangible assets, net	265	341
Operating lease right-of-use asset	4,488	5,350
Restricted cash, non-current	500	373
Other non-current assets	1,090	602
Total assets	<u>\$ 14,105</u>	<u>\$ 20,649</u>
LIABILITIES AND STOCKHOLDERS' EQUITY		
Current liabilities:		
Accounts payable	\$ 5,677	\$ 2,805
Accrued liabilities	3,629	4,754
Loan payable, current	2,337	2,273
Contract liabilities, current	495	—
Operating lease liability, current	1,358	1,268
Litigation settlement contingency	526	—
Other current liabilities	4	9
Total current liabilities	14,026	11,109
Contract liabilities, non-current	1,143	998
Warrant liability	3	3
Operating lease liability, non-current	3,829	4,863
Other non-current liabilities	508	489
Total non-current liabilities	5,483	6,353
Total liabilities	19,509	17,462
Commitments and Contingencies (Note 12)		
Stockholders' equity (deficit):		
Preferred stock, \$0.00001 par value; 20,000,000 shares authorized and 0 issued and outstanding as of September 30, 2024 and December 31, 2023, respectively	—	—
Class A common stock, \$0.00001 par value; 250,000,000 shares authorized and 21,625,778 issued and outstanding as of September 30, 2024; 250,000,000 shares authorized and 8,283,865 issued and outstanding as of December 31, 2023	—	—
Class B common stock, \$0.00001 par value; 4,312,500 shares authorized and 0 issued and outstanding as of September 30, 2024 and December 31, 2023, respectively	—	—
Additional paid-in capital	390,730	376,234
Accumulated deficit	(396,134)	(373,047)
Total stockholders' equity (deficit)	(5,404)	3,187
Total liabilities and stockholders' equity (deficit)	<u>\$ 14,105</u>	<u>\$ 20,649</u>

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

MOMENTUS INC.
CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS
(UNAUDITED)

(in thousands, except share and per share data)

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2024	2023	2024	2023
Service revenue	\$ 107	\$ 339	\$ 1,829	\$ 2,066
Cost of revenue	66	119	66	507
Gross profit	41	220	1,763	1,559
Operating expenses:				
Research and development expenses	2,205	5,992	7,731	26,315
Selling, general and administrative expenses	5,429	9,294	16,916	29,571
Total operating expenses	7,634	15,286	24,647	55,886
Loss from operations	(7,593)	(15,066)	(22,884)	(54,327)
Other income (expense), net:				
Change in fair value of warrant liability	—	221	—	559
Realized loss on disposal of assets	(133)	—	(188)	(17)
Interest income	2	216	24	1,128
Interest expense	(43)	(530)	(100)	(2,182)
Other income	9	—	61	20
Total other income (expense), net	(165)	(93)	(203)	(492)
Loss before income taxes	(7,758)	(15,159)	(23,087)	(54,819)
Net loss	\$ (7,758)	\$ (15,159)	\$ (23,087)	\$ (54,819)
Net loss per share, basic and diluted	\$ (0.45)	\$ (7.20)	\$ (1.49)	\$ (28.45)
Net loss per share, fully diluted	\$ (0.45)	\$ (7.20)	\$ (1.49)	\$ (28.45)
Weighted average shares outstanding, basic and diluted	17,357,896	2,106,707	15,514,688	1,927,049
Weighted average shares outstanding, fully diluted	17,357,896	2,106,707	15,514,688	1,927,049

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

MOMENTUS INC.
CONDENSED CONSOLIDATED STATEMENTS OF STOCKHOLDERS' EQUITY (DEFICIT)
(UNAUDITED)
(in thousands, except share data)

	Common stock – Class A		Additional paid-in capital	Accumulated deficit	Total stockholders' equity (deficit)
	Shares	Amount			
Balance, December 31, 2023	8,283,865	\$ —	\$ 376,234	\$ (373,047)	\$ 3,187
Issuance of common stock upon vesting of RSUs	36,570	—	—	—	—
Share repurchase related to Section 16 Officer tax coverage exchange	(5,937)	—	(3)	—	(3)
Stock-based compensation - stock options, RSAs, RSUs	—	—	1,443	—	1,443
Issuance of common stock and related warrants in registered offering, net of issuance costs	2,220,000	—	7,171	—	7,171
Issuance of common stock upon exercise of pre-funded warrants	6,091,280	—	—	—	—
Net loss	—	—	—	(8,313)	(8,313)
Balance, March 31, 2024	16,625,778	\$ —	\$ 384,845	\$ (381,360)	\$ 3,485
Stock-based compensation - stock options, RSAs, RSUs	—	—	1,735	—	1,735
Net loss	—	—	—	(7,016)	(7,016)
Balance, June 30, 2024	16,625,778	\$ —	\$ 386,580	\$ (388,376)	\$ (1,796)
Stock-based compensation - stock options, RSAs, RSUs	—	—	1,707	—	1,707
Issuance of pre-funded warrants and warrants in private placement, net of issuance costs	—	—	2,443	—	2,443
Issuance of common stock upon exercise of pre-funded warrants	5,000,000	—	—	—	—
Net loss	—	—	—	(7,758)	(7,758)
Balance, September 30, 2024	21,625,778	\$ —	\$ 390,730	\$ (396,134)	\$ (5,404)

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

MOMENTUS INC.
CONDENSED CONSOLIDATED STATEMENTS OF STOCKHOLDERS' EQUITY (DEFICIT) - CONTINUED
(UNAUDITED)
(in thousands, except share data)

	Common stock – Class A		Additional paid in capital	Accumulated deficit	Total stockholders' equity (deficit)
	Shares	Amount			
Balance, December 31, 2022	1,688,824	\$ —	\$ 342,734	\$ (304,127)	\$ 38,607
Issuance of common stock upon exercise of stock options	7,406	—	92	—	92
Issuance of common stock upon vesting of RSUs	15,336	—	—	—	—
Share repurchase related to Section 16 Officer tax coverage exchange	(2,498)	—	(60)	—	(60)
Stock-based compensation - stock options, RSAs, RSUs	—	—	1,720	—	1,720
Issuance of common stock and related warrants in registered offering, net of issuance costs	187,920	—	9,300	—	9,300
Issuance of common stock for consulting services	2,700	—	112	—	112
Net loss	—	—	—	(20,825)	(20,825)
Balance, March 31, 2023	1,899,688	\$ —	\$ 353,898	\$ (324,952)	\$ 28,946
Issuance of common stock upon exercise of stock options	2,648	—	38	—	38
Issuance of common stock upon vesting of RSUs	9,440	—	—	—	—
Issuance of common stock upon purchase of ESPP	2,131	—	31	—	31
Issuance of common stock upon exercise of pre-funded warrants	43,401	—	—	—	—
Stock-based compensation - stock options, RSAs, RSUs	—	—	2,577	—	2,577
Net loss	—	—	—	(18,835)	(18,835)
Balance, June 30, 2023	1,957,308	\$ —	\$ 356,544	\$ (343,787)	\$ 12,757
Issuance of common stock upon exercise of stock options	27	—	—	—	—
Issuance of common stock upon vesting of RSUs	12,891	—	—	—	—
Share repurchase related to Section 16 Officer tax coverage exchange	(2,066)	—	(27)	—	(27)
Issuance of common stock and related warrants in registered offering, net of issuance costs	210,000	—	4,565	—	4,565
Issuance of common stock upon exercise of pre-funded warrants	462,948	—	—	—	—
Stock-based compensation - stock options, RSAs, RSUs	—	—	2,156	—	2,156
Common stock issued in connection with reverse stock split	59,801	—	—	—	—
Net loss	—	—	—	(15,159)	(15,159)
Balance, September 30, 2023	2,700,909	\$ —	\$ 363,238	\$ (358,946)	\$ 4,292

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

MOMENTUS INC.
CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS
(UNAUDITED)
(in thousands)

	Nine Months Ended September 30,	
	2024	2023
Cash flows from operating activities:		
Net loss	\$ (23,087)	\$ (54,819)
Adjustments to reconcile net loss to net cash used in operating activities:		
Depreciation and amortization	657	667
Amortization of debt discount and issuance costs	88	1,182
Amortization of right-of-use asset	862	812
Change in fair value of warrant liability	—	(559)
Loss on disposal of fixed and intangible assets	188	17
Stock-based compensation expense	4,885	6,453
Issuance of common stock for consulting services	—	112
Changes in operating assets and liabilities:		
Accounts receivable	—	(44)
Prepays and other current assets	4,326	(297)
Insurance receivable	(308)	—
Other non-current assets	(487)	2,644
Accounts payable	2,872	278
Accrued liabilities	(1,105)	(610)
Accrued interest	—	118
Other current liabilities	(6)	(2)
Contract liabilities	640	(1,098)
Operating lease liability	(944)	(859)
Litigation settlement contingency	526	—
Other non-current liabilities	19	18
Net cash used in operating activities	(10,874)	(45,987)
Cash flows from investing activities:		
Purchases of property, machinery and equipment	—	(94)
Proceeds from sale of property, machinery and equipment	135	113
Purchases of intangible assets	(41)	(26)
Net cash provided by (used in) investing activities	94	(7)
Cash flows from financing activities:		
Proceeds from issuance of convertible notes	2,295	—
Proceeds from exercise of stock options	—	130
Proceeds from employee stock purchase plan	—	31
Repurchase of Section 16 Officer shares for tax coverage exchange	(3)	(87)
Principal payments on loan payable	(2,319)	(9,592)
Payment of deferred offering costs	—	(252)
Payment for repurchase of common shares	—	(10,000)
Proceeds from issuance of common stock and related warrants	10,750	15,000
Payments for issuance costs related to common stock and related warrants	(1,137)	(1,135)
Net cash provided by (used in) financing activities	9,586	(5,905)
Decrease in cash, cash equivalents and restricted cash	(1,194)	(51,899)
Cash, cash equivalents and restricted cash, beginning of period	2,492	62,413
Cash, cash equivalents and restricted cash, end of period	<u>\$ 1,298</u>	<u>\$ 10,514</u>
Supplemental disclosure of non-cash investing and financing activities		
Purchases of intangible assets in accounts payable and accrued expenses at period end	\$ 20	\$ 5
Issuance costs related to warrant modification	\$ 1,272	\$ 648
Issuance costs related to Placement Agent Warrants	\$ 135	\$ —
Supplemental disclosure of cash flow information		
Cash paid for interest	\$ 12	\$ 882

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

MOMENTUS INC.
NOTES TO THE CONSOLIDATED INTERIM FINANCIAL STATEMENTS

Note 1. Nature of Operations***The Company***

Momentum Inc. (together with its consolidated subsidiaries “Momentum” or the “Company”) is a U.S. commercial space company that offers satellites, satellite buses, satellite technologies, and space infrastructure services, including in-space transportation, hosted payloads and in-orbit services. Momentum is making new ways of operating in space possible with its in-space transfer and service vehicles, powered by an innovative, space-proven water plasma-based propulsion system.

Momentum has launched four missions to date, deployed 17 customer satellites, and provided hosted payload services. Three of these missions involved operation of the Vigoride OSV in orbit. During these three Vigoride missions, the system and technology were tested repeatedly. Improvements based on lessons learned during these missions were rapidly incorporated. As a result of these three missions, the Vigoride OSV has been successfully demonstrated in space and accumulated significant flight heritage. The Company has produced its next Orbital Service Vehicle, Vigoride 7, that it intends to utilize on a future mission or for use as a satellite bus.

In addition to the Vigoride Orbital Service Vehicle, Momentum is now also offering its M-1000 satellite bus which has substantial commonality with Vigoride. With a growing demand for satellite bus services, Momentum is positioned to advance its hardware and flight-proven technology for this market. The M-1000 bus is a flexible option to meet various mission requirements. Innovations to improve sensor capability, maneuverability, increased power, and lower costs are integrated into the product. Momentum believes it can manufacture satellite buses like the M-1000 at a rapid and scalable pace.

Momentum has completed work in support of its Small Business Innovation Research contract from the Space Development Agency that was signed in August 2023. This project's scope involved making tailored modifications to the system underlying the M-1000 satellite bus and Vigoride OSV to support a full range of U.S. Department of Defense (DoD) payloads. Some of these areas include adding a secure payload interface, optical communications terminals, a high-volume data recorder, and improving the modularity of the propulsion system.

Business Combination

On August 12, 2021, the Company consummated a merger pursuant to the terms of the Agreement and Plan of Merger, dated October 7, 2020, and as amended on March 5, 2021, April 6, 2021, and June 29, 2021 (the “Merger Agreement”), by and among Stable Road Acquisition Corp (“SRAC”), Project Marvel First Merger Sub, Inc., a Delaware corporation and a direct, wholly-owned subsidiary of SRAC (“First Merger Sub”), and Project Marvel Second Merger Sub, LLC, a Delaware limited liability company and a direct, wholly-owned subsidiary of SRAC (“Second Merger Sub”), pursuant to which First Merger Sub merged with and into Momentum Inc., a Delaware corporation (“Legacy Momentum”) with Legacy Momentum as the surviving corporation of the First Merger Sub, and immediately following which Legacy Momentum merged with and into the Second Merger Sub, with the Second Merger Sub as the surviving entity (the “Business Combination”). In connection with the closing of the Business Combination (“Closing”), the Company changed its name from Stable Road Acquisition Corp. to Momentum Inc., and Legacy Momentum changed its name to Momentum Space, LLC.

The Business Combination was accounted for as a reverse recapitalization under ASC Topic 805, *Business Combinations*, with SRAC and its two wholly-owned subsidiaries. The Company received gross proceeds of \$247.3 million upon the closing of the Business Combination. Public and private warrants of SRAC were assumed by the Company as a result of the Business Combination.

Going Concern

The accompanying consolidated interim financial statements have been prepared assuming that the Company will continue as a going concern. The going concern basis of presentation assumes that the Company will continue in operation one year after the date these consolidated interim financial statements are issued and will be able to realize its assets and discharge its liabilities and commitments in the normal course of business. The Company’s ability to continue as a going concern is dependent on the Company’s ability to successfully raise capital to fund its business operations and execute on its business plan. To date the Company remains heavily focused on growth and continued

MOMENTUS INC.
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

Note 1. Nature of Operations (cont.)

development of its proprietary technology, and as a result, it has not generated sufficient revenues to provide cash flows that enable the Company to finance its operations internally and the Company's financial position and operating results raise substantial doubt about the Company's ability to continue as a going concern. This is reflected by the Company's incurred net loss of \$23.1 million for the nine months ended September 30, 2024, and accumulated deficit of \$396.1 million as of September 30, 2024. Additionally, the Company used net cash of \$10.9 million to fund its operating activities for the nine months ended September 30, 2024, and had cash and cash equivalents of \$0.8 million as of September 30, 2024.

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

In connection with the preparation of the consolidated interim financial statements for the nine months ended September 30, 2024, management conducted an evaluation and concluded that there were conditions and events, considered in the aggregate, which raised substantial doubt as to the Company's ability to continue as a going concern within twelve months after the date of the issuance of such consolidated interim financial statements. The Company believes that its current level of cash and cash equivalents are not sufficient to fund its regular operations, scaling of commercial production, and maintain its existing services and products. These conditions raise substantial doubt regarding its ability to continue as a going concern for a period of at least one year from the date of issuance of these consolidated interim financial statements. In order to proceed with the Company's business plan and operating strategy, the Company will need to raise substantial additional capital to fund its operations. Until such time, if ever, the Company can generate revenues sufficient to achieve profitability, the Company expects to finance its operations through equity or debt financings, which may not be available to the Company on the timing needed or on terms that the Company deems to be favorable. In an effort to alleviate these conditions, the Company continues to seek and evaluate all opportunities to access additional capital through any available means.

As a result of these uncertainties, and notwithstanding management's plans and efforts to date, there is substantial doubt about the Company's ability to continue as a going concern. If the Company is unable to raise substantial additional capital in the near term, the Company's operations and business plan will need to be scaled back or halted altogether. Additionally, if the Company is able to raise additional capital but that capital is insufficient to provide a bridge to full commercial production at a profit, the Company's operations could be severely curtailed or cease entirely and the Company may not realize any significant value from its assets.

The accompanying consolidated interim financial statements have been prepared on a going concern basis of accounting. The accompanying consolidated interim financial statements do not reflect any adjustments that might result if the Company is unable to continue as a going concern.

Reverse Stock Split

Effective August 22, 2023, the Company's stockholders approved a 1-for-50 reverse stock split of the Company's Class A common stock. As a result of the reverse stock split, every 50 shares of Class A common stock issued and outstanding on August 22, 2023, were automatically combined into one share of Class A common stock. Any fractional shares resulting from the reverse stock split were rounded up to the next nearest whole share of Class A common stock. The reverse stock split did not affect the stated par value of the Class A common stock nor did it change the total number of the Company's authorized shares of Class A common stock. Both the Company's Class B common stock and the Company's preferred stock were not affected by the reverse stock split.

Also on the effective date of the reverse stock split, all options, warrants and other convertible securities of the Company outstanding immediately prior to the reverse stock split were adjusted by dividing the number of shares of

MOMENTUS INC.
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

Note 1. Nature of Operations (cont.)

Class A common stock into which the options, warrants and other convertible securities are exercisable or convertible by 50 and multiplying the exercise or conversion price thereof by 50, all in accordance with the terms of the plans, agreements or arrangements governing such options, warrants and other convertible securities and subject to rounding to the nearest whole share. Such proportional adjustments were also made to the number of shares and restricted stock units issued and issuable under the Company's equity compensation plan.

The Company has retroactively adjusted all periods presented for the effects of the stock split. See Note 9 for additional information.

Note 2. Summary of Significant Accounting Policies***Consolidated Interim Financial Information***

The accompanying consolidated interim financial statements have been prepared in accordance with accounting principles generally accepted in the United States of America ("GAAP") and pursuant to the rules and regulations of the SEC. Certain information and footnote disclosures normally included in financial statements prepared in accordance with GAAP have been condensed or omitted pursuant to such rules and regulations. The consolidated balance sheet as of December 31, 2023 was derived from the Company's audited financial statements but does not include all disclosures required by GAAP for audited financial statements. Any reference in these notes to applicable guidance is meant to refer to the authoritative GAAP as found in the Accounting Standards Codification ("ASC") and Accounting Standards Update ("ASU") of the Financial Accounting Standards Board (the "FASB").

The unaudited interim consolidated financial statements have been prepared on the same basis as the audited consolidated financial statements. The accompanying interim consolidated financial statements contain all adjustments that are necessary to present fairly the Company's financial position as of September 30, 2024 and December 31, 2023, the results of operations for the three and nine months ended September 30, 2024 and 2023, the statement of stockholders' equity for the three and nine months ended September 30, 2024 and 2023, and cash flows for the nine months ended September 30, 2024 and 2023. Such adjustments are of a normal and recurring nature. The results for the three and nine months ended September 30, 2024 are not necessarily indicative of the results for the year ending December 31, 2024, or for any future period. These interim consolidated financial statements should be read in conjunction with the audited financial statements as of and for the years ended December 31, 2023 and 2022, filed with the SEC in our Annual Report on Form 10-K filed by the Company on June 6, 2024 and Form 10-K/A filed on September 16, 2024.

Principles of Consolidation

The consolidated interim financial statements include the accounts of the Company and its subsidiaries. All intercompany transactions and balances have been eliminated upon consolidation.

Use of Estimates

The preparation of consolidated interim financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the reported amounts in the consolidated interim financial statements and accompanying notes. Management bases its estimates on historical experience and on various other factors it believes to be reasonable under the circumstances, the results of which form the basis for making judgments about the carrying values of assets and liabilities. Accordingly, actual results could differ from those estimates. Significant estimates inherent in the preparation of the consolidated interim financial statements include, but are not limited to, the timing of revenue recognition, accounting for useful lives of property, machinery and equipment, net intangible assets, net accrued liabilities, leases, income taxes including deferred tax assets and liabilities, impairment valuation, stock-based compensation, warrant liabilities, and litigation contingencies.

Emerging Growth Company Status

Section 102(b)(1) of the Jumpstart Our Business Startups Act of 2012 (the "JOBS Act") exempts emerging growth companies from being required to comply with new or revised financial accounting standards until private companies are required to comply with the new or revised financial accounting standards. The JOBS Act provides that a company can choose not to take advantage of the extended transition period and comply with the requirements that apply to non-emerging growth companies, and any such election to not take advantage of the extended transition period is irrevocable. The Company is an "emerging growth company" as defined in Section 2(a) of the Securities

MOMENTUS INC.
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

Note 2. Summary of Significant Accounting Policies (cont.)

Act and has elected to take advantage of the benefits of the extended transition period for new or revised financial accounting standards. The Company will remain an emerging growth company until the earliest of (i) the last day of the fiscal year in which the market value of Class A common stock that is held by non-affiliates exceeds \$700 million as of the end of that year's second fiscal quarter, (ii) the last day of the fiscal year in which the Company after the consummation of the Business Combination has total annual gross revenue of \$1.2 billion or more during such fiscal year (as indexed for inflation), (iii) the date on which the Company has issued more than \$1 billion in non-convertible debt in the prior three-year period or (iv) December 31, 2024. The Company expects to continue to take advantage of the benefits of the extended transition period, although it may decide to early adopt such new or revised accounting standards to the extent permitted by such standards. This may make it difficult or impossible to compare the Company's financial results with the financial results of another public company that is either not an emerging growth company or is an emerging growth company that has chosen not to take advantage of the extended transition period exemptions because of the potential differences in accounting standards used.

Cash and Cash Equivalents

Cash and cash equivalents consist of cash on hand, cash in bank with no restrictions, as well as highly liquid investments which are unrestricted as to withdrawal or use, and which have original maturities of three months or less when initially purchased.

The Company places its cash in the bank, which may at times be in excess of the Federal Deposit Insurance Corporation insurance limits of \$250,000 per depositor, with high credit quality financial institutions and attempts to limit the amount of credit exposure with any one institution.

Restricted Cash

Restricted cash primarily represents deposited cash that is restricted by financial institutions. As of September 30, 2024 and December 31, 2023, the Company maintained accrued restricted cash of \$0.5 million and restricted cash of \$0.4 million, respectively, primarily as collateral for a letter of credit issued to the Company's landlord in accordance with the terms of a lease agreement entered into in December 2020, which is classified as a non-current asset as it will be returned to the Company at the end of the lease which is expected to occur beyond one year from September 30, 2024. In the event of default, the landlord can take over the restricted cash from the restricted cash bank account.

Deferred Fulfillment and Prepaid Launch Costs

The Company prepays for certain launch costs to third-party providers that will carry the transport vehicle to orbit. Prepaid costs allocated to the delivery of a customers' payload are classified as deferred fulfillment costs and recognized as cost of revenue upon delivery of the customers' payload. Prepaid costs allocated to our payload are classified as prepaid launch costs and are amortized to cost of sales and research and development expense upon the release of our payload. The allocation is determined based on the distribution between customer and our payload weight on each launch.

As of September 30, 2024, and December 31, 2023, the Company had deferred fulfillment and prepaid launch costs of \$1.0 million and \$1.7 million, respectively, with \$0 and \$1.3 million recorded within prepaids and other current assets, respectively, and \$1.0 million and \$0.4 million recorded within other non-current asset, respectively, in our condensed consolidated balance sheets.

Property, Machinery and Equipment

Property, machinery and equipment are stated at cost less accumulated depreciation. Depreciation is generally recorded using the straight-line method over the estimated useful lives of the respective assets. The estimated useful lives of fixed assets by asset category are described below:

Fixed Assets	Estimated Useful Life
Computer equipment	Three years
Furniture and fixtures	Five years
Leasehold improvements	Lesser of estimated useful life or remaining lease term (one year to seven years)
Machinery and equipment	Seven years

MOMENTUS INC.
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

Note 2. Summary of Significant Accounting Policies (cont.)

Costs of maintenance or repairs that do not extend the lives of the respective assets are charged to expenses as incurred.

Intangible Assets

Intangible assets, which consist of patents, are considered long-lived assets and are reported at cost less accumulated amortization and accumulated impairment loss, if any. Amortization is recognized on a straight-line basis over 10 years for patents, which is the estimated useful lives of the intangible assets.

In accordance with ASC Sub-Topic 350-40, *Intangibles*, the Company presents capitalized implementation costs for cloud computing arrangements within prepaid and other current assets, and other non-current assets to properly present the capitalized costs with their related subscription fees.

Loss Contingencies

The Company estimates loss contingencies in accordance with ASC Sub-Topic 450-20, *Loss Contingencies* (“ASC 450-20”), which states that a loss contingency shall be accrued by a charge to income if both of the following conditions are met: (i) information available before the consolidated interim financial statements are issued or are available to be issued indicates that it is probable that a liability had been incurred at the date of the consolidated interim financial statements and (ii) the amount of loss can be reasonably estimated. We regularly evaluate current information available to us to determine whether such accruals should be adjusted and whether new accruals are required. Refer to Note 12 for additional information.

Revenue Recognition

The Company enters into short-term contracts for ‘last-mile’ satellite and cargo delivery (transportation service), payload hosting and in-orbit servicing options with customers that are primarily in the aerospace industry. For its transportation service arrangements, the Company has a single performance obligation of delivering the customers’ payload to its designated orbit and recognizes revenue (along with any other fees that have been paid) at a point in time, upon satisfaction of this performance obligation. Additionally, for its in-orbit service arrangements, the Company provides a multitude of services consistently throughout the mission to its customers and also has services available on a ‘stand ready’ basis as needed until the mission reaches its conclusion. The Company recognizes revenue for these in-orbit services ratably over time on a straight-line basis. The Company also enters into contracts to perform analysis and provide engineering services to U.S. Government organizations.

The Company accounts for customer contracts in accordance with ASC Topic 606, *Revenue from Contracts with Customers* (“ASC Topic 606”), which includes the following five-step model:

- Identification of the contract, or contracts, with a customer.
- Identification of the performance obligations in the contract.
- Determination of the transaction price.
- Allocation of the transaction price to the performance obligations in the contract.
- Recognition of revenue when, or as, the Company satisfies a performance obligation.

The Company estimates variable consideration at the most likely amount, which is included in the transaction price to the extent it is probable that a significant reversal of cumulative revenue recognized will not occur. While the Company’s standard contracts do not contain refund or recourse provisions that enable its customers to recover any non-refundable fees that have been paid, the Company may issue full or partial refunds, or concessions on future services to customers on a case-by-case basis as necessary to preserve and foster future business relationships and customer goodwill. Contracts to provide engineering services to U.S. Government organizations generally have set payments tied to each milestone. When a milestone is achieved, the Company submits the completed service for approval, submits invoices to the government site, and collects on that completed milestone. During the three and nine months ended September 30, 2024 the Company recorded \$0.1 million and \$1.8 million, respectively, of revenue from U.S. Government. The Company generated no revenue from the U.S. Government, during the three and nine months ended September 30, 2023.

MOMENTUS INC.
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

Note 2. Summary of Significant Accounting Policies (cont.)

As part of its contracts with customers, the Company collects up-front non-refundable deposits prior to launch. As of September 30, 2024 and December 31, 2023, the Company had customer deposit balances of \$1.6 million and \$1.0 million, respectively, related to signed contracts with customers, including firm orders and options (some of which have already been exercised by customers). These deposits are recorded as contract liabilities in the Company's condensed consolidated balance sheets. Included in the collected amount as of September 30, 2024 and December 31, 2023, are \$1.1 million and \$1.0 million, respectively, of non-current deposits.

During the nine months ended September 30, 2024, the Company recognized \$1.8 million of revenue, due to engineering services performed on Space Development Agency agreement, and forfeited customer deposits primarily related to expired options. Of the \$1.8 million of revenue recognized, \$35 thousand was derived from December 31, 2023 contract liability balance. During the nine months ended September 30, 2023, the Company recognized \$2.1 million of revenue, due to transportation services performed in Vigoride 5 and Vigoride 6 spaceship launches, on-going hosting services in Vigoride 5, and forfeited customer deposits primarily related to expired options.

The disaggregation of revenue by type is as follows:

<i>(in thousands)</i>	Three Months Ended September 30,		Nine Months Ended September 30,	
	2024	2023	2024	2023
Transportation services	\$ —	\$ —	\$ —	\$ 1,305
Hosted payload services	—	284	—	426
Forfeited customer deposits	—	55	35	335
Engineering project services	107	—	1,794	—
Total revenue	<u>\$ 107</u>	<u>\$ 339</u>	<u>\$ 1,829</u>	<u>\$ 2,066</u>

Fair Value Measurement

The Company uses valuation approaches that maximize the use of observable inputs and minimize the use of unobservable inputs to the extent possible. A three-tiered hierarchy is established as a basis for considering such assumptions and for inputs used in the valuation methodologies in measuring fair value. This hierarchy requires that the Company use observable market data, when available, and minimize the use of unobservable inputs when determining fair value:

- Level 1, observable inputs such as quoted prices in active markets;
- Level 2, inputs other than the quoted prices in active markets that are observable either directly or indirectly; and
- Level 3, unobservable inputs in which there is little or no market data, which requires that the Company develop its own assumptions.

The fair values of cash and cash equivalents, accounts payable, and certain prepaid and other current assets and accrued expenses approximate carrying values due to the short-term maturities of these instruments which fall with Level 1 of the fair value hierarchy. The carrying value of certain other non-current assets and liabilities approximates fair value. The Company had no Level 2 inputs for the three and nine months ended September 30, 2024.

Certain of the Company's warrants are recorded as a derivative liability pursuant to ASC Topic 815, *Derivatives and Hedging* ("ASC Topic 815"), and are classified within Level 3 of the fair value hierarchy as the Company is using the Black Scholes Option Pricing model. The primary significant unobservable input used in the valuation of the warrants is expected stock price volatility. Expected stock price volatility is based on the actual historical volatility of a group of comparable publicly traded companies observed over a historical period equal to the expected remaining life of the warrants. The risk-free interest rate is based on the U.S. Treasury yield curve in effect on the date of valuation equal to the remaining expected life of the warrants. The expected term was based on the maturity of the warrants, which is 5 years. The dividend yield percentage is zero because the Company does not currently pay dividends, nor does it intend to do so during the expected term of the warrants. Upon conversion of the Legacy Momentus private warrants immediately prior to the business combination, the key valuation input was the closing

MOMENTUS INC.
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

Note 2. Summary of Significant Accounting Policies (cont.)

price of Company's Class A common stock on the Closing, as the expected term and volatility were immaterial to the pricing model.

The Company's stock repurchase agreements with the Co-Founders (see Note 12 for additional information) are recorded as contingent liabilities pursuant to ASC Topic 480, measured at fair value. The stock repurchase agreements are classified within Level 3 of the hierarchy as the fair value is dependent on management assumptions about the likelihood of non-market outcomes. The Company paid \$10.0 million to satisfy the stock repurchase agreement contingent liabilities during the three months ended March 31, 2023 (see Note 9 for additional information). There were no transfers between levels of input during the three and nine months ended September 30, 2024 and 2023.

The change in fair values of liabilities subject to recurring remeasurement were as follows:

<i>(in thousands)</i>	Warrant Liability (Level 3)
Balance, December 31, 2023	\$ 3
Change in Fair Value	—
Balance, September 30, 2024	\$ 3

Key assumptions for the Black-Scholes model used to determine the fair value of warrants outstanding as of each period end were as follows:

	September 30, 2024	December 31, 2023
Warrant term (years)	1.87	2.61
Volatility	177.23 %	113.50 %
Risk-free rate	3.70 %	4.05 %
Dividend yield	0.00 %	0.00 %

Warrant Liability

The Company's private warrants and stock purchase warrants are recorded as derivative liabilities pursuant to ASC Topic 815 and are classified within Level 3 of the fair value hierarchy as the Company is using the Black Scholes Option Pricing model to calculate fair value. See Note 9 for additional information. Significant unobservable inputs, prior to the Company's stock being publicly listed, included stock price, volatility and expected term. At the end of each reporting period, changes in fair value during the period are recognized as components of other income within the condensed consolidated statements of operations. The Company will continue to adjust the warrant liability for changes in fair value until the earlier of (i) the exercise or expiration of the warrants or (ii) the redemption of the warrants, at which time the warrants will be reclassified to additional paid-in capital within the condensed consolidated statements of stockholders' equity.

The warrants issued by Momentus Inc. prior to the Business Combination were exercised in connection with the Business Combination and as a result, the Company performed a fair value measurement of those warrants on the Closing and recorded the change in the instruments' fair values prior to converting them to equity. The warrants assumed by the Company as a result of the Business Combination remain outstanding.

Public and Private Warrants

Prior to the Business Combination, SRAC issued 225,450 private placement warrants ("Private Warrants") and 172,500 public warrants ("Public Warrants" and, collectively with the Private Warrants, the "Public and Private Warrants"). Each whole warrant entitles the holder to purchase one share of the Company's Class A common stock at a price of \$575.00 per share, subject to adjustments and will expire five years after the Business Combination or earlier upon redemption or liquidation.

The Private Warrants do not meet the derivative scope exception and are accounted for as derivative liabilities. Specifically, the Private Warrants contain provisions that cause the settlement amounts to be dependent upon the characteristics of the holder of the warrant which is not an input into the pricing of a fixed-for-fixed option on equity shares. Therefore, the Private Warrants are not considered indexed to the Company's stock and should be classified

MOMENTUS INC.
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

Note 2. Summary of Significant Accounting Policies (cont.)

as a liability. Since the Private Warrants meet the definition of a derivative, the Company recorded the Private Warrants as liabilities on the condensed consolidated balance sheet at fair value upon the Closing, with subsequent changes in the fair value recognized in the condensed consolidated statements of operations at each reporting date. The fair value of the Private Warrants was measured using the Black-Scholes option-pricing model at each measurement date.

In addition, the Public Warrants are accounted for as equity classified by the Company. On consummation of the Business Combination, the Company recorded equity related to the Public Warrants of \$20.2 million, with an offsetting entry to additional paid-in capital. Similarly, on the consummation of the Business Combination, the Company recorded a liability related to the Private Warrants of \$31.2 million, with an offsetting entry to additional paid-in capital.

The Company does not use derivative instruments to hedge exposures to cash flow, market, or foreign currency risks. The Company evaluates all of its financial instruments, including issued stock purchase warrants, to determine if such instruments are derivatives or contain features that qualify as embedded derivatives, pursuant to ASC Topic 815, at the initial recognition.

Other than the Public and Private Warrants noted above, the Company also had other warrants issued and outstanding which were recognized as derivative liabilities in accordance with ASC Topic 815 until they were fully exercised. Accordingly, the Company recognized the warrant instruments as liabilities at fair value and adjusts the instruments to fair value at each reporting period until exercised. The fair value of the warrant liabilities issued were initially measured using the Black-Scholes model and were subsequently remeasured at each reporting period with changes recorded as a component of other income in the Company's condensed consolidated statements of operations. Derivative warrant liabilities are classified as non-current as their liquidation is not reasonably expected to require the use of current assets or require the creation of current liabilities. See Note 9 for additional information.

Equity Classified Warrants

Subsequent to the Business Combination, the Company has issued warrants in conjunction with various securities purchase agreements (See Note 9 for additional information). The warrants are freestanding equity-linked instruments that meet the indexation and equity classification criteria of ASC Sub-Topic 815-40.

The grant-date fair value of these warrants is recorded in additional paid-in capital on the condensed consolidated balance sheets. The fair value of the warrants are measured using the Black-Scholes option-pricing model on the grant date.

Modification of Equity Classified Warrants

A change in the terms or conditions of a warrant is accounted for as a modification. For a warrant modification accounted for under ASC Topic 815, the effect of a modification shall be measured as the difference between the fair value of the modified warrant and the fair value of the original warrant immediately before its terms are modified, with each measured on the modification date. The accounting for incremental fair value of the modified warrants over the original warrants is based on the specific facts and circumstances related to the modification. When a modification is directly attributable to an equity offering, the incremental change in fair value of the warrants is accounted for as an equity issuance cost. When a modification is directly attributable to a debt offering, the incremental change in fair value of the warrants is accounted for as a debt discount or debt issuance cost. For all other modifications, the incremental change in fair value is recognized as a deemed dividend.

Basic and Diluted Loss Per Share

Net loss per share is provided in accordance with ASC Sub-Topic 260-10, *Earnings per Share*. Basic net loss per share is computed by dividing losses by the weighted average number of common shares outstanding during the period. Diluted loss per share gives effect to all dilutive potential common shares outstanding during the period. Diluted loss per share excludes all potential common shares if their effect is anti-dilutive. See Note 11 for additional information.

MOMENTUS INC.
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

Note 2. Summary of Significant Accounting Policies (cont.)

Impairment of Long-lived Assets

The Company evaluates the carrying value of long-lived assets, which includes intangible assets, on an annual basis, or more frequently whenever circumstances indicate a long-lived asset may be impaired. When indicators of impairment exist, the Company estimates future undiscounted cash flows attributable to such assets. In the event cash flows are not expected to be sufficient to recover the recorded value of the assets, the assets are written down to their estimated fair value. During the nine months ended September 30, 2024, there were no impairments of long-lived assets. See Note 4 and Note 5 for additional information. There were no impairments of long-lived assets in nine months ended September 30, 2023.

Stock-based Compensation

The Company has a stock incentive plan under which equity awards are granted to employees, directors, and consultants. All stock-based payments are recognized in the consolidated interim financial statements based on their respective grant date fair values.

Restricted stock unit fair value is based on our closing stock price on the day of the grant. Stock option fair value is determined using the Black Scholes Merton Option Pricing model. The model requires management to make a number of assumptions, including expected volatility of the Company's stock, expected life of the option, risk-free interest rate, and expected dividends. Employee Stock Purchase Plan ("ESPP") compensation fair value is also determined using the Black Scholes Merton Option Pricing model, using a six-month expected term to conform with the six month ESPP offering period.

The fair value of equity awards is expensed over the related service period which is typically the vesting period, and expense is only recognized for awards that are expected to vest. The Company accounts for forfeitures as they occur.

401(k) Plan

The Company has a 401(k) plan that it offers to its full-time employees. The Company did not contribute to the plan during the nine months ended September 30, 2024.

Research and Development Costs

Research and development costs are expensed as incurred. Research and development costs include activities to develop existing and future technologies for the Company's vehicles. Research and development activities include basic research, applied research, design, development, and related test program activities. Costs incurred for developing our vehicles primarily include equipment, material, and labor hours (both internal and subcontractors).

Nonrefundable advance payments for goods or services that will be used or rendered for future research and development activities related to an executory contractual arrangement are deferred and capitalized. These advance payments are recognized as an expense as the related goods are delivered or services performed. When the related goods are no longer expected to be delivered or services rendered, the capitalized advance payment is charged to expense.

Leases

The Company determines if an arrangement contains a lease at inception based on whether there is an identified property, plant or equipment and whether the Company controls the use of the identified asset throughout the period of use.

Operating leases are included in the accompanying condensed consolidated balance sheets. Operating lease right-of-use ("ROU") assets represent the Company's right to use an underlying asset for the lease term. Lease liabilities represent the Company's obligation to make lease payments arising from the lease and are included in current and non-current liabilities. Operating lease ROU assets and lease liabilities are recognized at the lease inception date based on the present value of lease payments over the lease term discounted based on the more readily determinable of (i) the rate implicit in the lease or (ii) the Company's incremental borrowing rate (which is the estimated rate the Company would be required to pay for a collateralized borrowing equal to the total lease payments over the term of the lease). Because the Company's operating leases generally do not provide an implicit rate, the Company estimates its incremental borrowing rate based on the information available at lease commencement date for borrowings with a similar term.

MOMENTUS INC.
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

Note 2. Summary of Significant Accounting Policies (cont.)

The Company's operating lease ROU assets are measured based on the corresponding operating lease liability adjusted for (i) payments made to the lessor at or before the commencement date, (ii) initial direct costs incurred and (iii) tenant incentives under the lease. The Company does not assume renewals or early terminations unless it is reasonably certain to exercise these options at commencement. The Company elected the practical expedient which allows the Company to not allocate consideration between lease and non-lease components. Variable lease payments are recognized in the period in which the obligation for those payments is incurred. In addition, the Company elected the practical expedient such that it does not recognize ROU assets or lease liabilities for leases with a term of 12 months or less of all asset classes. Operating lease expense is recognized on a straight-line basis over the lease term. See Note 6 for additional details on the Company's leases.

Income Taxes

The Company accounts for income taxes in accordance with authoritative guidance, which requires the use of the asset and liability method. Under this method, deferred income tax assets and liabilities are determined based upon the difference between the financial statement carrying amounts and the tax basis of assets and liabilities and are measured using the enacted tax rate expected to apply to taxable income in the years in which the differences are expected to be reversed.

Significant judgment is required in determining any valuation allowance recorded against deferred tax assets. In assessing the need for a valuation allowance, management considers all available evidence, including past operating results, estimates of future taxable income, and the feasibility of tax planning strategies.

In the event that management changes its determination as to the amount of deferred tax assets that can be realized, the Company will adjust its valuation allowance with a corresponding impact to the provision for income taxes in the period in which such determination is made.

The Company is required to evaluate the tax positions taken in the course of preparing its tax returns to determine whether tax positions are "more-likely-than-not" of being sustained by the applicable tax authority. Tax benefits of positions not deemed to meet the "more likely than not" threshold would be recorded as a tax expense in the current year. The amount recognized is subject to estimate and management judgment with respect to the likely outcome of each uncertain tax position. The amount that is ultimately sustained for an individual uncertain tax position or for all uncertain tax positions in the aggregate could differ from the amount that is initially recognized.

Concentrations of Risk

Financial instruments that are exposed to concentrations of credit risk consist primarily of cash and cash equivalents. The Company places its cash and cash equivalents in banks that management believes are creditworthy, however deposits may exceed federally insured limits.

Segment Reporting

Operating segments are defined as components of an enterprise about which separate financial information is available that is evaluated regularly by the chief operating decision maker in deciding how to allocate resources and in assessing operating performance. In consideration of ASC Topic 280, *Segment Reporting* ("ASC Topic 480"), we are not organized around specific services or geographic regions.

Our chief operating decision maker "CODM" uses financial information to evaluate our performance, which is the same basis on which our results and performance are communicated to our Board of Directors. All of the Company's long-lived assets are held domestically in the United States. The company recognized \$1.8 million of revenue during the nine months ended September 30, 2024, of which 98.1% was derived domestically and 1.9% was derived from customers domiciled in foreign countries. Based on the information described above and in accordance with the applicable literature, management has concluded that we are organized and operated as one operating and reportable segment.

Recently Issued Accounting Standards

Although there are several new accounting pronouncements issued or proposed by the FASB, which have been adopted or will be adopted as applicable, management does not believe any of these accounting pronouncements has had or will have a material impact on the Company's financial position or results of operations.

MOMENTUS INC.
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

Note 2. Summary of Significant Accounting Policies (cont.)

In November 2024, the FASB issued Accounting Standards Update (“ASU”) No. 2024-06, *Disaggregation of Income Statement Expenses (DISE)*, (“ASU 2024-06”) that requires disclosures about specific types of expenses included in the expense captions presented on the face of the income statement as well as disclosures about selling expenses. Public entities must adopt the new guidance for fiscal years beginning after December 15, 2026, and interim reporting periods beginning after December 15, 2027. The amendments in ASU 2024-06 will be applied prospectively with the option for retrospective application and early adoption is permitted. The Company is in the process of evaluating the potential impact of ASU 2024-06 will have on its consolidated interim financial statements and related disclosures.

In July 2023, the FASB issued ASU No. 2023-03, *Presentation of Financial Statements (Topic 205), Income Statement—Reporting Comprehensive Income (Topic 220), Distinguishing Liabilities from Equity (Topic 480), Equity (Topic 505), and Compensation—Stock Compensation (Topic 718)* (“ASU 2023-03”). This update requires (1) disclosure and presentation of income or loss related to common stock transactions on the face of the income statement, (2) modification of the existing classification and measurement of redeemable preferred shares and redeemable equity-classified shares, and (3) modification of accounting treatment for stock-based compensation. The FASB has not set an effective date on ASU 2023-03 and adoption is permitted. The Company is currently evaluating the impact of the provisions of ASU 2024-06 on its consolidated interim financial statement disclosures.

In October 2023, the FASB issued ASU No. 2023-06, *Disclosure Improvements: Codification Amendments in Response to the SEC’s Disclosure Update and Simplification Initiative* (“ASU 2023-06”). The amendments in this ASU are expected to clarify or improve disclosure and presentation requirements of a variety of ASC topics by aligning them with the SEC’s regulations. ASU 2023-06 will become effective for each amendment on the effective date of the SEC’s corresponding disclosure rule changes. The Company is currently evaluating the impact ASU 2023-06 will have on its results of operations, financial position, or cash flows.

In November 2023, the FASB issued ASU No. 2023-07, *Segment Reporting (Topic 280): Improvements to Reportable Segment Disclosures* (“ASU 2023-07”) to update reportable segment disclosure requirements, primarily through enhanced disclosures about significant segment expenses and information used to assess segment performance. ASU 2023-07 requires disclosure of significant segment expenses that are regularly provided to the CODM and included within the reported measure of a segment’s profit or loss, requires interim disclosures about a reportable segment’s profit or loss and assets that are currently required annually, requires disclosure of the position and title of the CODM, clarifies circumstances in which an entity can disclose multiple segment measures of profit or loss, and contains other disclosure requirements. The disclosures required under ASU 2023-07 are also required for public entities with a single reportable segment. ASU 2023-07 is effective for the fiscal years beginning after December 15, 2023, and for interim periods within those fiscal years beginning after December 15, 2024, with early adoption permitted. The Company does not expect the adoption of ASU 2023-07 to have a material impact on its financial position or results of operations.

In December 2023, the FASB issued ASU No. 2023-09, *Income Taxes (Topic 740): Improvements to Income Tax Disclosures* (“ASU 2023-09”) that addresses requests for improved income tax disclosures from investors that use the financial statements to make capital allocation decisions. Public entities must adopt the new guidance for fiscal years beginning after December 15, 2024. The amendments in ASU 2023-09 must be applied on a retrospective basis to all prior periods presented in the financial statements and early adoption is permitted. The Company is in the process of evaluating the potential impact ASU 2023-09 will have on its results of operations, financial position, or cash flows.

On March 21, 2024, the FASB issued ASU 2024-01 which clarifies how an entity determines whether a profits interest or similar award are within the scope of ASC Topic 718 *Compensation - Stock Compensation* or not a share-based payment arrangement and therefore within the scope of other guidance. The Company is still in the process of evaluating this standard. The amendments of ASU 2024-01 are effective for annual periods beginning after December 15, 2024, and interim periods within those annual periods. For all other entities, the amendments are effective for annual periods beginning after December 15, 2025, and interim periods within those annual periods.

In March 29, 2024, the FASB issued ASU 2024-02 which removes references to the Board’s concepts statements from the FASB Accounting Standards Codification. The ASU is part of the Board’s standing project to make “Codification updates for technical corrections such as conforming amendments, clarifications to guidance,

MOMENTUS INC.
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

Note 2. Summary of Significant Accounting Policies (cont.)

simplifications to wording or the structure of guidance, and other minor improvements.” ASU 2024-02 is not expected to have a material impact on the Company.

Note 3. Prepaids and Other Current Assets

Prepaids and other current assets consisted of the following:

<i>(in thousands)</i>	September 30, 2024	December 31, 2023
Prepaid launch costs, current	\$ —	\$ 1,260
Prepaid research and development	1,655	2,415
Prepaid insurance and other assets	2,532	4,838
Total	<u>\$ 4,187</u>	<u>\$ 8,513</u>

As of September 30, 2024 and December 31, 2023, the non-current portion of prepaid launch costs recorded in other non-current assets was approximately \$1.0 million and \$0.4 million, respectively.

Note 4. Property, Machinery and Equipment

Property, machinery and equipment, net consisted of the following:

<i>(in thousands)</i>	September 30, 2024	December 31, 2023
Computer equipment	\$ 10	\$ 10
Leasehold improvements	2,391	2,394
Machinery and equipment	2,839	3,411
Property, machinery and equipment, gross	5,240	5,815
Less: accumulated depreciation	(2,871)	(2,563)
Property, machinery and equipment, net	<u>\$ 2,369</u>	<u>\$ 3,252</u>

Depreciation expense related to property, machinery and equipment was \$0.2 million and \$0.6 million for the three and nine months ended September 30, 2024, respectively and \$0.2 million and \$0.6 million for the three and nine months ended September 30, 2023. Depreciation expense is recorded within operating expenses. During three months ended September 30, 2024, the Company sold machinery and equipment with an original cost of \$0.6 million and net book value of \$0.3 million and received \$0.1 million in proceed from said sale.

Note 5. Intangible Assets

Intangible assets, net consisted of the following as of September 30, 2024:

<i>(in thousands)</i>	Gross Value	Accumulated Amortization	Net Value	Weighted Average Remaining Amortization Period (In Years)
Patents/Intellectual Property	\$ 462	\$ (197)	\$ 265	5.5
Total	<u>\$ 462</u>	<u>\$ (197)</u>	<u>\$ 265</u>	

Intangible assets, net consisted of the following as of December 31, 2023:

<i>(in thousands)</i>	Gross Value	Accumulated Amortization	Net Value	Weighted Average Remaining Amortization Period (In Years)
Patents/Intellectual Property	\$ 519	\$ (177)	\$ 341	6.3
Total	<u>\$ 519</u>	<u>\$ (177)</u>	<u>\$ 341</u>	

MOMENTUS INC.
NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

Note 5. Intangible Assets (cont.)

Amortization expense related to intangible assets was \$13 thousand and \$42 thousand for the three and nine months ended September 30, 2024, respectively, and \$13 thousand and \$40 thousand for the three and nine months ended September 30, 2023, respectively.

As of September 30, 2024, the future estimated amortization expense related to intangible assets is as follows:

(in thousands)

Remainder of 2024	\$	13
2025		52
2026		52
2027		52
2028		44
Thereafter		52
Total	\$	<u>265</u>

Note 6. Leases

The Company leases office space under non-cancellable operating leases. In January 2021, the Company commenced a lease in San Jose, California. The lease expires in February 2028. The Company is obligated to pay approximately \$10.5 million over the term of the lease.

The components of operating lease expense were as follows:

<i>(in thousands)</i>	Three Months Ended September 30,		Nine Months Ended September 30,	
	2024	2023	2024	2023
Operating lease cost	\$ 368	\$ 368	\$ 1,103	\$ 1,103
Variable lease expense	150	136	450	394
Total lease expense	<u>\$ 518</u>	<u>\$ 504</u>	<u>\$ 1,553</u>	<u>\$ 1,497</u>

Variable lease expense consists of the Company's proportionate share of operating expenses, property taxes, and insurance.

As of September 30, 2024, the weighted-average remaining lease term was 3.4 years and the weighted-average discount rate was 5.6%.

As of September 30, 2024, the maturities of the Company's operating lease liabilities were as follows:

(in thousands)

Remainder of 2024	\$	395
2025		1,627
2026		1,674
2027		1,729
2028		297
Total lease payments		<u>5,722</u>
Less: Imputed interest		<u>(535)</u>
Present value of lease liabilities	\$	<u>5,187</u>

MOMENTUS INC.
NOTES TO THE CONDENSED FINANCIAL STATEMENTS

Note 7. Accrued Liabilities

Accrued expenses consisted of the following:

<i>(in thousands)</i>	September 30, 2024	December 31, 2023
Legal and other professional services	\$ 2,090	\$ 3,811
Compensation expense	341	392
Research and development projects	11	323
Other accrued liabilities	1,187	228
Total	\$ 3,629	\$ 4,754

Note 8. Loan Payable**Term Loan**

On February 22, 2021, the Company entered into a Term Loan and Security Agreement (the “Term Loan”) which provided the Company with up to \$40.0 million in borrowing capacity at an annual interest rate of 12%. The company borrowed \$25.0 million of the Term Loan at inception of the agreement on March 1, 2021. The remaining \$15.0 million of borrowing capacity is no longer available as the Company did not achieve certain milestones by the June 30, 2021 deadline. The repayment terms of the Term Loan provide for interest-only payments from March 1, 2021 through February 28, 2022.

Under the original terms, the principal amount was due and payable on March 1, 2022. However, during January 2022 the Company exercised its option to pay back the principal amount of the Term Loan over two years beginning on March 1, 2022 and ending on February 28, 2024.

The Company allocated the proceeds from the Term Loan agreement to the note and warrants issued in conjunction with the Term Loan comprising the financing agreement based on the relative fair value of the individual securities on the February 22, 2021 closing date of the agreements. The discount attributable to the note, an aggregate of \$15.8 million, primarily related to the value of the warrant liability with immaterial issuance costs, is amortized using the effective interest method over the term of the note, originally maturing on March 1, 2022, but now being repaid over two years, recorded as interest expense. Because the discount on the note exceeds 63% of its initial face value, and because the discount is amortized over the period from issuance to maturity, the calculated effective interest rate up until January 2022 was 126.0%.

As a result of the exercised extended repayment schedule, the unamortized discount and issuance costs were recast over the updated term of the loan and resulted in a recalculated effective interest rate of 28.2%. Interest expense amortization was zero and \$45.7 thousand for the three and nine months ended September 30, 2024, respectively, and \$0.3 million and \$1.2 million for the three and nine months ended September 30, 2023, respectively.

In February, 2024, the Company repaid the remaining principal balance of the Term Loan.

Convertible Promissory Note

On July 12, 2024, the Company and Space Infrastructure Ventures (“SIV”) entered into a secured convertible promissory note (the “July Convertible Note”) pursuant to which the Company borrowed \$2.3 million as of September 26, 2024. The July Convertible Note bears an annual interest rate of 15%. Principal on the July Convertible Note is to be re-paid in four equal payments on a quarterly basis, commencing on December 1, 2024, and maturing on September 1, 2025, at which time all accrued interest is due.

Amounts borrowed under the July Convertible Note are secured by a lien on substantially all of the assets of the Company. In lieu of cash payments of accrued interest, SIV, in its sole discretion, may elect to receive shares of Class A common stock at a conversion price of \$0.53 per share. On the maturity date, subject to the satisfaction of applicable legal and regulatory conditions, all outstanding obligations under the Convertible Note automatically convert into Class A common stock at the conversion price.

MOMENTUS INC.
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

Note 8. Loan Payable (cont.)

The July Convertible Note requires SIV's consent to take certain actions, such as increasing compensation, purchasing assets, extending financing, making capital expenditures, repaying debts outside the ordinary course of business or investing in any entity or enterprise.

The July Convertible Note can be prepaid in full at any time, subject to a prepayment penalty fee of 10%. The July Convertible Note will accelerate and become immediately due upon the occurrence of certain customary events of default, including failure to pay amounts owing when due and/or certain events involving a discontinuation of our business or certain types of proceedings involving insolvency, bankruptcy, receivership and the like, or a change of control of Momentus. Contingent interest related these events of default was an embedded derivative that required bifurcation and recognition as a derivative liability ("Default Interest Derivative"). The Default Interest Derivative instrument is recorded at fair value and marked-to-market each reporting period with changes in fair value being reflected in earnings. As of both the issuance date and September 30, 2024, the Default Interest Derivative was valued at zero. During the three months ended September 30, 2024, there were no mark-to-market adjustments recorded through earnings.

Note 9. Stockholders' Equity (Deficit)***Common Stock and Preferred Stock***

Effective August 22, 2023, the Company's stockholders approved a 1-for-50 reverse stock split of the Company's Class A common stock. As a result of the reverse stock split, every 50 shares of Class A common stock issued and outstanding on August 22, 2023, were automatically combined into one share of Class A common stock. Any fractional shares resulting from the reverse stock split were rounded up to the next nearest whole share of Class A common stock.

To effectuate the reverse stock split, the Company filed a certificate of amendment to the Second Amended and Restated Certificate of Incorporation. As a result of the reverse stock split, there was no change to par value and the total number of authorized shares of Class A common stock.

Pursuant to the terms of the Second Amended and Restated Certificate of Incorporation, as amended, the Company is authorized and has available a total of 274,312,500 shares of stock, consisting of (i) 250,000,000 shares of Class A common stock, par value \$0.00001 per share, (ii) 4,312,500 shares of Class B common stock, par value \$0.00001 per share, and (iii) 20,000,000 shares of preferred stock, par value \$0.00001 per share.

September 2024 Securities Purchase Agreement

On September 15, 2024, the Company entered into a Securities Purchase Agreement with an investor, pursuant to which the Company issued and sold to an investor in a private placement transaction (the "September Offering"), (i) pre-funded warrants (the "September Pre-Funded Warrants") to purchase 5,000,000 shares of the Company's Class A common stock at a purchase price of \$0.55 per share, (ii) Class A warrants to purchase 10,000,000 shares of Class A common stock (the "Class A Warrants"), and (iii) Class B warrants to purchase 5,000,000 shares of Class A common stock (the "Class B Warrants" and, collectively with the Class A Warrants, the "September Warrants").

The September Pre-Funded Warrants have an exercise price of \$0.00001 per share and are exercisable any time after issuance, and will not expire until exercised. The September Warrants have an exercise price per share of Class A common stock equal to \$0.575 per share. The Class A Warrants will expire on March 17, 2030, and the Class B Warrants will expire on March 17, 2026. The exercise price and the number of shares of Class A common stock issuable upon exercise of the September Warrants is subject to appropriate adjustments in the event of certain stock dividends and distributions, stock splits, stock combinations, reclassifications or similar events affecting the Class A common stock. The investor may not exercise the September Warrants until 6 months after the original issuance date of the September Warrants. The September Offering closed on September 17, 2024.

The Company received aggregate gross proceeds from the September Offering of approximately \$2.8 million, before deducting estimated placement agent commissions and expenses of \$0.3 million. Net proceeds of \$2.4 million from the September Offering was recorded to additional paid-in-capital. Both the September Pre-Funded Warrants and the September Warrants meet the requirements for equity classification.

In connection with the September Offering, the Company entered into a Placement Agency Agreement on September 15, 2024, with the agency which assisted with the transaction. The Company paid a cash placement agent

MOMENTUS INC.
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

Note 9. Stockholders' Equity (Deficit) (cont.)

commission equal to 7.0% of gross proceeds from the September Offering and issued warrants (the "Placement Agent Warrants") to purchase 500,000 shares of Class A common stock at an exercise price of \$0.6325, exercisable commencing on or after March 14, 2025. One half of the Placement Agent Warrants have a term of 18 months from the date of issuance and the other half have a term of five years from the date of issuance. The \$0.1 million fair value of the Placement Agent Warrants was accounted for as an additional equity issuance cost for the September Offering, which was recorded to additional paid-in-capital.

The Company estimated the fair value of the September Pre-Funded Warrants based on the fair value of the Company's Class A common stock from the issuance date, less the \$0.00001 exercise price. The Company estimated the fair value of the September Warrants and the Placement Agent using the Black-Scholes valuation model. The significant inputs into the Black-Scholes valuation model at the initial recognition date are as follows:

	Class A Warrants	Class B Warrants	Placement Agent Warrants
Warrant term (years)	5.50	1.50	1.49
Volatility	97.50 %	97.50 %	97.50 %
Risk-free rate	3.46 %	3.79 %	3.79 %
Dividend yield	— %	— %	— %

During the three months ended September 30, 2024, the Company issued 5,000,000 shares of Class A common stock as a result of the exercise of the September Pre-Funded Warrants.

March 2024 Securities Purchase Agreement

On March 4, 2024, the Company entered into a Securities Purchase Agreement, with an investor, pursuant to which the Company issued and sold to the investor in a registered direct offering (the "March Offering"), (i) an aggregate of 1,320,000 shares of the Company's Class A common stock at a purchase price of \$0.87 per share, and (ii) pre-funded warrants (the "March Pre-Funded Warrants") to purchase 3,304,280 shares of the Company's Class A common stock and (iii) warrants to purchase 4,624,280 shares of Class A Stock (the "March Warrants").

The purchase price of each March Pre-Funded Warrant was equal to the price per share of Class A common stock being sold in the March Offering minus \$0.00001. The March Pre-Funded Warrants have an exercise price of \$0.00001 per share and are exercisable any time after the issuance, and will not expire until exercised. The March Warrants have an exercise price per share of Class A common stock equal to \$0.74 per share and will expire five years from the date of issuance. The March Offering closed on March 7, 2024.

The Company received aggregate gross proceeds from the March Offering of approximately \$4.0 million, before deducting estimated issuance costs of \$0.5 million. Net proceeds of \$3.5 million from the March Offering was recorded to additional paid-in-capital. Both the March Pre-Funded Warrants and the March Warrants meet the requirements for equity classification.

The Company estimated the fair value of the March Pre-Funded Warrants based on the fair value of the Company's Class A common stock from the issuance date, less the \$0.00001 exercise price. The Company estimated the fair value of the March Warrants using the Black-Scholes valuation model. The significant inputs into the Black-Scholes valuation model at the initial recognition date are as follows:

Warrant term (years)	5.00
Volatility	95.00 %
Risk-free rate	4.33 %
Dividend yield	— %

In connection with the March Offering, the Company also agreed to amend the January Warrants to purchase up to an aggregate of 3,687,000 shares of Class A common stock at an exercise price of \$0.96 per share (the "January Modified Warrants"). Prior to amendment, the January Modified Warrants had a termination date of January 17,

MOMENTUS INC.
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

Note 9. Stockholders' Equity (Deficit) (cont.)

2029. Upon shareholder approval of the amendment, the January Modified Warrants had a reduced exercise price of \$0.74 per share and a termination date of June 28, 2029.

The Company estimated the fair value of the January Modified Warrants immediately before and after modification using the Black-Scholes valuation model and determined an incremental increase in fair value of approximately \$0.1 million. In accordance with ASC Topic 815 guidance on equity classified warrant modifications, the incremental change in fair value of the January Modified Warrants was accounted for as an additional equity issuance cost for the January Offering, which was recorded to additional paid-in-capital. The significant inputs into the Black-Scholes valuation model before and after the modification date are as follows:

	Pre Modification	Post Modification
Warrant term (years)	4.87	5.00
Volatility	95.00 %	95.00 %
Risk-free rate	4.22 %	4.21 %
Dividend yield	— %	— %

Subsequent to the March Offering, during the nine months ended September 30, 2024, the Company issued 3,304,280 shares of Class A common stock as a result of all of the March Pre-Funded Warrants being exercised and the Company received an immaterial amount of cash proceeds.

January 2024 Securities Purchase Agreement

On January 12, 2024, the Company entered into a Securities Purchase Agreement, with an investor, pursuant to which the Company issued and sold to the investor in a registered direct offering (the "January Offering"), (i) an aggregate of 900,000 shares of the Company's Class A common stock at a purchase price of \$1.09 per share, (ii) pre-funded warrants (the "January Pre-Funded Warrants") to purchase 2,787,000 shares of the Company's Class A common stock and (iii) warrants to purchase 3,687,000 shares of Class A common stock (the "January Warrants").

The purchase price of each January Pre-Funded Warrant was equal to the price per share of Class A common stock being sold in the January Offering minus \$0.00001. The January Pre-Funded Warrants have an exercise price of \$0.00001 per share and are exercisable any time after the issuance, and will not expire until exercised. The January Warrants have an exercise price per share of Class A common stock equal to \$0.96 per share and will expire five years from the date of issuance. The January Offering closed on January 17, 2024.

The Company received aggregate gross proceeds from the January Offering of approximately \$4.0 million, before deducting estimated issuance costs of \$0.4 million. Net proceeds of \$3.6 million from the January Offering was recorded to additional paid-in-capital. Both the January Pre-Funded Warrants and the January Warrants meet the requirements for equity classification.

The Company estimated the fair value of the January Pre-Funded Warrants based on the fair value of the Company's Class A common stock on the issuance date, less the \$0.00001 exercise price. The Company estimated the fair value of the January Warrants using the Black-Scholes valuation model. The significant inputs into the Black-Scholes valuation model at the initial recognition date are as follows:

Warrant term (years)	5.00
Volatility	97.50 %
Risk-free rate	4.02 %
Dividend yield	— %

In connection with the January Offering, the Company also agreed, subject to certain conditions and procedures, to amend each of the warrants issued in November 2023 to purchase up to an aggregate of 5,808,538 shares of Class A common stock at an exercise price of \$3.86 per share (the "November Modified Warrants"). Prior to amendment, the November Modified Warrants had a termination date of November 9, 2028. The November Modified Warrants were amended on May 9, 2024, to have a reduced exercise price of \$0.54 per share and a termination date of May 9, 2029.

The Company estimated the fair value of the November Modified Warrants immediately before and after modification using the Black-Scholes valuation model and determined an incremental increase in fair value of approximately \$1.2 million. In accordance with ASC Topic 815 guidance on equity classified warrant modifications,

MOMENTUS INC.
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

Note 9. Stockholders' Equity (Deficit) (cont.)

the incremental change in fair value of the November Modified Warrants was accounted for as an additional equity issuance cost for the January Offering, which was recorded to additional paid-in-capital. The significant inputs into the Black-Scholes valuation model before and after the modification date are as follows:

	Pre Modification	Post Modification
Warrant term (years)	4.83	5.00
Volatility	97.50 %	97.50 %
Risk-free rate	3.85 %	3.84 %
Dividend yield	— %	— %

Subsequent to the January Offering, during the nine months ended September 30, 2024, the Company issued 2,787,000 shares of Class A common stock as a result of all of the January Pre-Funded Warrants being exercised and the Company received an immaterial amount of cash proceeds.

Co-Founder Divestment and Stock Repurchase Agreements

In accordance with the NSA and pursuant to stock repurchase agreements entered into with the Company, the Co-Founders sold 100% of their respective equity interests in the Company on June 30, 2021. The Company paid an aggregate of \$40.0 million to the Co-Founders following the Business Combination, and an additional payment of an aggregate of \$10.0 million was payable after cumulative business combination or capital raising transactions resulted in cash proceeds to the Company of no less than \$250.0 million.

As a result of the February Offering on February 27, 2023, the Company raised \$10.0 million of gross cash proceeds through the sale of securities which, together with the \$247.3 million raised in the Business Combination and other capital raising activities, triggered the \$10.0 million obligation under the stock repurchase agreements. In March 2023, the Company paid the Co-Founders \$10.0 million to pay off the liability.

Public and Private Warrants

As of September 30, 2024, the Company had Public and Private Warrants outstanding to purchase 172,500 shares and 225,450 shares of Class A common stock, respectively, related to the Business Combination. The warrants entitle the registered holder to purchase stock at a price of \$575.00 per share, subject to adjustment, at any time commencing on August 12, 2021. The Public and Private Warrants expire on the fifth anniversary of the Business Combination, or earlier upon redemption or liquidation.

The Private Warrants assumed in connection with the Business Combination are accounted for as a derivative liability. The Public Warrants and the legacy outstanding Private Warrants were recorded as equity within the condensed consolidated statements of stockholders' equity.

Contingent Sponsor Earnout Shares

As a result of the Business Combination, the Company modified the terms of 28,750 shares of Class A common stock held by SRAC's sponsor (the "Sponsor Earnout Shares"), such that all such shares will be forfeited if the share price of Class A common stock does not reach a volume-weighted average closing sale price of \$625.00, two thirds of such shares will be forfeited if the share price of Class A common stock does not reach a volume-weighted average closing sale price of \$750.00, and one third of such shares will be forfeited if the share price of Class A common stock does not reach a volume-weighted average closing sale price of \$875.00, in each case, prior to the fifth anniversary of the Business Combination. Certain events which change the number of outstanding shares of Class A common stock, such as a split, combination, or recapitalization, among other potential events, will equitably adjust the target vesting prices above. The Sponsor Earnout Shares may not be transferred without the Company's consent until the shares vest.

The Sponsor Earnout Shares are recorded within equity. Due to the contingently forfeitable nature of the shares, the Sponsor Earnout Shares are excluded from basic EPS calculations but are considered potentially dilutive shares for the purposes of diluted EPS (refer to Note 11).

MOMENTUS INC.
NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

Note 10. Stock-based Compensation***Legacy Stock Plans***

In May 2018, the Board of Directors of Momentus Inc. approved the 2018 Stock Plan (the “Initial Plan”) that allowed for granting of incentive and non-qualified stock options and restricted stock awards to employees, directors, and consultants. The Initial Plan was terminated in November 2018. Awards outstanding under the Initial Plan continue to be governed by the terms of the Initial Plan.

In February and March 2020, the Board of Directors of Momentus Inc. approved the Amended and Restated 2018 Stock Plan (the “2018 Plan”). No additional grants have been made since 2020 and no new grants will be made from the 2018 Plan, however, the options issued and outstanding under the plan continue to be governed by the terms of the 2018 Plan. Forfeitures from the legacy plans become available under the 2021 Equity Incentive Plan, described below.

2021 Equity Incentive Plan

In 2021, the Company adopted the 2021 Equity Incentive Plan (the “2021 Plan”), under which 119,658 shares of Class A common stock were initially reserved for issuance. The 2021 Plan allows for the issuance of incentive stock options, non-qualified stock options (“NSOs”), restricted stock awards (“RSAs”), stock appreciation rights (“SARs”), restricted stock units (“RSUs”), and performance awards. The Board of Directors determines the period over which grants become exercisable. The 2021 Plan became effective immediately following the Closing. The 2021 Plan has an evergreen provision which allows for shares available for issuance under the plan to be increased on the first day of each fiscal year beginning with the 2022 fiscal year and ending on (and including) the first day of the 2031 fiscal year, in each case, in an amount equal to the lesser of (i) three percent (3.0%) of the outstanding shares on the last day of the immediately preceding fiscal year and (ii) such number of Shares determined by the Board of Directors. During the nine months ended September 30, 2024, the shares available for grant under the 2021 Plan increased by 248,508 and 4,502 due to the evergreen provision and forfeitures from both the Initial Plan and the 2018 Plan, respectively. As of September 30, 2024, there were 324,302 shares remaining available for grant. Grant activity under the 2021 Plan is described below.

2021 Employee Stock Purchase Plan

In connection with the Closing, the Company adopted the Employee Stock Purchase Plan (the “2021 ESPP Plan”), under which 31,909 shares of Class A common stock were initially reserved for issuance. The Plan provides a means by which eligible employees of the Company may be given an opportunity to purchase shares of Class A common stock at a discount as permitted under the Internal Revenue Code of 1986, as amended. The 2021 ESPP Plan has an evergreen provision which allows for shares available for issuance under the plan to be increased on the first day of each fiscal year beginning with the 2022 fiscal year and ending on (and including) the first day of the 2031 fiscal year, in each case, in an amount equal to the lesser of (i) half a percent (0.5%) of the outstanding shares on the last day of the calendar month prior to the date of such automatic increase and (ii) 31,909 shares. The 2021 ESPP Plan became effective immediately following the Closing. During the nine months ended September 30, 2024, the shares available for issuance under the 2021 ESPP Plan increased by 41,418 due to the evergreen provision. During the nine months ended September 30, 2024, there were 0 shares issued under the 2021 ESPP Plan. The Company has an outstanding liability pertaining to the ESPP of \$4 thousand as of September 30, 2024, included in accrued expenses, for employee contributions to the 2021 ESPP Plan, pending issuance at the end of the offering period. As of September 30, 2024, there were 83,354 shares remaining available for issuance.

2022 Inducement Equity Plan

In February 2022, the Company adopted the 2022 Inducement Equity Plan (the “2022 Plan”), under which 80,000 shares of Class A common stock were initially reserved for issuance. The 2022 Plan allows for the issuance of NSOs, RSAs, SARs, RSUs, and stock bonus awards, subject to certain eligibility requirements. The Board of Directors determines the period over which grants become exercisable and grants generally vest over a four-year period.

On March 22, 2023, the Company adopted the first amendment to the 2022 Plan to increase the number of shares of Class A common stock available for issuance under the 2022 Plan from 80,000 shares of Class A common stock to 140,000 shares of Class A common stock. All other terms of the 2022 Plan remained the same.

MOMENTUS INC.
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

Note 10. Stock-based Compensation (cont.)

On May 8, 2023, the Company adopted the second amendment to the 2022 Plan to increase the number of shares of Class A common stock available for issuance under the 2022 Plan from 140,000 shares of Class A common stock to 160,000 shares of Class A common stock. All other terms of the 2022 Plan remained the same.

As of September 30, 2024, only RSU grants have been made under the 2022 Plan and there were 115,036 shares remaining available for issuance. Grant activity under the 2022 Plan is described below.

Options Activity

The following table sets forth the summary of options activity, under the 2018 Plan and the 2021 Plans, for the nine months ended September 30, 2024:

<i>(in thousands, except share-based data)</i>	Total Options	Weighted- Average Exercise Price Per Share	Weighted- Average Remaining Contractual Term (In Years)	Aggregate Intrinsic Value
Outstanding as of December 31, 2023	23,912	\$ 68.39		
Forfeitures	(4,502)	11.96		
Outstanding as of September 30, 2024	<u>19,410</u>	\$ 81.48	6.6	\$ —
Exercisable as of September 30, 2024	<u>17,478</u>	\$ 76.44	6.5	\$ —
Vested and expected to vest as of September 30, 2024	<u>19,410</u>	\$ 81.48	6.6	\$ —

As of September 30, 2024, there was a total of \$0.1 million in unrecognized compensation cost related to unvested options, which is expected to be recognized over a weighted-average period of 0.4 years.

Restricted Stock Unit and Restricted Stock Award Activity

The following table sets forth the summary of RSU and RSA activity, under the Initial Plan, the 2018 Plan, the 2021 Plan, and the 2022 Plan, for the nine months ended September 30, 2024. RSAs were an immaterial portion of activity for the period:

	Shares	Weighted Average Grant Date Fair Value (i.e. Share Price)
Outstanding as of December 31, 2023	219,720	\$ 86.78
Vested	(36,570)	67.15
Forfeited	(73,718)	47.72
Outstanding as of September 30, 2024	<u>109,432</u>	<u>\$ 119.66</u>

As of September 30, 2024, there was a total of \$5.9 million in unrecognized compensation cost related to unvested RSUs, which is expected to be recognized over a weighted-average period of 0.8 years. Outstanding unvested and expected to vest RSUs had an intrinsic value of \$36.9 thousand.

Stock-based Compensation

The following table sets forth the stock-based compensation under the Initial Plan, the 2018 Plan, the 2021 Plan, and the 2022 Plan by expense type:

<i>(in thousands)</i>	Three Months Ended September 30,		Nine Months Ended September 30,	
	2024	2023	2024	2023
Research and development expenses	\$ 275	\$ 472	\$ 499	\$ 1,629
Selling, general and administrative expenses	1,432	1,684	4,386	4,824
Total	<u>\$ 1,707</u>	<u>\$ 2,156</u>	<u>\$ 4,885</u>	<u>\$ 6,453</u>

MOMENTUS INC.
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

Note 10. Stock-based Compensation (cont.)

The following table sets forth the stock-based compensation under the Initial Plan, the 2018 Plan, the 2021 Plan, and the 2022 Plan by award type:

<i>(in thousands)</i>	Three Months Ended September 30,		Nine Months Ended September 30,	
	2024	2023	2024	2023
Options	\$ 71	\$ 81	\$ 216	\$ 269
RSUs & RSAs	1,636	2,068	4,669	6,167
ESPP	—	7	—	17
Total	\$ 1,707	\$ 2,156	\$ 4,885	\$ 6,453

Issuance of Common Stock to Non-employees

During the nine months ended September 30, 2023, the Company issued 2,700 shares of the Company's Class A common stock to a third party consulting firm in exchange for public relations services. The shares were not issued under the equity incentive plans described above. Under the agreement, the shares are contingently forfeitable in the event of early termination by the Company. The shares had an issuance date fair value of \$0.1 million to be recorded as consulting expense over the six-month term of the agreement. Related consulting expense of \$0.1 million was recognized over the six month term of the agreement. The Company issued no shares to non-employees in the current year.

Note 11. Earnings Per Share

Net Loss Per Share

Net loss per share is provided in accordance with ASC Sub-Topic 260-10, *Earnings Per Share*. Basic earnings per share is computed by dividing net loss for the period by the weighted-average number of common shares outstanding during the period. Diluted earnings per share gives effect to all dilutive potential common shares outstanding during the period. It is computed by dividing undistributed earnings allocated to common stockholders for the period by the weighted average number of common shares outstanding during the period, plus the dilutive effect of outstanding preferred shares, options and unvested stock units, and warrants outstanding pursuant to the treasury stock method.

As the Company incurred a net loss for the three and nine months ended September 30, 2024 and 2023, the inclusion of certain options, unvested stock units, warrants, and contingent Sponsor Earnout Shares in the calculation of diluted earnings per share would be anti-dilutive and, accordingly, were excluded from the diluted loss per share calculation.

The following table summarizes potential common shares that were excluded as their effect is anti-dilutive:

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2024	2023	2024	2023
Options and unvested stock units outstanding	106,097	296,861	145,073	235,736
Warrants outstanding	30,017,768	629,271	30,017,768	629,271
Convertible promissory notes	4,339,623	—	4,339,623	—
Contingent Sponsor Earnout Shares	28,750	28,750	28,750	28,750
Total	34,492,238	954,882	34,531,214	893,757

Note 12. Commitments and Contingencies

Purchase Obligations

Momentus enters into purchase obligations in the normal course of business. These obligations include purchase orders and agreements to purchase goods or services that are enforceable, legally binding, and have significant terms

MOMENTUS INC.
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

Note 12. Commitments and Contingencies (cont.)

and minimum purchases stipulated. As of September 30, 2024, the Company's future unconditional purchase obligations are as follows:

(in thousands)

Remainder of 2024	\$	2,291
2025		2,975
Total	\$	5,266

Legal Proceedings*Securities Class Actions*

On July 15, 2021, a purported stockholder of SRAC filed a putative class action complaint against SRAC, SRC-NI Holdings, LLC ("Sponsor"), Brian Kabot (SRAC CEO), James Norris (SRAC CFO), Momentus, and the Company's co-founder and former CEO, Mikhail Kokorich, in the United States District Court for the Central District of California, in a case captioned *Jensen v. Stable Road Acquisition Corp., et al.*, No. 2:21-cv-05744 (the "*Jensen* class action"). The complaint alleges that the defendants omitted certain material information in their public statements and disclosures regarding the Business Combination, in violation of the securities laws, and seeks damages on behalf of a putative class of stockholders who purchased SRAC stock between October 7, 2020 and July 13, 2021. Subsequent complaints captioned *Hall v. Stable Road Acquisition Corp., et al.*, No. 2:21-cv-05943 and *Depoy v. Stable Road Acquisition Corp., et al.*, No. 2:21-cv-06287 were consolidated in the first filed matter (collectively, referred to as the "Securities Class Actions"). An amended complaint was filed on November 12, 2021. The Company disputes the allegations in the Securities Class Actions.

On February 10, 2023, the lead plaintiff in the Securities Class Actions and the Company reached an agreement in principle to settle the Securities Class Actions. Under the terms of the agreement in principle, the lead plaintiff, on behalf of a class of all persons that purchased or otherwise acquired Company stock between October 7, 2020 and July 13, 2021, inclusive, would release the Company from all claims asserted or that could have been asserted in the Securities Class Actions and dismiss such claims with prejudice, in exchange for payment of \$8.5 million by the Company (at least \$4.0 million of which was funded by insurance proceeds).

On April 10, 2023, the parties filed a Notice of Settlement with the Court, and on August 18, 2023, the parties executed a Settlement Agreement. On August 30, 2023 the lead plaintiff filed a Motion for Preliminary Approval of Class Action Settlement, and the Court entered an Order Preliminarily Approving Settlement and Providing for Notice on September 21, 2023. Pursuant to that Order, on October 5, 2023, the Company paid \$1.0 million into the settlement escrow account. On November 16, 2023, following the Court's order granting lead plaintiff's motion to enforce the settlement agreement and despite the Company's attempts to negotiate an extension of time to satisfy its payment obligations, the Company paid an additional \$3.5 million into the settlement escrow account. Insurance carriers made additional payments totaling \$4.0 million into the settlement escrow account.

On April 23, 2024, the Court entered an order and judgment finally approving the settlement of the Securities Class Actions. A group of plaintiffs asserting the Delaware Class Actions (see below) objected to the scope of the release in the settlement, and the Court overruled the objection. Those objectors may or may not appeal the Court's decision to overrule their objections and approve the settlement. The Company does not know the timing of when such an appeal, if filed, would be heard. If the objectors do not appeal the approval of the settlement, or if their appeal is ultimately rejected by the Court of Appeal, then the settlement will resolve all claims in the Securities Class Actions against the Company (except as to any shareholders that may elect to opt-out of the class). The Company and the other defendants have denied and continue to deny each and all of the claims alleged in the Securities Class Actions, and the proposed settlement contains no admission of liability, wrongdoing or responsibility by any of the defendants. In the event that a court, on appeal or otherwise, overturns the approval of the settlement, the Company will continue to vigorously defend against the claims asserted in the Securities Class Actions.

As a result of the agreement to settle the Securities Class Action, the Company recorded a litigation settlement contingency of \$8.5 million. The Company additionally recorded an insurance receivable of \$4.0 million for the insurance proceeds expected from its insurers related to the settlement. The net amount of \$4.5 million was recognized in litigation settlement, net during the year ended December 31, 2022. As of March 31, 2024, the contingent liability in relation to Securities Class Action has been paid in full.

MOMENTUS INC.
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

Note 12. Commitments and Contingencies (cont.)

CFIUS Review

In February 2021, the Company and Mikhail Kokorich submitted a joint notice to the Committee on Foreign Investment in the United States (“CFIUS”) for review of the historical acquisition of interests in the Company by Mr. Kokorich, his wife, and entities that they control in response to concerns of the U.S. Department of Defense regarding the Company’s foreign ownership and control. On June 8, 2021, the U.S. Departments of Defense and the Treasury, on behalf of CFIUS, Mr. Kokorich, on behalf of himself and Nortrone Finance S.A. (an entity controlled by Mr. Kokorich), Lev Khasis and Olga Khasis, each in their respective individual capacities and on behalf of Brainyspace LLC (an entity controlled by Olga Khasis) entered into the NSA.

In accordance with the NSA and pursuant to stock repurchase agreements entered into with the Company, effective as of June 8, 2021, each of Mr. Kokorich, Nortrone Finance S.A. and Brainyspace LLC (collectively “the Co-Founders”) agreed to sell 100% of their respective equity interests in the Company on June 30, 2021. The Company paid an aggregate of \$40 million to the Co-Founders following the Business Combination, and an additional payment of an aggregate of \$10 million was payable within 10 business days after cumulative business combination or capital raising transactions (whether in the form of debt or equity) resulted in cash proceeds to the Company of no less than \$250 million.

On February 27, 2023 the Company raised aggregate gross proceeds of \$10.0 million through the sale of securities (see Note 9 for additional information), which together with the Business Combination and other capital raising activities triggered the \$10.0 million liability to the Co-Founders in accordance with the terms of the stock repurchase agreements. The amount had previously been recorded as an estimated liability with a corresponding offset to additional paid-in capital within the consolidated statements of stockholders’ equity as of December 31, 2022. CFIUS terminated the NSA in January 2024 at the request of the Company, and the Company is no longer subject to the provisions of the NSA.

The Company incurred legal expenses related to these matters of approximately \$0.2 million and \$0.3 million for the three and nine months ended September 30, 2024, respectively.

Shareholder Section 220 Litigation

On June 16, 2022, Plaintiff and the Company’s shareholder James Burk filed a verified complaint against the Company in the Delaware Court of Chancery, Case No. 2022-0519, to inspect the books and records of the Company pursuant to Section 220 of the Delaware General Corporation Law. Plaintiff seeks production of books and records relating to the management of the Company and its disclosures to potential investors in connection with the Business Combination. On March 14, 2023, the Court granted the parties stipulation of dismissal with prejudice, and the matter was closed. The Company from time to time responds to books and records requests properly submitted pursuant to applicable Delaware law.

Shareholder Derivative Litigation

On June 20, 2022, a shareholder derivative action was filed by Brian Lindsey, on behalf of the Company, in the U.S. District Court for the Central District of California, Case No. 2:22-cv-04212, against the Company (as a nominal defendant), SRAC, Brian Kabot, Juan Manuel Quiroga, James Norris, James Hofmockel, Mikhail Kokorich, Dawn Harms, Fred Kennedy, Chris Hadfield, Mitchel B. Kugler, Victorino Mercado, Kimberly A. Reed, Linda J. Reiners, and John C. Rood. This derivative action alleges the same core allegations as stated in the securities class action litigation. Defendants dispute the allegations as stated in this derivative action. On September 27, 2022, Plaintiff filed his Notice of Voluntary Dismissal without Prejudice seeking to dismiss the case. Because Plaintiff’s dismissal of this derivative action was voluntary and without prejudice, this plaintiff and/or other shareholders may seek to re-file the claims asserted in this matter at a later date. As noted below, Brian Lindsey re-filed a shareholder derivative action in Delaware Chancery Court on June 30, 2023.

On January 25, 2023, a shareholder derivative action was filed by Melissa Hanna, on behalf of the Company, in the U.S. District Court for the Northern District of California, Case No. 5:23-cv-00374, against the Company (as a nominal defendant), SRAC, Brian Kabot, Juan Manuel Quiroga, James Norris, James Hofmockel, Mikhail Kokorich, Dawn Harms, Fred Kennedy, Chris Hadfield, Mitchel B. Kugler, Victorino Mercado, Kimberly A. Reed, Linda J. Reiners, and John C. Rood (the “Derivative Action II”). The Derivative Action II alleges the same core allegations as stated in the Securities Class Actions, and also claims that the Company ignored and/or refused a prior

MOMENTUS INC.
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

Note 12. Commitments and Contingencies (cont.)

demand made by Ms. Hanna on the Company's Board of Directors. The Company intends to vigorously defend the litigation.

On April 25, 2023, a shareholder derivative action was filed by Justin Rivlin, purportedly on behalf of the Company, in the U.S. District Court for the District of California, Case No. 2:23-cv-03120, against the Company (as a nominal defendant), Brian Kabot, James Norris, Marc Lehmann, James Hofmockel, and Ann Kono. The Rivlin derivative action alleges the same core allegations as stated in the Securities Class Actions. The Company has filed a motion to dismiss the complaint on the grounds that the claims are time-barred and that the plaintiff was not excused from making a demand on the Company before filing the lawsuit. The Company intends to vigorously defend the litigation. On August 4, 2023, the plaintiff in the Rivlin action responded to the Company's motion to dismiss by filing an amended complaint adding new claims and new defendants, including existing Board members Chris Hadfield, Mitchel B. Kugler, Kimberly A. Reed, Linda J. Reiners and John C. Rood.

On June 30, 2023, a shareholder derivative action was filed by Brian Lindsey, purportedly on behalf of the Company in the Court of Chancery for the State of Delaware (Case No. 2023-0674), against the Company (as a nominal defendant), Juan Manuel Quiroga, James Norris, James Hofmockel, Stable Road Acquisition Corp., SRC-NI Holdings, LLC, Mikhail Kokorich, Brian Kabot, Dawn Harms, Fred Kennedy, Chris Hadfield, Mitchel B. Kugler, Victorino Mercado, Kimberly A. Reed, Linda J. Reiners and John C. Rood. The Lindsey derivative action alleges the same core allegations as stated in the Securities Class Actions. The Company intends to vigorously defend the litigation.

On August 26, 2024, an unopposed motion for the preliminary approval of settlement was filed after the Company reached an agreement in principle for a proposed settlement of certain shareholder derivative litigation. The proposed settlement, as set forth more fully in the Stipulation and Agreement of Settlement filed with the court, requires the Company to adopt certain corporate governance reforms. The reforms must be maintained for a minimum period of four years.

On September 16, 2024, the U.S. District Court for the Northern District of California issued an order primarily approving the settlement and providing for notice of the settlement to stockholders of the Company in the matters captioned *Hanna v. Kabot, et al.*, Case No. 5:23-cv-00374 (N.D. Cal.); *Rivlin v. Kabot, et al.*, Case No. 2:23-cv-03120 (C.D. Cal.); *Lindsey v. Quiroga, et al.*, Case No. 20230674 (Del. Ch.); and the litigation demand made by Momentus stockholder, Kamal Qureshi (collectively, the "Derivative Matters"). The proposed settlement calls for the Company to adopt certain corporate governance reforms and pay lead plaintiffs' attorney's fees, litigation expenses, and lead plaintiff service awards.

The order set a final approval hearing for November 21, 2024.

SAFE Note Litigation

On July 20, 2022, The Larian Living Trust ("TLLT") filed an action against the Company in New Castle County Superior Court, Delaware, in the Complex Commercial Litigation Division, Case No. N22C-07-133 EMD CCLD. TLLT pleads claims for fraudulent inducement and breach of contract arising from two investment contracts pursuant to which TLLT alleges it invested \$4.0 million in the Company. TLLT alleges that a "liquidity event" occurred when the Company closed the Business Combination, such that it was entitled to the greater of its \$4.0 million investment or its "Conversion Amount" of the Company's shares, which was a total of 14,500 shares of the Company's stock. TLLT further alleges that the Company refused to provide it the conversion amount of shares until April 2022, at which point the value of its shares had dropped significantly from their peak value in August of 2021, in excess of \$7.6 million. TLLT seeks damages in excess of \$7.6 million, in addition to interests and its attorney's fees and costs. On March 16, 2023, the Company's motion to dismiss TLLT's claims was denied and the parties will move forward with discovery. On July 13, 2023, the Company filed a motion for partial summary judgment. The hearing on the Company's motion for partial summary judgment was set for November 8, 2023, TLLT filed an Answering Brief on September 15, 2023, and the Company filed a Reply Brief on October 16, 2023. On January 31, 2024, the Superior Court denied the Company's motion for partial summary judgment. The Company disputes the allegations in the complaint and intends to vigorously defend the litigation.

Founder Litigation

MOMENTUS INC.
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

Note 12. Commitments and Contingencies (cont.)

On June 8, 2021, former co-founders and shareholders of the Company, Mikhail Kokorich and Lev Khasis signed the NSA alongside stock repurchase agreements, whereby they agreed to divest their interests in the Company in exchange for a cash payments and other considerations. As part of the NSA and stock repurchase agreements, Messrs. Kokorich and Khasis agreed to a broad waiver and release of all claims (broadly defined) against the Company. The Company has maintained that this release is effective as to various advancement and indemnification claims either individual may have against the Company.

Both Messrs. Kokorich and Khasis have, through counsel, disagreed with the Company's position. For example, Mr. Kokorich is named as a defendant in the securities class action pending against the Company and other defendants, although he has not been served nor appeared in those matters. In addition, Mr. Kokorich is the sole defendant in a civil litigation action filed against him by the Securities and Exchange Commission, which remains pending in the US District Court for the District of Columbia, Case No. 1:21-cv-01869. Mr. Kokorich has demanded indemnification and advancement from the Company for his fees and costs incurred in these actions, which claims are disputed by the Company.

The Company continues to maintain that Mr. Kokorich's release in the NSA and stock repurchase agreements is effective as to his claims for advancement and indemnification in these litigation matters. On August 16, 2022, Mr. Kokorich filed a verified complaint against the Company in the Delaware Court of Chancery (Case. No. 2022-0722) seeking indemnification and advancement from the Company. Following the Company filing a motion to dismiss this action, on November 14, 2022, Mr. Kokorich filed an amended complaint. Additional motions to dismiss and replies were filed and considered at a hearing on February 2, 2023. The Delaware Court of Chancery granted the Company's motion to dismiss the Kokorich indemnification claim action on May 15, 2023. On June 13, 2023, Kokorich filed a notice of appeal. On July 28, 2023, Kokorich filed Appellant's Brief. The Company filed Appellee's Answering Brief on August 28, 2023, and Kokorich filed a Reply Brief on September 15, 2023. The oral argument on Kokorich's appeal was scheduled for November 15, 2023. On November 30, 2023, the Delaware Supreme Court affirmed the judgement of the Delaware Court of Chancery.

On March 24, 2023, Mr. Khasis filed a verified complaint against the Company in the Delaware Court of Chancery (Case. No. 2023-0361) seeking indemnification and advancement of expenses from the Company. On April 17, 2023, the Company filed a motion to dismiss. On May 16, 2023, Mr. Khasis filed an amended complaint. On May 23, 2023, Momentus filed a motion to dismiss the amended complaint. Separately, Khasis has requested an expedited trial in his claim for advancement of fees. On June 23, 2023, the Court of Chancery ordered that Khasis indemnification litigation will not be stayed pending the appeal of the Kokorich claim. Moreover, the Court of Chancery further ordered the parties to prepare a scheduling order to the Court which includes all relevant deadlines to argue the Company's motion to dismiss and Khasis' expedited motion for advancement concurrently. The parties are currently negotiating concerning an acceptable schedule. On October 17, 2023, the parties reached an agreement to stay the proceeding until January 1, 2024. On October 18, 2023, the Company paid Mr. Khasis \$0.1 million related to Mr. Khasis' legal expenses. The Company disputes the allegations in the complaint and intends to vigorously defend the litigation.

Delaware Class Actions

On November 10, 2022, purported stockholders filed a putative class action complaint against Brian Kabot, James Hofmockel, Ann Kono, Marc Lehmann, James Norris, Juan Manuel Quiroga, SRC-NI Holdings, LLC, Edward K. Freedman, Mikhail Kokorich, Dawn Harms, Fred Kennedy, and John C. Rood in the Court of Chancery of the State of Delaware, in a case captioned Shirley, et al. v. Kabot et al., 2022-1023-PAF (the "Shirley Action"). The complaint alleges that the defendants made certain material misrepresentations, and omitted certain material information, in their public statements and disclosures regarding the Proposed Transaction, in violation of the securities laws, and seeks damages on behalf of a putative class of stockholders who purchased SRAC stock on or before August 9, 2021.

On March 16, 2023, purported stockholders of the Company filed a putative class action complaint against certain current and former directors and officers of the Company in the Delaware Court of Chancery, in a case captioned Lora v. Kabot, et al., Case No. 2023-0322 (the "Lora Action"). Like the Shirley complaint, the complaint alleges that the defendants made certain material misrepresentations, and omitted certain material information, in their public statements and disclosures regarding the Business Combination in violation of the securities laws, and seeks damages on behalf of a putative class of stockholders who purchased SRAC stock on or before August 9, 2021.

MOMENTUS INC.
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

Note 12. Commitments and Contingencies (cont.)

On March 17, 2023, purported stockholders of the Company filed a putative class action complaint against certain current and former directors and officers of the Company in the Delaware Court of Chancery, in a case captioned *Burk v. Kabot, et al.*, Case No. 2023-0334 (the “Burk Action”). Like the Lora and Shirley complaints, the Burk complaint alleges that the defendants made certain material misrepresentations, and omitted certain material information, in their public statements and disclosures regarding the Business Combination in violation of the securities laws, and seeks damages on behalf of a putative class of stockholders who purchased SRAC stock on or before August 9, 2021.

On May 26, 2023, plaintiffs filed a stipulation and proposed order for consolidation and appointment of co-lead plaintiffs and co-lead plaintiffs’ counsel designating the complaint filed in the Lora Action as the operative complaint. On June 30, 2023, the defendants each filed a motion to dismiss the complaint. On October 26, 2023, plaintiffs filed their answering briefs in opposition to the motions to dismiss, and the defendants’ reply briefs are due to be filed on or before December 14, 2023, and a hearing on the motions to dismiss was held for February 1, 2024.

The Shirley Action, the Lora Action, and the Burk Action have been consolidated under the caption, *In re Momentus, Inc. Stockholders Litigation*, C.A. No. 2022-1023-PAF (Del Ch. Nov. 10, 2022). These putative class actions do not name the Company as a defendant. Regardless, the SRAC directors and officers, together with current and former directors and officers of the Company, have demanded indemnification and advancement from the Company, under the terms of the merger agreement and the exhibits thereto, the Delaware corporate code, the Company’s bylaws, and their individual indemnification agreements. The Company may be liable for the fees and costs incurred by the defendants and has an obligation to advance such fees during the pendency of the litigation. The Company understands that the defendants dispute the allegations in the complaint and intend to vigorously defend against any such litigation.

Threatened Claims

On October 23, 2023, Stephen J. Purcell, on behalf of the law firm Purcell & Lefkowitz LLP, threatened to file a legal proceeding to receive attorney’s fees in the amount of \$80,000 related to a stockholder litigation demand letter submitted to Momentus, dated July 20, 2021 on behalf of Joel Zalvin, a purported stockholder of Momentus. The stockholder litigation demand letter asserted that the vote to increase the number of shares of Class A common stock of Momentus at the special meeting of stockholders on August 11, 2021 was conducted in violation of Delaware law. On March 14, 2023, the Delaware Court of Chancery granted the Company’s request pursuant to 8 Del. C. §205, or Section 205 of the Delaware General Corporation Law (the “Petition”) in order to validate and declare effective the Second Amended and Restated Certificate of Incorporation of the Company and validate and declare effective the shares of the Company’s Class A common stock issued in reliance on such provisions of the Second Amended and Restated Certificate of Incorporation of the Company as of the date of the original issuance of such shares. Further on March 14, 2023, the Court of Chancery entered an order under 8 Del. C. §205 (i) declaring the Second Amended and Restated Certificate of Incorporation of the Company, including the filing and effectiveness thereof, as validated and effective retroactive to the date of its filing with the Office of the Secretary of State of the State of Delaware on August 12, 2021, and (ii) ordering that the Company’s Class A common stock (and the issuance of the Class A common stock) described in the Petition and any other securities issued in reliance of the validity of the Second Amended and Restated Certificate of Incorporation of the Company are validated and declared effective, each as of the original issuance dates. Momentus did not take action in response to the July 20, 2021 demand letter, but rather filed the Petition over one year later, following a decision by the Delaware Chancery Court that created uncertainty as to the validity of the Company’s Second Amended and Restated Certificate of Incorporation. Accordingly, Momentus believes that the threatened claim is without merit and intends to vigorously defend any such claim if brought.

Prior to the close of the Business Combination, Alex Ciccotelli, represented by Rigrudsky Law, sent SRAC a disclosure demand letter dated November 9, 2020, and Jeffrey Justice II, represented by Grabar Law Office, sent SRAC a disclosure demand letter dated August 3, 2021. Mr. Ciccotelli then filed a civil action against SRAC. After receiving various shareholder disclosure demands, SRAC voluntarily issued certain pre-closing supplemental disclosures, without admission, as stated in its August 5, 2021 Form 8-K filing. The Ciccotelli action was thereafter dismissed as moot. On March 20, 2023, Rigrudsky Law threatened to file a fee petition seeking an award of fees and expenses if the Company does not agree to pay a mootness fee, and more recently, in October 2023, reiterated the

MOMENTUS INC.
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

Note 12. Commitments and Contingencies (cont.)

demand on behalf of Messrs. Ciccotelli and Justice for payment of mootness fees. The Company maintains that, while certain amendments were made by SRAC to pre-closing disclosures, none of the disclosures made was material and the Company disputes that the claims for fees have merit.

Indemnification Claims

On July 31, 2024, certain former employees of the Company obtained a legal judgment in the amount of \$0.5 million inclusive of interest and expenses related to claims for the advancement and reimbursement of certain legal expenses of the former employees. The Company paid the former employees \$0.5 million in September 2024.

Shareholder Derivative Litigation (Hanna, Lindsey, and Rivlin)

The plaintiffs have moved for final approval of the proposed settlement to resolve all three actions. This settlement approval motion is currently scheduled for a hearing on November 21, 2024, in the Hanna case (U.S.D.C., Northern District of California). To date, the parties have not received any objection to the settlement or any opposition to the motion for final settlement approval.

Other Litigation and Related Matters

These and other litigation matters may be time-consuming, divert management's attention and resources, cause the Company to incur significant defense and settlement costs or liability, even if we believe the claims asserted against us are without merit. We intend to vigorously defend against all such claims. Because of the potential risks, expenses and uncertainties of litigation, as well as claims for indemnity from various of the parties concerned, we may from time to time settle disputes, even where we believe that we have meritorious claims or defenses. Because litigation is inherently unpredictable, further compounded by various claims for indemnity which may or may not be fully insured, we cannot assure that the results of these actions, either individually or in the aggregate, will not have a material adverse effect on our operating results and financial condition.

From time to time, the Company may be a party to litigation and subject to claims incident to the ordinary course of business or in connection with the matters discussed above. Although the results of litigation and claims cannot be predicted with certainty, the Company currently believes that the final outcome of these matters will not have a material adverse effect on its business. Regardless of the outcome, litigation can have an adverse impact on the Company because of judgment, defense and settlement costs, diversion of management resources and other factors. At each reporting period, the Company evaluates whether or not a potential loss amount or a potential range of loss is probable and reasonably estimable under ASC Sub-Topic 450-20. Legal fees are expensed as incurred.

Note 13. Income Taxes

The Company's effective tax rate for the three and nine months ended September 30, 2024 respectively, was zero percent. The effective tax rate may vary significantly from period to period and can be influenced by many factors. These factors include, but are not limited to, changes to the statutory rates in the jurisdictions where the Company has operations and changes in the valuation of deferred tax assets and liabilities. The difference between the effective tax rate and the federal statutory rate of 21% primarily relates to certain nondeductible items, state and local income taxes, the absence of current income tax, and a full valuation allowance for deferred tax assets.

Note 14. Related Party Transactions*Related Party Promissory Notes*

On June 21, 2024, the Company issued six promissory notes for an aggregate amount of \$0.5 million to participating directors and an officer of the Company. The proceeds from the notes were used to pay for employee retention payments, working capital, and general corporate expenses. Each note issued bore an annual interest rate of 5.12% equal to the minimum applicable federal rate published by the Internal Revenue Service for June 2024. Each note held a maturity date of September 30, 2024 and was secured by the Company's assets. Principal and interest payments were due by the maturity date and the notes would have become immediately due upon the occurrence of certain customary event of default, including failure to pay amounts owing when due and/or certain events involving a discontinuation of our business or certain types of proceedings involving insolvency, bankruptcy, receivership and the like. On September 12, 2024, the six promissory notes were repaid in full to the participating directors and officer of the Company.

Note 15. Subsequent Events

Convertible Promissory Note

On October 24, 2024, the Company and SIV, entered into a secured convertible promissory note (the “October Convertible Note”) pursuant to which the Company may borrow up to \$3.0 million in two tranches, consisting of (i) an initial loan in the principal amount of \$2.0 million, and (ii) up to an additional \$1.0 million in principal amount which may be borrowed from December 22, 2024 through February 14, 2025. Borrowings under the October Convertible Note bear interest at 15% per annum. The October Convertible Note has a maturity date of October 24, 2025, at which time all principal and accrued interest is due.

Amounts borrowed under the October Convertible Note are secured by a lien on substantially all of the assets of the Company. At any time after the date that is six months after the original issuance date of the October Convertible Note, SIV, in its sole discretion, may convert some or all of the outstanding obligations under the October Convertible Note into shares of Class A common stock at a conversion price of \$0.53 per share.

In addition to the October Convertible Note, the Company agreed to issue to SIV warrants to purchase up to 5,668,934 shares of common stock with an exercise price of \$0.53 per share (the “SIV Warrants”). SIV may not exercise the SIV Warrants prior to April 24, 2025, and the SIV Warrants will expire April 24, 2030.

Neither the October Convertible Note nor the SIV Warrants can be converted or exercised if it would cause the aggregate number of shares of common stock beneficially owned by SIV to exceed 9.99% of the number of shares of common stock outstanding immediately after giving effect to the conversion or exercise, as applicable. Conversion of the October Convertible Note and exercise of the SIV Warrants is also subject to compliance with applicable Nasdaq rules, and if shareholder approval is required the Company will use commercially reasonable efforts to obtain such approval.

The October Convertible Note requires SIV’s consent to take certain actions, such as purchasing assets outside the ordinary course of business, extending financing, making capital expenditures in excess of \$0.1 million, repaying debts outside the ordinary course of business or investing in any entity or enterprise.

The October Convertible Note can be prepaid in full at any time, subject to a prepayment fee of 10%. The October Convertible Note will accelerate and become immediately due upon the occurrence of certain customary events of default, including failure to pay amounts owing when due and/or certain events involving a discontinuation of our business or certain types of proceedings involving insolvency, bankruptcy, receivership and the like, or a change of control of the Company.

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

The following discussion and analysis provides information which our management believes is relevant to an assessment and understanding of our results of operations and financial condition. This discussion and analysis should be read together with our audited and unaudited financial statements and related notes appearing elsewhere in this Quarterly Report on Form 10-Q (this “Form 10-Q”) and our Annual Report on Form 10-K filed with the SEC on June 6, 2024. This discussion and analysis should also be read together with our financial information for the period ended as of September 30, 2024. In addition to historical financial information, this discussion and analysis contains forward-looking statements that reflect our plans, estimates, and beliefs that involve risks, uncertainties and assumptions. As a result of many factors, such as those set forth under the “Risk Factors” under Part II, Item 1A: “Risk Factors,” in this Form 10-Q and under Part I, Item 1A in our Annual Report on Form 10-K filed with the SEC on June 6, 2024, and “Cautionary Statement Regarding Forward-Looking Statements” elsewhere in this Form 10-Q, our actual results may differ materially from those anticipated in these forward-looking statements.

Certain figures, such as interest rates and other percentages, included in this section have been rounded for ease of presentation. Percentage figures included in this section have not in all cases been calculated on the basis of such rounded figures but on the basis of such amounts prior to rounding. For this reason, percentage amounts in this section may vary slightly from those obtained by performing the same calculations using the figures in our financial statements or in the associated text. Certain other amounts that appear in this section may similarly vary slightly due to rounding.

Overview

Momentus offers or plans to offer satellites, satellite buses, satellite technologies including solar arrays, and transportation and infrastructure services to help enable the commercialization of space for commercial companies and to support the missions of U.S. and friendly governments missions. Satellite operators are our target commercial customers. Momentus is also seeking business in support of U.S. Government missions for Departments and Agencies like NASA and the Department of Defense.

Products and services that we plan to provide include provision of satellites, satellite buses, satellite technologies including solar arrays, integration of payload instruments, “last mile” satellite transportation, payload-hosting, on-orbit satellite refueling, on-orbit inspection, on-orbit satellite maintenance, de-orbiting, debris removal, and other satellite-to-satellite service offerings.

Our transportation service offering focuses on delivering our customers’ satellites to precision orbits of their choosing. To accomplish this, we partner with leading launch service providers, such as SpaceX to “ride share” our customers’ satellites from Earth to space on a midsized or large rocket. Customer satellites can also be carried aboard small launch vehicles for dedicated missions. Our OSVs would then provide “last mile” transportation services from the rocket’s drop-off orbit to a custom orbit of the satellite operator’s choosing. We believe this “hub-and-spoke” model has the potential to expand our customers’ deployment options relative to what they would be able to achieve with ride share launch alone, while reducing their costs relative to what they could achieve with a dedicated small launch vehicle. Over time, we plan to begin introducing additional services beyond transportation and hosted payloads.

Since Momentus’ founding in 2017, we have been working to develop, test and enhance our vehicles and supporting technologies, particularly our water plasma propulsion technology.

Our services are made possible by the space industry’s rapid technological developments over the past two decades, driven predominantly by significant decreases in launch costs, as well as the advent of smaller, lower-cost satellites. The convergence of these trends has resulted in substantial growth in the commercial space market, rooted in higher accessibility for companies entering the new space economy that aim to offer communication, earth observation and data collection services, and other satellite services.

We anticipate potential considerable growth over the coming years in the space transportation segment as companies continue to seek versatile and low-cost ways to deliver single satellites to specific orbits or deploy their satellite constellations. We anticipate that the need for small satellite transportation to low-earth orbit will continue to drive overall demand growth for space transportation services in the short-term as technology advancements continue to make space more accessible to new market entrants, although new applications beyond low-earth orbit are also emerging. We also believe that over the next decade, new space-based businesses may emerge, for example the generation of solar energy in space, space manufacturing or space data processing. The advent of these new business models could substantially increase demand for space transportation and other space infrastructure services.

Beyond transportation, we anticipate that growth of the satellite constellations market may drive demand for our satellites, satellites buses, and technologies like solar arrays, hosted payload, on-orbit satellite refueling, on-orbit inspection, on-orbit satellite maintenance, de-orbiting, debris removal, and other satellite-to-satellite service offerings, if we are successful in executing on our business plan, including fully developing and validating our technology in space. Satellite constellations have relatively low lifespans and, in our view, will require maintenance, de-orbiting, and other general servicing with higher frequency.

Momentus has developed the M-1000 satellite bus that the Company is offering to both commercial and U.S. government customers. The market for satellite buses in this class is substantial and growing. The M-1000 satellite bus is based on the Vigoride OSV and has substantial commonality.

Momentus has launched four missions to date, deployed 17 customer satellites, and provided hosted payload services. Three of these missions involved operation of the Vigoride OSV in orbit. During these three Vigoride missions, the system and technology were tested repeatedly. Improvements based on lessons learned during these missions were rapidly incorporated. As a result of these three missions, the Vigoride OSV has been successfully demonstrated in space and accumulated significant flight heritage.

Components of Results of Operations

Service Revenue

We enter into contracts for ‘last-mile’ satellite and cargo delivery, payload hosting and in-orbit servicing options with customers that are primarily in the aerospace industry. The Company recognizes revenue (along with any other fees that have been paid) upon the earlier of the satisfaction of our performance obligation or when the customer cancels the contract. The Company also enters into contracts to perform analysis and provide engineering services to U.S. Government organizations.

In general, our customers have the right to cancel their contracts with the understanding that they will forgo their deposits. If a customer cancels a contract before it is required to pay non-refundable deposits, we may not receive revenue from these orders, except for an initial deposit which is paid at the time the contract is signed.

During the quarter ended September 30, 2024, the Company recognized \$0.1 million of revenue, primarily from the completion of performance obligations on engineering services performed for U.S. government and engineering project services.

As of September 30, 2024 we have signed contracts with customers and have collected approximately \$1.6 million in customer deposits, \$1.1 million of which are recorded as non-current contract liabilities in our condensed consolidated balance sheets.

The Company estimates variable consideration at the most likely amount, which is included in the transaction price to the extent it is probable that a significant reversal of cumulative revenue recognized will not occur. While the Company’s standard contracts do not contain refund or recourse provisions that enable its customers to recover any non-refundable fees that have been paid, the Company may issue full or partial refunds to customers on a case-by-case basis as necessary to preserve and foster future business relationships and customer goodwill. Contracts to provide engineering services to U.S. Government organizations generally have milestone payments subject to the variable consideration constraint. When a milestone is achieved, the Company updates its estimate of the transaction price to include the milestone payment and records a cumulative catch-up in revenue.

Cost of Revenue

Cost of revenue consists primarily of expenses associated with third-party launch costs and direct headcount cost related to the engineering project. Development of the orbital service vehicles is part of the Company’s technology roadmap. Therefore, to date, the cost of these orbital service vehicles has been expensed as research and development costs as materials and services are received. The current design and technology allow for a single use of the orbital service vehicle.

Research and Development

Research and development expenditures consist primarily of the cost of the following activities for developing existing and future technologies for our satellites, satellite technologies, and our Orbital Service Vehicles. Research and development activities include basic research, applied research, design, development, and related test program activities. Costs incurred for developing our technologies primarily include equipment, material, and labor hours

(both internal and subcontractors). The Company also records launch costs related to the testing of its Vigoride vehicles as research and development costs.

As of September 30, 2024, we have expensed all research and development costs associated with developing and building our vehicles.

Selling, General and Administrative

Selling, general 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, security, sales, marketing, and human resources; depreciation expense and rent relating to facilities, and equipment; professional fees; and other general corporate costs. Headcount-related expenses primarily include salaries, bonuses, equity compensation expense and benefits.

We also incur additional expenses as a result of operating as a public company, including expenses necessary to comply with the rules and regulations applicable to companies listed on a national securities exchange and related to compliance and reporting obligations pursuant to the rules and regulations of the SEC.

Change in Fair Value of Warrant Liability

Changes in the fair value of warrants consists of changes in the estimated fair value of our warrant liability.

Realized loss on disposal of assets

Realized loss on disposal of assets consists of disposals of machinery and equipment with carrying values in excess of proceeds received, if any.

Interest Income

Interest income consists of interest earned by the Company on investment holdings in interest bearing bank accounts.

Interest Expense

Interest expense includes interest incurred by the Company related to our loan payables as well as the amortization of warrant discount and debt issuance costs.

Other Income (Expense)

Other income (expense) primarily relates to non-recurring fees incurred in conjunction with the Term Loan financing, SEC settlement cost, and other immaterial items.

Income Tax Provision

We are subject to income taxes in the United States. Our income tax provision consists of an estimate of federal and state income taxes based on enacted federal and state tax rates, as adjusted for allowable credits, deductions, uncertain tax positions, changes in the valuation of our deferred tax assets and liabilities, and changes in tax laws.

The effective tax rate may vary significantly from period to period and can be influenced by many factors. These factors include, but are not limited to, changes to the statutory rates in the jurisdictions where the Company has operations and changes in the valuation of deferred tax assets and liabilities. The difference between the effective tax rate and the federal statutory rate of 21% primarily relates to certain nondeductible items, state and local income taxes and a full valuation allowance for deferred tax assets.

Results of Operations

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

Comparison of Financial Results for the Three Months Ended September 30, 2024 and 2023

<i>(in thousands)</i>	Three Months Ended September 30,		\$ Change	% Change
	2024	2023		
Service revenue	\$ 107	\$ 339	\$ (232)	(68 %)
Cost of revenue	66	119	(53)	(45 %)
Gross profit	41	220	(179)	(81 %)
Operating expenses:				
Research and development expenses	2,205	5,992	(3,787)	(63 %)
Selling, general and administrative expenses	5,429	9,294	(3,865)	(42 %)
Total operating expenses	7,634	15,286	(7,652)	(50 %)
Loss from operations	(7,593)	(15,066)	7,473	(50 %)
Other income (expense), net:				
Change in fair value of warrant liability	—	221	(221)	(100 %)
Realized loss on disposal of assets	(133)	—	(133)	(100 %)
Interest income	2	216	(214)	(99 %)
Interest expense	(43)	(530)	487	(92 %)
Other income	9	—	9	100 %
Total other income (expense), net	(165)	(93)	(72)	77 %
Net loss	\$ (7,758)	\$ (15,159)	\$ 7,401	(49 %)

Service revenue

During the three months ended September 30, 2024 The Company recognized \$0.1 million of revenue, primarily driven by engineering services in relation to the fulfillment of performance obligations in the Defense Advanced Research Project Agency agreement (“DARPA Agreement”).

During the three months ended September 30, 2023, the Company recognized \$0.3 million of revenue, primarily from the completion of performance obligation in connection with the Vigoride 5 and Vigoride 6 missions as well as some forfeited customer deposits upon contract expiration.

Cost of revenue

The costs associated with performing engineering service in relation to the DARPA Agreement were capitalized in cost of revenue. We tracked the individual hours worked in the project and allocated the portion of headcount cost from research and development operating expenses to cost of revenue during the three months ended September 30, 2024.

The cost of revenue during the three months ended September 30, 2023 consists primarily of expenses associated with the cost of the orbital service vehicle and third-party launch costs. Until the orbital service vehicle design is completed and released for production, the cost of these orbital service vehicles is being expensed as research and development costs as materials and services are received. The current design and technology allow for a single use of the orbital service vehicle.

Research and development expenses

Research and development expenses decreased from \$6.0 million in the three months ended September 30, 2023 to \$2.2 million in the three months ended September 30, 2024. The decrease was mostly headcount driven whereas payroll related cost went down by a \$2.5 million including a decrease of \$0.2 million in non-cash stock based compensation. Subcontractor costs decreased by \$1.0 million. Additionally, there was a \$0.1 million decrease in spending on materials and a \$0.1 million decrease in information technology and facilities expense.

Selling, general and administrative expenses

Selling, general and administrative expenses decreased from \$9.3 million in the three months ended September 30, 2023 to \$5.4 million in the three months ended September 30, 2024. Payroll costs decreased by \$1.2 million inclusive of a decrease of \$0.3 million in non-cash stock based compensation. NSA compliance spending decreased

by \$0.2 million and SEC and legal services expenses decreased by \$1.7 million. Consulting and other professional services and other general corporate expenses decreased by \$0.7 million and \$0.1 million, respectively.

Change in fair value of warrant liability

For both the three months ended September 30, 2024 and 2023, the decrease of \$0.2 million in the calculated fair value of the Company's outstanding warrants, which were assumed from the Business Combination, was primarily driven by the observable market price of the publicly listed warrants to purchase the Company's stock under comparable terms. See Note 9 for additional information.

Realized loss on disposal of assets

Realized loss on disposal of assets in the three months ended September 30, 2024 was \$0.1 million while in 2023, was zero.

Interest income

Interest income decreased from \$0.2 million for three months ended September 30, 2023 to \$2 thousand for the three months ended September 30, 2024 as the Company invested less money market funds given liquidity constrains.

Interest expense

Interest expense decreased from \$0.5 million of cash and amortization interest for the three months ended September 30, 2023 to \$42,500 interest for the three months ended September 30, 2024 due to the application of the effective interest method which results in less cash and amortization interest as the Term Loan approaches maturity. See Note 8 for additional information.

Other income

Other income during the three months ended September 30, 2024 and 2023, was immaterial.

Comparison of Financial Results for the Nine Months Ended September 30, 2024 and 2023

<i>(in thousands)</i>	Nine Months Ended September 30,		\$ Change	% Change
	2024	2023		
Service revenue	\$ 1,829	\$ 2,066	\$ (237)	(11 %)
Cost of revenue	66	507	(441)	(87 %)
Gross profit	1,763	1,559	204	13 %
Operating expenses:				
Research and development expenses	7,731	26,315	(18,584)	(71 %)
Selling, general and administrative expenses	16,916	29,571	(12,655)	(43 %)
Total operating expenses	24,647	55,886	(31,239)	(56 %)
Loss from operations	(22,884)	(54,327)	31,443	(58 %)
Other income (expense), net:				
Change in fair value of warrant liability	—	559	(559)	(100 %)
Realized loss on disposal of assets	(188)	(17)	(171)	1006 %
Interest income	24	1,128	(1,104)	(98 %)
Interest expense	(100)	(2,182)	2,082	(95 %)
Other income	61	20	41	205 %
Total other income (expense), net	(203)	(492)	289	(59 %)
Net loss	\$ (23,087)	\$ (54,819)	31,732	(58 %)

Service revenue

Revenue recognized during the nine months ended September 30, 2024 was primarily driven by engineering services performed for the Space Development Agency agreement, resulting in \$1.8 million of revenue recognition.

The revenue recognized during the nine months ended September 30, 2023 was primarily driven by fulfillment of performance obligations for Vigoride 5 and Vigoride 6 customers, resulting in \$1.6 million of revenue recognition. The remaining \$0.5 million of revenue recognized was a combination of customer deposit forfeiture upon contract expiration and the launch of one customer payload through another supplier on the SpaceX Transporter 8 mission.

Cost of revenue

The costs associated with performing engineering service were expensed in research and development operating expenses during nine months ended September 30, 2024 except for the cost associated with the on-going DARPA Agreement of \$0.1 million were classed to cost of revenue.

The cost of revenue during the nine months ended September 30, 2023 consists primarily of expenses associated with the cost of the orbital service vehicle and third-party launch costs. Until the orbital service vehicle design is completed and released for production, the cost of these orbital service vehicles is being expensed as research and development costs as materials and services are received. The current design and technology allow for a single use of the orbital service vehicle.

Research and development expenses

Research and development expenses decreased from \$26.3 million in the nine months ended September 30, 2023 to \$7.7 million in the nine months ended September 30, 2024. The decrease was primarily due to (i) a \$8.6 million reduction in payroll costs due to decreased headcount and related decreases in signing bonuses (ii) a \$4.8 million reduction on subcontractor cost, (iii) a \$2.1 million reduction in spending on materials and components, (iv) decreases in launch costs of \$1.9 million associated with impairment of our Space X and ABL deposits, and amortization of the Vigoride 5 and Vigoride 6 missions, (v) a \$0.6 million reduction in allocated information technology and facilities expenses, and (vi) a \$0.5 million decrease in other overhead costs.

Selling, general and administrative expenses

Selling, general and administrative expenses decreased from \$29.6 million in the nine months ended September 30, 2023 to \$16.9 million in the nine months ended September 30, 2024. The decrease is primarily due to (i) a \$3.8 million decrease in payroll related expenses inclusive \$0.4 million of stock based compensation. Factors contributing to the decrease was primarily due to prior year one-time bonuses and executive departures temporarily replaced by consultants (ii) a \$3.2 million decrease in legal services expenses followed by (iii) a \$1.1 million decrease in NSA compliance spending and (iv) a \$1.2 million decrease in SEC compliance spending as the Company's activity related to the NSA and SEC topics discussed in Note 12 shifted from legal proceedings to compliance. (v) Non legal professional fees decreased by \$2.3 million and other general corporate office expenses (including insurance costs) decreased by \$1.3 million partially offset by a \$0.2 million increase in IT overhead costs.

Change in fair value of warrant liability

For the nine months ended September 30, 2023, the decrease in the calculated fair value of the Company's currently outstanding warrants, which were assumed from the Business Combination, was primarily driven by the observable market price of the publicly listed warrants to purchase the Company's stock under comparable terms. See Note 9 for additional information.

Realized loss on disposal of assets

Realized loss on disposal of assets in the nine months ended September 30, 2024 was \$0.2 million while 2023, was immaterial.

Interest income

Interest income decreased from \$1.1 million for nine months ended September 30, 2023 to \$24 thousand for the nine months ended September 30, 2024 as the Company invested less in money market funds due to liquidity constrains.

Interest expense

Interest expense decreased from \$2.2 million of cash and amortization interest for the nine months ended September 30, 2023 to \$0.1 million of cash and amortization interest for the nine months ended September 30, 2024 due to the application of the effective interest method which results in less cash and amortization interest as the Term Loan approaches maturity. See Note 8 for additional information.

Other income

Other income increased from \$20 thousand for the nine months ended September 30, 2023 to \$0.1 million nine months ended September 30, 2024. The increase was related to the release of interest accrued in relation to the loan during 2023.

Liquidity and Capital Resources

Going Concern

The Company's ability to continue as a going concern is dependent on the Company's ability to successfully raise capital to fund its business operations and execute on its business plan. To date, the Company has not generated sufficient revenues to provide cash flows that enable the Company to finance its operations internally and the Company's financial position and operating results raise substantial doubt about the Company's ability to continue as a going concern. This is reflected by the Company's incurred net losses of \$23.1 million for the nine months ended September 30, 2024 and had an accumulated deficit of \$396.1 million as of September 30, 2024. Additionally, the Company used net cash of \$10.9 million to fund its operating activities for the nine months ended September 30, 2024, and had cash and cash equivalents of \$0.8 million as of September 30, 2024.

In connection with the preparation of the consolidated interim financial statements for the nine months ended September 30, 2024, management conducted an evaluation and concluded that there were conditions and events, considered in the aggregate, which raised substantial doubt as to the Company's ability to continue as a going concern within twelve months after the date of the issuance of such financial statements. The Company believes that its current level of cash and cash equivalents are not sufficient to fund commercial scale production and sale of its services and products. These conditions raise substantial doubt regarding its ability to continue as a going concern for a period of at least one year from the date of issuance of these consolidated interim financial statements. In order to proceed with the Company's business plan and operating strategy, the Company will need to raise substantial additional capital to fund its operations. Until such time, if ever, the Company can generate revenues sufficient to achieve profitability, the Company expects to finance its operations through equity or debt financings, which may not be available to the Company on the timing needed or on terms that the Company deems to be favorable. In an effort to alleviate these conditions, the Company continues to seek and evaluate opportunities to access additional capital through all available means.

As a result of these uncertainties, and notwithstanding management's plans and efforts to date, there is substantial doubt about the Company's ability to continue as a going concern. If the Company is unable to raise substantial additional capital in the near term, the Company's operations and business plan will need to be scaled back or halted altogether. Additionally, if the Company is able to raise additional capital but that capital is insufficient to provide a bridge to full commercial production at a profit, the Company's operations could be severely curtailed or cease entirely and the Company may not realize any significant value from its assets.

The accompanying consolidated interim financial statements have been prepared on a going concern basis of accounting. The accompanying consolidated interim financial statements do not reflect any adjustments that might result if the Company is unable to continue as a going concern.

Cash Flows

<i>(in thousands)</i>	Nine Months Ended September 30,	
	2024	2023
Net cash (used in) provided by:		
Operating activities	\$ (10,874)	\$ (45,987)
Investing activities	94	(7)
Financing activities	9,586	(5,905)
Net change in cash, cash equivalents, and restricted cash	<u>\$ (1,194)</u>	<u>\$ (51,899)</u>

Operating Activities

Net cash used in operating activities for the nine months ended September 30, 2024 was \$10.9 million, driven primarily by headcount costs, research and development activities, legal expenses, and professional fees, as well as net cash changes in operating assets and liabilities.

Headcount related payroll costs, excluding stock-based compensation of \$4.9 million, were \$7.3 million. Professional fees of \$5.1 million included \$2.6 million in legal fees discussed in Note 12. Office overheads and other general corporate expenses were \$4.4 million, which includes insurance costs of \$1.3 million. Research and Development activity expenses, including materials, components, and subcontractor costs were \$1.5 million. These cash outflows were partially offset by gross profit of \$1.8 million primarily related to the fulfillment of performance

obligations for Vigoride 5 and Vigoride 6 customers during the nine months ended September 30, 2024. Additionally, the Company had a change in operating assets and liabilities of \$5.6 million during the nine months ended September 30, 2024.

Net cash used in operating activities for the nine months ended September 30, 2023 was \$46.0 million, driven primarily by headcount costs, research and development activities, legal expenses, and professional fees, as well as net cash changes in operating assets and liabilities. Headcount related payroll costs, excluding accrued bonus of \$2.6 million and stock-based compensation of \$6.5 million, were \$5.5 million. Research and development activity expenses, including materials, components, and subcontractor costs were \$3.6 million. Professional fees of \$4.9 million included \$0.6 million of costs related to the SEC and NSA topics discussed in Note 12 and legal fees of \$2.4 million. Office overheads, other general corporate expenses, and cash interest were \$1.5 million, which includes insurance costs of \$0.8 million. The Company also incurred launch costs of \$0.5 million during the nine months ended September 30, 2023, that were amortized in connection with its first launch. The Company additionally had change in cash from changes in operating assets and liabilities of \$0.9 million.

Investing Activities

Net cash used in investing activities was \$94 thousand and \$7 thousand for the nine months ended September 30, 2024 and 2023, respectively, which consisted of purchases of machinery and equipment and intangible assets and proceeds received on the sale of machinery and equipment.

Financing Activities

Net cash provided by financing activities was \$9.6 million for the nine months ended September 30, 2024, primarily due to gross proceeds of approximately \$10.8 million received from the January Offering and March Offering, and \$2.3 million received from SIV partially offset by principal repayments of \$2.3 million under the Term Loan and \$1.1 million in issuance costs related to common stock and related warrants.

Net cash used in financing activities was \$5.9 million for the nine months ended September 30, 2023, primarily due to principal repayment under the Term Loan.

Funding Requirements

We expect our cash consumption to continue in connection with our ongoing activities.

Specifically, our operating expenses will continue as we:

- continue to refine and operate our corporate infrastructure, people, processes and systems;
- pursue sales and marketing activities for our product and services;
- pursue further research and development related to developing our satellites, satellite technology, and Orbital Service Vehicles;
- seek regulatory approvals for operation of our satellites and vehicles;
- actively manage our workforce, including right sizing in personnel;
- maintain, expand and protect our intellectual property portfolio;
- comply with public company reporting requirements; and
- defend against litigation.

Changing circumstances may cause us to expend capital significantly faster than we currently anticipate, or we may need to spend more money than currently expected because of circumstances beyond our control. We may be required to seek additional equity or debt financing. In the event that additional financing is required from outside sources, we may not be able to raise it on terms acceptable to us, or at all. If we are unable to raise additional capital when desired, our business, results of operations, and financial condition would be adversely affected.

Some of these risks and uncertainties are described in more detail under Part II, Item 1A: "*Risk Factors*," in this Form 10-Q under the heading "*Risk Factors — We may not be able to continue as a going concern.*"

Commitments and Contingencies

We are a party to operating leases primarily for facilities (e.g., office buildings, warehouses and spaceport) under non-cancellable operating leases. We lease office space under a non-cancellable operating lease which expires February 2028. Refer to Note 6.

We enter into purchase obligations in the normal course of business. These obligations include purchase orders and agreements to purchase goods or services that are enforceable, legally binding, and have significant terms and minimum purchases stipulated. Refer to Note 12.

In addition, we enter into agreements in the normal course of business with vendors for research and development services and outsourced services, which are generally cancellable upon written notice.

Off-Balance Sheet Arrangements

We do not engage in any off-balance sheet activities or have any arrangements or relationships with unconsolidated entities, such as variable interest, special purpose, and structured finance entities.

Critical Accounting Policies and Estimates

Our discussion and analysis of our financial condition and results of operations are based upon our consolidated interim financial statements, which have been prepared in accordance with GAAP. The preparation of our consolidated interim financial statements and related disclosures requires us to make estimates, assumptions and judgments as of the balance sheet date that affect the reported amounts of assets, liabilities, revenues, costs and expenses and related disclosures. Our actual results may differ from these estimates under different assumptions and conditions. In addition to our critical accounting policies below, see Note 2 in the notes to our consolidated interim financial statements included elsewhere in this Form 10-Q.

Revenue Recognition

The Company enters into short-term contracts for ‘last-mile’ satellite and cargo delivery (transportation services), payload hosting and in-orbit servicing options with customers that are primarily in the aerospace industry. For its transportation service arrangements, the Company has a single performance obligation of delivering the customers’ payload to its designated orbit and recognizes revenue (along with any other fees that have been paid) at a point in time, upon satisfaction of this performance obligation. Additionally, for its in-orbit service arrangements, the Company provides a multitude of services consistently throughout the mission to its customers and has services available on a ‘stand ready’ basis until the mission reaches its conclusion. The Company recognizes revenue for these in-orbit services ratably over time on a straight-line basis. The Company enters into contracts to perform services for U.S. Government customers. The Company recognizes revenue for these services in accordance with the terms of these contracts.

We account for customer contracts in accordance with ASC Topic 606, *Revenue from Contracts with Customers*, which includes the following five-step model:

- Identification of the contract, or contracts, with a customer.
- Identification of the performance obligations in the contract.
- Determination of the transaction price.
- Allocation of the transaction price to the performance obligations in the contract.
- Recognition of revenue when, or as, the Company satisfies a performance obligation.

The Company estimates variable consideration at the most likely amount, which is included in the transaction price to the extent it is probable that a significant reversal of cumulative revenue recognized will not occur. While the Company’s standard contracts do not contain refund or recourse provisions that enable its customers to recover any non-refundable fees that have been paid, the Company may issue full or partial refunds, or concessions on future services to customers on a case-by-case basis as necessary to preserve and foster future business relationships and customer goodwill.

The Company’s satellite and cargo delivery services (transportation services) are considered a single performance obligation, to transport the customers’ payload to a specified orbit in space. We recognize revenue for these services at a point in time, when control is transferred, which is considered to be upon the release of the customers’ payload into its specified orbit. We will calculate the weight distribution of each transfer vehicle at the customer level, and

we will estimate the delivery date for each customer's payload based on the relative weight of payloads released to determine the point in time to recognize revenue for each payload release.

The Company's in-orbit services consist of a collection of interdependent and integrated services which are not considered distinct from one another and may vary depending on the specific needs of the Customer and mission. Revenue for these in-orbit services is recognized ratably over time on a straight line basis.

The Company's engineering project services to U.S. Government organizations generally have specific payment attached to each milestone. When a milestone is achieved, the Company submits services performed for approval. Once approval is received, the Company invoices and collects on the milestone completed.

In periods in which we recognize revenue, we will disclose the amounts of revenue recognized that was included as a contract liability balance at the beginning of the reporting period in accordance with ASC 606-10-50-8(b).

Loss Contingencies

We are subject to the possibility of various loss contingencies arising in the ordinary course of business, including product-related and other litigation. We consider the likelihood of loss or impairment of an asset or the incurrence of a liability, as well as our ability to reasonably estimate the amount of loss in determining loss contingencies. An estimated loss contingency is accrued when it is probable that an asset has been impaired or a liability has been incurred and the amount of loss can be reasonably estimated. We regularly evaluate current information available to us to determine whether such accruals should be adjusted and whether new accruals are required. Refer to Note 12.

Deferred Fulfillment and Prepaid Launch Costs

We prepay for certain launch costs to third-party providers that will carry the orbital service vehicle to orbit. Prepaid costs allocated to the delivery of a customer's payload are classified as deferred fulfillment costs and recognized as cost of revenue upon delivery of the customer's payload. Prepaid costs allocated to our payload are classified as prepaid launch costs and are amortized to research and development expense upon the release of our payload. The allocation is determined based on the distribution between customer and our payload weight on each launch.

Contract Liabilities

Customer deposits collected prior to the release of the customer's payload into its specified orbit are recorded as current and non-current contract liabilities in our condensed consolidated balance sheets as the amounts received represent a prepayment for the satisfaction of a future performance obligation that has not yet commenced. Each non-refundable deposit is determined to be a contract liability upon cash collection. Prior to making this determination, we ensure that a valid contract is in place that meets the definition of the existence of a contract in accordance with ASC 606-10-25-1 and 2.

Stock-based Compensation

We have various stock incentive plans under which incentive and non-qualified stock options and restricted stock awards are granted to employees, directors, and consultants. All stock-based payments to employees, including grants of employee stock options are recognized in the consolidated interim financial statements based on their respective grant date fair values.

We recognize stock-based compensation expense using a fair value-based method for costs related to all stock-based payments. We estimate the fair value of stock-based payments on the date of grant using the Black-Scholes-Merton option pricing model. The model requires management to make a number of assumptions, including expected volatility of our stock, expected life of the option, risk-free interest rate, and expected dividends. The fair value of the stock is expensed over the related service period which is typically the vesting period. The stock-based compensation expense that is reported in our consolidated interim financial statements is based on awards that are expected to vest. We account for forfeitures as they occur.

Estimating the fair value of equity awards as of the grant date using valuation models, such as the Black-Scholes-Merton option pricing model, is affected by assumptions regarding a number of variables as disclosed above, and any changes in the assumptions can materially affect the fair value and ultimately how much stock-based compensation expense is recognized. These inputs are subjective and generally require significant analysis and judgment to develop.

Income Taxes

We account for income taxes in accordance with authoritative guidance, which requires the use of the asset and liability method. Under this method, deferred income tax assets and liabilities are determined based upon the difference between the financial statement carrying amounts and the tax basis of assets and liabilities and are measured using the enacted tax rate expected to apply to taxable income in the years in which the differences are expected to be reversed.

Significant judgment is required in determining any valuation allowance recorded against deferred tax assets. In assessing the need for a valuation allowance, management considers all available evidence, including past operating results, estimates of future taxable income, and the feasibility of tax planning strategies.

In the event that management changes its determination as to the amount of deferred tax assets that can be realized, we will adjust our valuation allowance with a corresponding impact to the provision for income taxes in the period in which such determination is made.

ASC Topic 740-10 requires companies to determine whether it is “more likely than not” that a tax position will be sustained upon examination by the appropriate taxing authorities before any tax benefit can be recorded in the consolidated financial statements. It also provides guidance on the recognition, measurement, classification and interest and penalties related to uncertain tax positions. The amount that is ultimately sustained for an individual uncertain tax position or for all uncertain tax positions in the aggregate could differ from the amount that is initially recognized.

Recent Accounting Pronouncements

From time to time, new accounting pronouncements are issued by the FASB or other standard-setting bodies that are adopted by us as of the specified effective date. Unless otherwise discussed, we believe that the impact of recently issued standards that are not yet effective will not have a material impact on our financial position or results of operations upon adoption.

Please refer to Note 2 in the notes to our consolidated interim financial statements included elsewhere in this Form 10-Q for a description of recently adopted accounting pronouncements and recently issued accounting pronouncements not yet adopted, the timing of their adoptions and our assessment, to the extent we have made one, of their potential impact on our consolidated financial condition and results of operations.

ITEM 3. Quantitative and Qualitative Disclosures about Market Risk

We are exposed to a variety of market and other risks, including the effects of changes in interest rates, and inflation, as well as risks to the availability of funding sources, hazard events, and specific asset risks.

Interest Rate Risk

The market risk inherent in our financial instruments and our financial position represents the potential loss arising from adverse changes in interest rates. As of September 30, 2024, we had cash and cash equivalents of \$0.8 million, which were primarily invested in highly liquid investments purchased with a remaining maturity of three months or less. However, due to the short-term maturities and the low-risk profile of our investments, an immediate 10% change in interest rates would not have a material effect on the fair market value of our cash and cash equivalents.

Foreign Currency Risk

There were no material foreign currency transactions for the three and nine months ended September 30, 2024. Currently, a significant portion of our cash receipts and expenses are generated in U.S. dollars.

ITEM 4. Controls and Procedures

Evaluation of Disclosure Controls and Procedures

We maintain disclosure controls and procedures (as defined in Rules 13a-15(e) and 15d-15(e) under the Exchange Act) that are designed to provide reasonable assurance that the information that we are required to disclose in the reports we file or submit under the Exchange Act is recorded, processed, summarized and reported within the time periods specified in the SEC’s rules and forms, and such information is accumulated and communicated to our management, including our Chief Executive Officer and Chief Financial Officer, as appropriate, to allow timely decisions regarding required disclosure.

Our management, with the participation of our Chief Executive Officer and Chief Financial Officer, has evaluated the effectiveness of our disclosure controls and procedures (as defined in Rules 13a-15(e) and 15d-15(e) under the Exchange Act) as of September 30, 2024. Based on this evaluation, our Chief Executive Officer and Chief Financial Officer concluded that, as of such date, our disclosure controls and procedures were effective at the reasonable assurance level.

Changes in Internal Control over Financial Reporting

There were no changes in our internal control over financial reporting during the fiscal quarter ended September 30, 2024 which were identified in connection with management's evaluation required by paragraph (d) of Rules 13a-15 and 15d-15 under the Exchange Act that have materially affected, or are reasonably likely to materially affect, our internal control over financial reporting.

PART II. Other Information**ITEM 1. Legal Proceedings**

See the disclosures under the caption “*Legal Proceedings*” in Note 12 in the notes to our consolidated interim financial statements included elsewhere in this Form 10-Q for disclosures related to our legal proceedings, which disclosures are incorporated herein by reference.

ITEM 1A. Risk Factors

In addition to the other information set forth in this report, you should carefully consider the risk factors discussed in “*Risk Factors*” in our most recent Annual Report on Form 10-K filed by the Company on June 6, 2024, which could materially affect our business, financial condition or future results. The risks described below and in our Annual Report on Form 10-K filed by the Company on June 6, 2024, are not the only risks facing our Company. Additional risks and uncertainties not currently known to us or that we currently deem immaterial also may materially adversely affect our business, financial condition, operating results and/or cash flows.

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

None.

ITEM 3. Defaults Upon Senior Securities

None.

ITEM 4. Mine Safety Disclosures

None.

ITEM 5. Other Information

None.

ITEM 6. Exhibits

Exhibit Number	Description of Exhibit
4.1	Form of Pre-Funded Warrant (incorporated by reference to Exhibit 4.1 to the Company's Current Report on Form 8-K filed on September 16, 2024).
4.2	Form of Class A Warrant (incorporated by reference to Exhibit 4.2 to the Company's Current Report on Form 8-K filed on September 16, 2024).
4.3	Form of Class B Warrant (incorporated by reference to Exhibit 4.3 to the Company's Current Report on Form 8-K filed on September 16, 2024).
4.4*	Secured Convertible Promissory Note, dated July 12, 2024, by and between Space Infrastructures Ventures, LLC and Momentus Inc.
10.1	Form of Securities Purchase Agreement (incorporated by reference to Exhibit 10.1 to the Company's Current Report on Form 8-K filed on September 16, 2024).
10.2	Form of Registration Rights Agreement (incorporated by reference to Exhibit 10.2 to the Company's Current Report on Form 8-K filed on September 16, 2024).
31.1*	Certification Pursuant to Rules 13a-14(a) and 15d-14(a) Under The Securities Act of 1934, As Adopted Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002
31.2*	Certification Pursuant to Rules 13a-14(a) and 15d-14(a) Under The Securities Act of 1934, As Adopted Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002
32.1**	Certification Pursuant to 18 U.S.C. Section 1350, As Adopted Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002
32.2**	Certification Pursuant to 18 U.S.C. Section 1350, As Adopted Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002
99.1	Notice of Pendency and Proposed Settlement of Derivative Matters (incorporated by reference to Exhibit 99.1 to the Company's Current Report on Form 8-K filed on September 26, 2024).
99.2	Stipulation and Agreement of Settlement (incorporated by reference to Exhibit 99.2 to the Company's Current Report on Form 8-K filed on September 26, 2024).
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*	XBRL Taxonomy Extension Schema Document
101.CAL*	XBRL Taxonomy Extension Calculation Linkbase Document
101.LAB*	XBRL Taxonomy Extension Label Linkbase Document
101.PRE*	XBRL Taxonomy Extension Presentation Linkbase Document
101.DEF*	XBRL Taxonomy Extension Definition Linkbase Document
104*	Cover Page Interactive Data File (formatted in Inline XBRL and contained in Exhibit 101)

Management contract or compensatory plan or arrangement

* Filed herewith

** Furnished herewith

† Certain of the exhibits and schedules to this Exhibit List have been omitted in accordance with Regulation S-K Item 601(a)(5). The Registrant agrees to furnish a copy of all omitted exhibits and schedules to the SEC upon its request.

SIGNATURES

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

MOMENTUS INC.

Date: November 14, 2024

By: /s/ John Rood
Name: John Rood
Title: Chief Executive Officer
(Principal Executive Officer)

Date: November 14, 2024

By: /s/ Lon Ensler
Name: Lon Ensler
Title: Interim Chief Financial Officer
(Principal Financial and Accounting Officer)

SECURED CONVERTIBLE PROMISSORY NOTE

Up to \$2,300,000 July 12, 2024

FOR VALUE RECEIVED, MOMENTUS INC. (the "Borrower") hereby unconditionally promises to pay to the order of **SPACE INFRASTRUCTURES VENTURES, LLC** (the "Lender") the principal amount of up to \$2,300,000 to the account specified by the Lender from time to time in writing, pursuant to the terms of this secured, convertible promissory note (together with all documents, instruments, and agreements entered into and/or delivered in connection herewith, the "Secured Note").

Recitals

WHEREAS, the Borrower requires additional liquidity to fund day-to-day working capital needs and for general corporate purposes; and

WHEREAS, the Borrower has requested that the Lender provide financing to fund such needs and requirements, and the Lender has agreed to provide secured, convertible financing in two tranches in accordance with the provisions of this Secured Note.

NOW, THEREFORE, for valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Borrower and Lender agree as follows:

1. Principal Amount of Note. The principal amount of the loans to be extended pursuant to this Secured Note is \$2,300,000 (the "Total Commitment Amount"), which shall be made available to the Borrower in two tranches, subject to the prior satisfaction of all conditions to borrowing in this Secured Note, as follows: (a) on or after July 17, 2024, the Borrower may borrow up to \$500,000 of the Total Commitment Amount (the "First Loan"), and (b) on or after August 7, 2024, the Borrower may borrow up to \$1,800,000 of the Total Commitment Amount (the "Second Loan"), and together with the First Loan, the "Loans"; each date on which the Borrower borrows a Loan (i.e., receives Loan funds), a "Borrowing Date"). Any amounts repaid may not be re-borrowed. The Lender may, in its sole and absolute discretion, agree to provide additional convertible debt financing under this Secured Note, subject to mutual agreement between the Lender and the Borrower on the terms of such additional financing. The Loans must be borrowed prior to September 1, 2024, or the commitment of the Lender and this Secured Note shall terminate (the "Outside Date"). If no Loans are made under this Secured Note, the Borrower shall have no repayment obligations hereunder.

2. Interest. (a) Interest shall accrue on the outstanding principal amount of the Loans once made at a rate of fifteen percent (15%) per annum based on a 360-day year and shall be added to the principal amount of the Secured Loan and paid on the Maturity Date (as defined below). (b) In the event of an Event of Default (as defined below), default interest shall accrue on the outstanding principal amount of the Secured Note at 2% per annum above the non-default rate set forth above ("Default Interest") and be payable on demand in cash. (c) At the option of the Lender, all accrued but unpaid interest, whether at the non-default or default rate, shall be

paid by the Borrower to Lender in common shares of the Borrower (“Common Stock”) in accordance with Section 13(a).

3. Amortization. The Borrower shall repay the principal amount of the Loans as follows: (a) twenty-five percent (25%) on December 1, 2024, (b) twenty-five percent (25%) on March 1, 2025, (c) twenty-five percent (25%) on June 1, 2025, and (d) twenty-five percent (25%) on September 1, 2025.

4. Use of Proceeds. The Loans shall be used solely for the following purposes: (a) funding day-to-day working capital needs in the ordinary course of business, consistent with the Borrower’s practices prior to the date hereof; (b) for general corporate purposes in the ordinary course of business, consistent with the Borrower’s practices prior to the date hereof; and (c) solely from the proceeds of the Second Loan, to repay the secured loans (and all accrued but unpaid interest, fees and expenses) made to the Borrower pursuant to those certain Secured Promissory Notes each dated June 21, 2024 (the “Director Notes”), in the aggregate amount of \$500,000, made individually by (i) Brian Kabot, (ii) Paul Ney, (iii) Chris Hadfield, (iv) John Rood, (v) Victorino Mercado, and (vi) Mitchel Kugler to the Borrower (collectively the “Director Loans”, and each lender of a Director Loan, a “Director Lender”). Unless already paid from the sale of any Permitted Collateral Sale (as defined below) or otherwise, the Director Loans shall be repaid from the proceeds of the Second Loan. It is a condition to the making of the Second Loan and repayment of the Director Loans therefrom that all Director Lenders provide Lender with a full written release of liabilities arising from or related to the Director Notes, this Secured Note and the transaction contemplated hereby and to be effective upon the receipt of repayment funds by the individual Director Lenders, which releases shall be in form and substance satisfactory to Lender (the “Director Lender Releases”). Upon receipt by Lender of all Director Lender Releases, Lender shall wire transfer the applicable repayment amounts directly to each Director Lender, and then make the balance of the proceeds of the Second Loan available to the Borrower. Without the prior written consent of the Lender, the Borrower shall not use the Loans for any other purposes, including, without limitation, to (a) increase the compensation of any employees or directors, (b) purchase the assets or equity of any other person or entity, (c) extend financing to any person or entity, (d) fund any capital expenditures in excess of \$100,000, (e) except for the Director Loans, repay any debts or obligations existing as of the date hereof other than in the ordinary course of business, and (f) invest in any person, entity or enterprise.

5. Maturity Date. Unless paid or converted earlier as provided herein, and subject to Sections 2(b) and (c), all amounts due and payable under this Secured Note, including all outstanding principal, accrued interest, fees and costs (collectively, the “Obligations”), shall be due and payable in full and in cash on September 1, 2025 (the “Maturity Date”), unless extended by the Lender in its sole and absolute discretion. All payments received shall be applied first against costs of collection (if any), then against accrued and unpaid (or unconverted) interest on this Secured Note and then against the outstanding principal balance, if any, of this Secured Note.

6. Voluntary Prepayments. The Borrower shall have the right to repay all, but not less than all, Obligations outstanding under this Secured Note in full at any time prior to the Maturity Date subject to the Borrower paying the Lender a prepayment fee equal to ten percent (10%) of the outstanding Obligations due under this Secured Note on the date of the payment (the “Prepayment Fee”). Any prepayments that do not include the Prepayment Fee shall be void.

7. Mandatory Repayments. Unless the CFIUS Condition (as defined below) shall have been satisfied in which case Section 13(b)(ii) shall apply, the Borrower shall repay all, but not less than all, Obligations outstanding under this Secured Note in cash in the event of any of the following: (a) a merger or consolidation in which the Borrower is a constituent party and the Borrower issues shares of its capital stock pursuant to such merger or consolidation, (b) the sale, lease, transfer, exclusive license or other disposition (whether by merger, consolidation or otherwise), in a single transaction or series of related transactions, by the Borrower of all or a material portion of the assets of the Borrower (excluding any proceeds from a Permitted Collateral Sale), (c) the liquidation, dissolution or winding up of the Borrower or any of its subsidiaries, whether voluntary or involuntary (the occurrence of any of the events set forth in clauses (a) - (c), each, a “Liquidity Event”), or (d) any change in the ownership of the Borrower occurs where any person or entity, directly or indirectly, becomes the beneficial owner of more than fifty percent (50%) of the voting shares of the Borrower (or obtains the rights to acquire such shares), a majority of the members of the board of directors in existence on the date hereof shall be replaced with other members, or management of the Borrower declares that a change of control has occurred, irrespective of any occurrences described above (a “Change of Control”).

8. Representations, Warranties and Covenants of Borrower. To induce the Lender to enter into this Secured Note, the Borrower represents and warrants to the Lender as of this date and on each Borrowing Date as set forth below. All representations, warranties and covenants of the Borrower contained in this Secured Note shall survive until the repayment in full, in cash or shares of Common Stock as provided herein of all Obligations under this Secured Note.

(a) Existence; Power and Authority; Compliance with Laws. The Borrower (a) is a corporation duly organized, validly existing, and in good standing under the laws of its state of organization, (b) has the requisite power and authority, and the legal right, to own, lease, and operate its properties and assets and to conduct its business as it is now being conducted, to borrow under this Secured Note, to execute and deliver this Secured Note, and to perform its obligations hereunder, and (c) is in compliance with all laws applicable to the Borrower except to the extent that the failure to comply therewith could not reasonably be expected to have a material adverse effect on the business of the Borrower.

(b) Authorization; Execution and Delivery. The execution and delivery of this Secured Note by the Borrower, its borrowings hereunder, and the performance of its Obligations hereunder have been duly authorized by all necessary corporate action in accordance with all applicable laws. The Borrower has duly executed and delivered this Secured Note.

(c) No Approvals. No consent, authorization, or order of, filing with, notice to, license from, or other act by, or in respect of, any governmental authority or any other person

is required in order for the Borrower to borrow under this Secured Note or to execute, deliver, or perform any of its obligations under this Secured Note.

(d) No Violations. The execution and delivery of this Secured Note, the borrowing under this Secured Note, and the consummation by the Borrower of the transactions contemplated hereby do not and will not (a) violate any law applicable to the Borrower or by which any of its properties or assets may be bound or (b) constitute a material default under any material agreement or contract by which the Borrower is bound.

(e) Enforceability. This Secured Note is a valid, legal, and binding obligation of the Borrower, enforceable against the Borrower in accordance with its terms, except as enforceability may be limited by applicable bankruptcy, insolvency, reorganization, moratorium, or similar laws affecting the enforcement of creditors' rights generally and by general equitable principles (whether enforcement is sought by proceedings in equity or at law).

(f) Business Plan. The Borrower shall deliver to the Lender a business plan not later than September 1, 2024, in form and substance satisfactory to the Lender.

(g) Restrictions on Other Indebtedness. The Borrower shall not incur, acquire, guarantee or otherwise become responsible or liable for any indebtedness that is senior to or *pari passu* with the Obligations, without the prior written consent of the Lender.

(h) CFIUS Filing. As soon as practicable following the date hereof, the Borrower and the Lender shall cooperate to prepare and submit a filing (the "CFIUS Filing") to the Committee on Foreign Investment in the United States ("CFIUS") and use reasonable best efforts to satisfy the CFIUS Condition; provided, however, that the Lender shall not be required to satisfy the CFIUS Condition if doing so would obligate it to accept a Burdensome Condition (as defined below). The CFIUS Filing shall describe this Secured Note and shall also describe any and all other transactions in which the parties intend to engage.

(i) Director Lender Consents. The Borrower shall have obtained and delivered to the Lender the written consent of each Director Lender authorizing the Borrower to enter into and perform its obligations under this Secured Note, borrow the Loans on the provisions set forth in this Secured Note and incur the Obligations, and grant the Lender the liens and security interests on the Collateral.

9. Security Grant. To secure the prompt payment and performance in full of all Obligations, on the Borrowing Date of the First Loan the Borrower hereby grants to the Lender, and pledges to the Lender, a valid, binding, enforceable, continuing, first priority lien on and security interest in all existing and after acquired tangible and intangible real and personal property and other assets of the Borrower, whether now owned by or owing to, or hereafter acquired by or arising in favor of the Borrower, regardless of where located (collectively, the "Collateral"), including, without limitation, all of the following: (a) all Accounts, (b) all Equipment, Goods, Inventory and Fixtures, (c) all Documents, Instruments (including all Promissory Notes) and Chattel Paper, (d) all Contracts, together with all Contract Rights (including all insurance claims) arising therefrom, (e) all Letters of Credit and Letter-of-Credit

Rights, (f) all Investment Property, (g) all Intellectual Property, (h) all Commercial Tort Claims, (i) all General Intangibles, (j) all Money and all Deposit Accounts, (k) all Supporting Obligations, (l) all books and records, customer lists, credit files, computer files, programs, printouts and other computer materials and records relating to the Collateral and any General Intangibles at any time evidencing or relating to any of the foregoing, and (m) to the extent not covered above, all other assets, whether tangible or intangible, all Proceeds and products of each of the foregoing and all accessions to, substitutions and replacements for, and rents, profits and products of, each of the foregoing, and any and all Proceeds of any insurance, indemnity, warranty or guaranty in respect of the any of the foregoing. Capitalized terms used in this Section but not otherwise defined in this Secured Note have the meaning given to such terms in the Uniform Commercial Code as in effect from time to time in the State of Delaware.

10. Priority of Security Interest. The Borrower represents, warrants, and covenants that the security interest granted herein is and shall at all times continue to be a first priority fully perfected security interest in the Collateral (subject only to the Lender and/or the Borrower taking whatever actions are required under applicable law to perfect and maintain such security interest); provided, however, that until all amounts owing under the Director Notes are repaid in full, this Secured Note shall be immediately subordinated to the liens and security interests of the Director Lenders to the extent set forth in the Director Notes as such documents exist on this date without regard to any amendments, restatements, modifications or supplements thereto.

11. Permitted Collateral Sale. At any time prior to the Outside Date, the Borrower is hereby authorized to sell in one or more transactions to a third party, for reasonable equivalent value, any Collateral, other than, without Lender's prior written consent, any Collateral that is a core business asset of the Borrower (a "Permitted Collateral Sale"), free and clear of Lender's liens and security interests, and Lender's liens and security interests on and in any Collateral sold in accordance with this Section shall not attach to the cash proceeds of any such sales; provided, however, that if any Permitted Collateral Sale is later unwound for whatever reason by a court of competent jurisdiction, the parties to such transaction, or otherwise, the Lender's liens and security interests on and in all Collateral that was included in such Permitted Collateral Sale shall automatically be reinstated and apply without the need for any action on the part of the Borrower or Lender. Such core business assets shall include without limitation all intellectual property and know-how; all tools and facilities which are not commercially replaceable that are used in the construction of Vigoride or M1000 satellites or the retractable solar arrays; and other such devices or materials which are not commercially replaceable that are necessary for the launch and post-launch servicing of satellites. Any sales of (i) any completed or partial Vigorides, or (ii) any commercially replaceable test bed components relating to Vigorides for reasonable equivalent value shall be deemed a Permitted Collateral Sale.

12. Authorization to File Financing Statements. The Borrower hereby authorizes the Lender to file financing statements and all other instruments, without notice to the Borrower or any further approvals or signatures of the Borrower, with all appropriate jurisdictions and agencies to perfect or protect the Lender's lien, interest, and rights under this Secured Note. Such financing statements and other instruments may specify the Collateral as "all assets of the

Debtor” or words of similar effect, or as being of an equal or lesser scope, or with greater detail, all in the Lender’s discretion.

13. Conversion. Notwithstanding anything to the contrary in this Secured Note, unless and until (a) shareholder approval is obtained by the Borrower, the conversion of Obligations pursuant to the provisions of this Secured Note is limited such that the Lender’s ownership of Common Stock does not exceed twenty percent (20%) of the Borrower’s outstanding shares on any date of determination (the “NASDAQ Condition”), and (b) the CFIUS Condition is satisfied, no conversion of Obligations under this Secured Note shall occur.

(a) Optional Conversion of Interest. Subject to satisfaction of the CFIUS Condition and the NASDAQ Condition, notwithstanding anything to the contrary contained herein, in lieu of making cash payments of accrued interest due to the Lender pursuant to the terms of this Secured Note, the Lender, in its sole discretion, may elect to convert the amount of any accrued and unpaid interest due and payable pursuant to this Secured Note into that number of shares of Common Stock at a conversion price equal to the five (5) day average closing price of the Borrower’s Common Stock as reported on Nasdaq for the five (5) trading days immediately preceding the date hereof (the “Conversion Price”), as shall equal the amount of accrued and unpaid interest due and payable to the Lender. Upon the Lender’s delivery to the Borrower of a notice of election to convert, the outstanding accrued but unpaid interest subject to conversion shall be converted without any further action by the Lender. The Lender shall be treated for all purposes as the record holder of such shares of Common Stock as of the date of the Lender’s delivery to the Borrower of the applicable notice of election to convert.

(b) Automatic Conversion of all Obligations.

i. On the Maturity Date, and subject to (a) receipt of the CFIUS Approval (defined below) or (b) the passage of 30 days following the acceptance of a filing (either a declaration or a joint notice) by CFIUS, consistent with 31 C.F.R. § 800.401 ((a) and (b) collectively, the “CFIUS Condition”), applicable law and/or Nasdaq requirements, all of the outstanding Obligations shall automatically convert into Common Stock at the Conversion Price. The Lender shall be treated for all purposes as the record holder of such shares of Common Stock upon such conversion. The CFIUS Approval means any of the following: (i) CFIUS has issued a written notice stating that the transactions described in the CFIUS Filing do not constitute a “covered transaction” pursuant to 31 C.F.R. § 800.213, (ii) CFIUS has issued a written notice that it has concluded all action under the Defense Production Act of 1950, as amended, and all rules and regulations thereunder (the “DPA”) with respect to the transactions described in the CFIUS Filing pursuant to 31 C.F.R. § 800.407(a)(4), 31 C.F.R. § 800.506, or 31 C.F.R. § 800.508(d), (iii) in response to the parties’ filing of a CFIUS declaration specifically, pursuant to 31 C.F.R. § 800.407(a)(2), CFIUS has informed the parties to the CFIUS declaration that it is not able to complete action under the DPA on the basis of the CFIUS declaration and that the parties may file a CFIUS notice under the DPA; or (iv) if CFIUS has sent a report to the President of the United States requesting the President’s decision, the President has announced a decision pursuant to the DPA not to take any action to

suspend or prohibit the transactions described in the CFIUS Filing; provided, however, that if the written notice described in clause (ii) above or the President's decision described in clause (iv) above requires or contemplates that Lender or any of its affiliates take or agree to take, or will take or agree to take, any actions that would, individually or in the aggregate, reasonably be expected to constitute a Burdensome Condition (as defined below), then such notice or Presidential decision will not constitute CFIUS Approval unless Lender agrees to accept such Burdensome Condition.

ii. In addition, prior to the Maturity Date and subject to satisfaction of the CFIUS Condition, all of the outstanding Obligations shall automatically convert into Common Stock at the Conversion Price upon the occurrence of a Liquidity Event or Change of Control. The Lender shall be treated for all purposes as the record holder of such shares of Common Stock upon such conversion.

iii. In the event that the Borrower at any time after the date hereof effects a subdivision or split of its Common Stock into a greater number of shares of Common Stock or shall issue a stock dividend on the outstanding Common Stock, then the Conversion Price shall be proportionately decreased and the number of shares of Common Stock issuable upon conversion of this Secured Note shall be proportionately increased, effective as of the close of business on the date of such subdivision or split or the issuance of such dividend. In the event the Borrower at any time after the date hereof effects a combination or reverse stock split into a lesser number of shares of Common Stock, then in each such event the Conversion Price shall be proportionately increased and the number of shares of Common Stock issuable upon conversion of the Obligations shall be proportionately decreased, effective as of the close of business on the date of such combination or reverse stock split.

iv. If at any time the number of shares of Common Stock issuable upon conversion of any Obligations shall not be sufficient to effect the conversion of such Obligations, the Borrower shall effect all such corporate action as is necessary to increase its authorized but unissued shares of Common Stock issuable upon conversion of any such Obligations as shall be sufficient for such purpose. In the event, for whatever reason, the Borrower is not able to, or does not, increase its authorized but unissued shares of Common Stock issuable upon conversion of any such Obligations as shall be sufficient for such purpose within thirty (30) days of the time of conversion, the Borrower shall pay all underlying Obligations in cash within one (1) Business Day thereafter.

v. The Lender is an "accredited investor" within the meaning of Rule 501 of Regulation D promulgated under the Securities Act of 1933, as amended (the "Securities Act"). The Lender agrees to furnish any additional information requested by the Borrower or any of its affiliates to assure compliance with applicable U.S. federal and state securities laws in connection with the conversion of any Obligations.

vi. The Lender understands that the Common Stock issuable upon conversion of any Obligations has not been, and may not be, registered under the Securities Act or state securities laws by reason of specific exemptions from the

registration provisions thereof which depend on, among other things, the bona fide nature of the investment intent and the accuracy of the Lender's representations as expressed herein. The Lender understands that any unregistered shares of Common Stock are "restricted securities" under U.S. federal and applicable state securities laws and that, pursuant to these laws, the Lender must hold such shares of Common Stock indefinitely unless they are registered with the Securities and Exchange Commission ("SEC") and registered or qualified by state authorities, or an exemption from such registration and qualification requirements is available. The Lender acknowledges that the Borrower has no obligation to register or qualify the Common Stock issuable upon conversion of any Obligations for resale and further acknowledges that, if an exemption from registration or qualification is available, it may be conditioned on various requirements including, but not limited to, the time and manner of sale, the holding period for the shares of Common Stock, and on requirements relating to the Borrower which are outside of the Lender's control, and which the Borrower is under no obligation, and may not be able, to satisfy. The Lender acknowledges that the Borrower has taken no action in foreign jurisdictions with respect to the Common Stock issuable upon conversion of any Obligations, and the Borrower is under no obligation to do so.

14. Events of Default. Upon the occurrence of any of the following events and subsequent provision by the Lender to the Borrower of written notice of such event and, unless otherwise specified below, a five (5) Business Day opportunity to cure (each, an "Event of Default"), the Lender may, at its option, by written notice to the Borrower declare all Obligations to be immediately due and payable in full:

- (a) The Borrower shall fail to pay any amounts due under this Secured Note in accordance with the provisions hereof;
- (b) The Borrower shall fail to comply with any of the covenants or other provisions of this Secured Note;
- (c) The incurrence by the Borrower of any secured indebtedness that is senior to or *pari passu* with the Obligations in contradiction to this Secured Note;
- (d) Any representation, warranty, or other statement made by the Borrower in this Secured Note shall prove to have been incorrect or misleading in any material respect when made (including on this date and any Borrowing Date) or deemed to have been made;
- (e) The commencement against the Borrower of a bankruptcy case or any other liquidation proceeding under laws affecting the rights of debtors and creditors, or a receiver, liquidator, monitor, or other fiduciary or similar person or entity is appointed over the Borrower or any of the Collateral and, such case, proceeding or appointment continues for 30 days unless the Borrower earlier acquiesces in any such action taken against it, in which case, upon written notice from the Lender to the Borrower, the cure period shall be terminated;
- (f) The commencement by the Borrower of a bankruptcy case or any other liquidation proceeding under laws affecting the rights of debtors and creditors, assignment for

the benefit of creditors, wind-down, or other in-court or out-of-court liquidation or similar process or proceeding (any such proceeding described in this Section 14(f) or in Section 14(e) above, a “Bankruptcy Event”); there shall be no cure period with respect to the occurrence of an Event of Default under this clause; and

(g) Any default shall occur under any Director Note and be continuing beyond any applicable cure period.

As used in this Secured Note, “Business Day” means any day that is not a Saturday or Sunday or any day on which commercial banks in Delaware are required or permitted to be closed.

15. Remedies.

(a) In addition to any other rights, remedies, or powers that the Lender may have under this Secured Note or pursuant to applicable law, and without limitation thereof, upon and at any time during the occurrence of any Event of Default, the Lender may, by written notice to Borrower, declare the Obligations to be immediately due and payable and may exercise some or all of its rights and remedies under this Secured Note or applicable law against the Borrower and/or the Collateral.

(b) The rights, powers, and remedies of the Lender, as provided in this Secured Note and under applicable law, shall be cumulative and concurrent and may be pursued singularly, successively, or together, at the sole discretion of the Lender, and may be exercised as often as occasion therefor shall occur; and the failure to exercise or to continue to exercise any such right or remedy shall in no event be construed as a waiver or release thereof. Unless required by, and not waivable under, applicable law in any action, sale of collateral, or other proceedings to enforce this Secured Note, the Lender need not file or produce the original of this Secured Note but only need file or produce a photocopy of this Secured Note certified by the Lender to be a true and correct copy of this Secured Note.

(c) Notwithstanding the subordination of the Obligations to the obligations to the Director Lenders under the Director Notes, the Lender shall be entitled to pursue all of its rights and remedies hereunder and under applicable law as long as the Lender shall pay off all obligations owing under the Director Notes from the net proceeds of any such enforcement action prior to applying any of such proceeds to the Obligations.

16. Rescission of Payments. If at any time any payment made by the Borrower under this Secured Note is rescinded or must otherwise be restored or returned upon the insolvency, bankruptcy, liquidation, or reorganization of the Borrower or otherwise, the Borrower’s obligation to make such payment shall be reinstated as though such payment had not been made and to the extent that this Secured Note has been terminated or deemed terminated, this Secured Note shall be revived and reinstated with respect thereto. The obligations of the Borrower under this Section shall survive the Maturity Date, the payment in full of the Obligations, or conversion to Common Stock, and the termination of this Secured Note.

17. No Control, Joint Venture, or Partnership. In connection with this Secured Note, the Borrower is not providing to the Lender, and the Lender is not receiving, any power to “control” (as defined at 31 C.F.R. § 800.208) the Borrower or any rights, access, or involvement (as described in 31 C.F.R. § 800.211(b)) in the Borrower. Nothing in this Secured Note shall be interpreted or construed (a) to create an association, agency relationship, joint venture, or partnership among the parties or to impose any partnership obligation or liability upon either party or (b) to create any other relationship between the parties other than that of borrower and lender. In addition, nothing in this Secured Note shall be deemed to authorize or empower either party to act as agent for the other party, or to conduct business in the name, or for the account, of the other party.

18. Notices. Any notice required or permitted to be given under this Secured Note shall be sufficient if in writing and sent by reputable overnight courier or email as set forth below:

If to Borrower:	Mr. Lon Ensler Interim Chief Financial Officer Momentum Inc. 3901 N. 1 st Street San Jose, CA 95134 Lon.Enslerext@momentusspace.com With copy to: Legal@momentusspace.com
If to Lender:	Space Infrastructures Ventures, LLC c/o Hogan Lovells US LLP 8350 Broad Street, 17th Floor Tysons, VA 22102 randy.segal@hoganlovells.com

19. Indemnity. Effective as of the Borrowing Date of the First Loan, in addition to the payment of expenses pursuant to Section 24, the Borrower shall defend, indemnify, pay and hold harmless, the Lender and its affiliates and their past, present and future respective directors, managers, shareholders, members, officers, employees, counsel, accountants, investors, financial advisors, agents, consultants and other advisors (each, an “Indemnitee”), from and against (i) any taxes (other than any tax on the overall net income of the Lender) paid or incurred by the Lender relating to, arising out of, or in connection with this Secured Note, whether or not such taxes were correctly or legally imposed or asserted by the relevant governmental authority, and (ii) any and all liabilities, obligations, losses, damages (including natural resource damages), penalties, claims, costs, expenses and disbursements of any kind or nature whatsoever (including the reasonable fees and disbursements of counsel for Indemnitees in connection with any investigative, administrative or judicial proceeding commenced or threatened by any person or entity, whether or not any such Indemnitee shall be designated as a party or a potential party thereto, and any fees or expenses incurred by Indemnitees in enforcing this indemnity), whether direct, indirect or consequential and whether based on any federal, state or foreign laws, statutes, rules or regulations, on common law or equitable cause or on contract or otherwise, that may be

imposed on, incurred by, or asserted against any such Indemnitee, in any manner relating to or arising out of this Secured Note or the transactions contemplated hereby (including the Lender's agreement to make a loan or the use or intended use of the proceeds thereof, or any enforcement of this Secured Note), IN ALL CASES, WHETHER OR NOT CAUSED BY OR ARISING, IN WHOLE OR IN PART, OUT OF THE COMPARATIVE, CONTRIBUTORY, OR SOLE NEGLIGENCE OF SUCH INDEMNITEE; provided that the Borrower shall have no obligation to any Indemnitee hereunder with respect to the foregoing to the extent arising from the gross negligence or willful misconduct of that Indemnitee as determined by a final, non-appealable order of a court of competent jurisdiction. Notwithstanding any contrary provision in this Secured Note, the obligation of the Borrower with respect to each indemnity given by them in this Secured Note shall survive the Maturity Date, the payment in full of the Obligations, or conversion to Common Stock, and the termination of this Secured Note.

20. Further Assurances.

(a) Upon request by the Lender, the Borrower shall make, execute, and deliver or cause to be made, executed, and delivered to the Lender and, where appropriate, cause to be recorded or filed, as applicable, and from time to time thereafter to be re-recorded or refiled, as applicable, at such time and in such offices and places as shall be deemed necessary or desirable by the Lender, any and all such instruments of further assurance, certificates and other documents as may, in the opinion of Lender, be necessary or desirable to effectuate, complete, or perfect, or to continue and preserve, the operation and effect of this Secured Note, including, without limitation, the security interest granted herein.

(b) The Lender and Borrower shall reasonably cooperate in connection with the CFIUS Filing, including (i) cooperate in all respects with each other in connection with the drafting and filing of the CFIUS Filing and CFIUS's review or investigation, (ii) respond to all inquiries received from CFIUS for additional information or documentation within the period of time permitted by CFIUS, (iii) promptly inform each other of any material communication with CFIUS, (iv) permit each other to review any communication by the other and consult with the other in advance of any planned meeting or conference, with CFIUS, and, to the extent permitted by CFIUS, grant each other the opportunity to attend and participate in any such planned meeting or conference, provided that neither the Lender nor the Borrower shall be obligated to disclose to the other any communication to CFIUS that the Lender or the Borrower considers to be proprietary or confidential. The Lender and Borrower shall use their reasonable best efforts to take, or cause to be taken, all actions, and to do, or cause to be done, and to assist and cooperate with each other, all commercially reasonable things necessary, proper, or advisable to satisfy the CFIUS Condition, as promptly as practicable. Notwithstanding the foregoing, nothing in this Section shall require, or be construed to require, Lender or any of its affiliates to agree to, or to accept or suffer to have imposed upon it, with respect to Lender, Borrower, or any of their respective affiliates, any condition or mitigation that would require any of them to (i) sell, hold separate, divest, or discontinue, before or after the closing date, any material assets, businesses, or interests of Lender, Borrower, or any of their respective affiliates; (ii) accept any conditions relating to, or changes or restrictions in, the operations of any such assets, businesses, or interests that could reasonably be expected to materially adversely impact the economic or business

benefits to Lender of any and all transactions in which the parties intend to engage or be otherwise materially adverse to the Lender, the Borrower, or their affiliates; or (iii) make any material modification or waiver of the terms and conditions of this Secured Note or the documents setting forth the provisions of any and all transactions in which the parties intend to engage following the date hereof (any of the foregoing actions identified in (i), (ii), and (iii), a “Burdensome Condition”).

21. Conditions to Borrowing. The following conditions apply to the making of any Loan (unless otherwise indicated):

(a) No Event of Default and no condition which would constitute an Event of Default with the giving of notice or lapse of time or both shall exist, and there shall not have occurred a Bankruptcy Event;

(b) Each of the representations and warranties made by the Borrowers herein shall be true and correct immediately prior to, and after giving effect to, such Loan;

(c) The making of such Loan shall not violate any requirement of law and shall not be enjoined, temporarily, preliminarily, or permanently;

(d) If after giving effect to a request for, and the borrowing of, a Loan, the Total Commitment Amount will not be exceeded;

(e) For each Loan, there shall not have occurred and be continuing any Event of Default (as defined in the Director Notes) under any Director Notes;

(f) There shall not have occurred any event, change, circumstance, effect, or other matter that has, individually or in the aggregate, a material adverse effect on (i) the financial condition or results of operations of the Borrower or its business, taken as a whole as of the date hereof; or (ii) the condition or value of any material portion of the Borrower’s assets;

(g) The Borrower shall have sent a written borrowing notice (each, a “Borrowing Notice”) to the Lender setting forth (i) the amount of the Loan being requested, (ii) the date the Loan being requested is to be funded, which shall be at least five (5) Business Days after the date the Lender receives the Borrowing Notice, (iii) the intended use of the proceeds of the Loan, (iv) where the Loan funds should be wire transferred, including where the funds should be wired by the Lender to repay the Director Loans in connection with a borrowing of the Second Loan, (v) confirmation that no Events of Default have occurred and are continuing, and (vi) confirmation that all of the representations and warranties in this Secured Note are accurate as of the date of the Borrowing Notice and the requested Loan funding date. Each Borrowing Notice shall be signed by an authorized officer of the Borrower;

(h) With respect to the Second Loan, Lender shall use commercially reasonable efforts to timely obtain and shall have obtained, financing to fund (i) the maximum amount of the Second Loan and (ii) a debtor in possession financing facility to be made available to Borrower (subject to final documentation, an agreed budget, and court approval) on terms that

are at least as favorable as the following: (1) the aggregate amount of such facility and availability thereunder shall be not less than \$6,000,000, (2) the interest rate shall not be more than fourteen percent (14%) per annum, (3) any origination fee and other fees and costs in aggregate shall not be more than two percent (2%) of the total facility amount financed, (4) the term of such facility shall not be less than thirty-six (36) months, and (5) the other terms of such facility shall be on terms no less favorable than set forth in this Secured Note (such financing, an “Acceptable Loan Facility”). If Lender determines in good faith, after using commercially reasonable efforts, that it cannot obtain an Acceptable Loan Facility, it will provide the Borrower with written notice of such determination within five (5) Business Days of receipt of a Borrowing Notice for the Second Loan (the “Second Loan Lender Notice”) which notice shall set forth the commercially reasonable efforts taken by Lender to obtain an Acceptable Loan Facility, the funding sources consulted by Lender to obtain an Acceptable Loan Facility (subject to any applicable non-disclosure agreements), and the reason(s) Lender has determined that it cannot obtain an Acceptable Loan Facility. Subject to the Borrower obtaining a final, non-appealable order from a court of competent jurisdiction to the contrary, upon delivery of the Lender Notice, (i) Lender shall have no further obligation or commitment to the Borrower to fund any other Loans (other than the First Loan) under this Secured Note, and (ii) Lender shall have no liability to the Borrower for any claims, actions, causes of action, proceedings, obligations, liabilities, losses and/or damages of any kind or character, whether in law or in equity, for not funding the requested Second Loan or for any other purported breaches by Lender of its obligations under this Secured Note. As used herein, “commercially reasonable efforts” shall exclude the provision, in connection with obtaining an Acceptable Loan Facility, of any personal or other guarantees by any principals of Lender or by other any Releasee (as defined below) or the pledging of any assets by any principals of Lender or by other any Releasee (other than Lender); and

(i) Prior to the funding of the Second Loan, the Director Lenders shall have delivered the Director Lender Releases to Lender.

22. Release. Effective as of the Borrowing Date of the First Loan, the Borrower, for itself and its affiliates and their respective directors, managers, shareholders, members, officers, employees, counsel, accountants, investors, financial advisors, agents, consultants and other advisors and successors and assigns (collectively, the “Releasing Persons”), does hereby and forever irrevocably release and discharge the Lender and each of its past, present and future affiliates and their respective directors, managers, shareholders, members, officers, employees, counsel, accountants, investors, financial advisors, agents, consultants and other advisors (each a “Releasee”), from any and all claims, actions, causes of action, proceedings, judgments, debts, rights, interests, obligations, liabilities and all other losses and damages of whatsoever kind or character, known or unknown, suspected to exist or not suspected to exist, anticipated or not anticipated, whether or not heretofore brought, whether in law or in equity, whether in contract or in tort or otherwise, that such Releasing Person now has, has ever had or may hereafter have against any Releasee, in each case, which arises out of or relates to events, circumstances or actions occurring, existing or taken prior to the date hereof in respect of this Secured Note or any of the transactions contemplated hereby (each, a “Released Claim”); provided, however, that the

Released Claims shall not include a release of any of the Borrower's rights, or any of Lender's obligations, under this Secured Note. Each Releasing Person further covenants and agrees

(a) that it will not, and will cause its affiliates not to, take any action inconsistent with this Section (including commencing any action or proceeding in respect of, or directly or indirectly transferring to another person or entity, any Released Claim). This Section shall survive the Maturity Date, the payment in full of the Obligations, or conversion to Common Stock, and the termination of this Secured Note, is intended for the benefit of and may be enforced directly by each of the Released Persons and is binding on all successors and assigns of the Releasing Person. The Borrower represents and warrants that no portion of any Released Claim has been assigned or transferred to any other person or entity, either directly or by way of subrogation or operation of law. Furthermore, the Borrower also represents and warrants that it will not fund, support, or cooperate with any claims by third parties against the Releasees related to the Released Claims.

23. Confidentiality. Each party shall hold, and shall use commercially reasonable efforts to cause its affiliates, and its and their respective Representatives (as defined below) to hold, in strict confidence from any person or entity (other than any such affiliate or Representative) the terms and conditions of this Secured Note and any facts or other information related to this Secured Note, unless (i) such party is required to disclose such information by applicable law, rule or regulation; (ii) such information is disclosed in an action or proceeding brought by a party hereto in pursuit of its rights or in the exercise of its remedies hereunder, or (iii) the party to whom disclosure of this Secured Note is made has executed a confidentiality agreement with Borrower. As used herein, "Representatives" means directors, managers, shareholders, members, officers, employees, counsel, accountants, lenders, investors, financial advisors, consultants, and other advisors, in each case with respect to the transactions contemplated by this Secured Note.

24. Fees and Expenses of Enforcement. In connection with an Event of Default, the Borrower agrees to pay and shall pay, on demand, in addition to unpaid principal and interest and/or interest at the default rate, all of the fees, costs, and expenses incurred by the Lender in attempting or effecting collection or enforcement hereunder, including, but not limited to, the reasonable fees and expenses of any attorneys or agents engaged by the Lender in connection therewith, whether or not suit or other legal action is instituted or taken.

25. Waivers. The Borrower hereby waives presentment, demand, notice, protest, and all other demands and notices in connection with the delivery, acceptance, performance, default, or enforcement of this Secured Note, and assents to any extension or postponement of the time of payment or any other indulgence, to any substitution, exchange or release of collateral, if any, and to the addition or release of any other party or person primarily or secondarily liable.

26. **GOVERNING LAW. THE BORROWER AND THE LENDER EACH IRREVOCABLY AND UNCONDITIONALLY AGREE THAT THE OBLIGATIONS OF THE BORROWER AND THE RIGHTS AND REMEDIES OF THE LENDER UNDER THIS SECURED NOTE, AND ANY CLAIM OR CONTROVERSY DIRECTLY OR INDIRECTLY BASED UPON OR ARISING OUT OF THIS SECURED NOTE OR THE**

TRANSACTIONS CONTEMPLATED HEREBY (WHETHER BASED ON CONTRACT, TORT, OR OTHERWISE), INCLUDING ALL MATTERS OF CONSTRUCTION, VALIDITY, AND PERFORMANCE, SHALL IN ALL RESPECTS BE GOVERNED BY AND INTERPRETED, CONSTRUED AND DETERMINED IN ACCORDANCE WITH THE INTERNAL LAWS OF THE STATE OF DELAWARE (WITHOUT REGARD TO ANY CONFLICTS OF LAW PROVISION THEREOF THAT WOULD REQUIRE THE APPLICATION OF THE LAWS OF ANY OTHER JURISDICTION).

27. **Jurisdiction.** The Borrower and the Lender hereby irrevocably and unconditionally submit to the jurisdiction of any state or federal court located in Delaware, in any action or proceeding arising out of or relating to this Secured Note. The Borrower and the Lender hereby irrevocably and unconditionally waive, to the fullest extent it may legally and effectively do so, (a) any objection that they may now or hereafter have to the laying of venue of any suit, action, or proceeding arising out of this Secured Note in any state or federal court located in Delaware, and (b) the defense of an inconvenient forum to the maintenance of such action or proceeding in any such court.

28. **JURY TRIAL.** THE BORROWER AND THE LENDER EACH IRREVOCABLY WAIVE ALL RIGHT TO TRIAL BY JURY IN ANY ACTION, PROCEEDING OR COUNTERCLAIM (WHETHER BASED ON CONTRACT, TORT OR OTHERWISE) ARISING OUT OF OR RELATING TO THIS SECURED NOTE OR THE ACTIONS OF THE BORROWER OR THE LENDER IN THE NEGOTIATION, ADMINISTRATION, PERFORMANCE OR ENFORCEMENT THEREOF.

29. **PREJUDGMENT REMEDIES.** THE BORROWER ACKNOWLEDGES THAT THE TRANSACTION OF WHICH THIS SECURED NOTE IS A PART IS A COMMERCIAL TRANSACTION, AND HEREBY VOLUNTARILY AND KNOWINGLY WAIVES ITS RIGHT TO NOTICE AND HEARING UNDER THE DELAWARE STATUTES, OR AS OTHERWISE ALLOWED BY LAW OR ANY STATE OR FEDERAL LAW WITH RESPECT TO ANY PREJUDGMENT REMEDY WHICH THE LENDER MAY DESIRE TO USE.

30. **LIMITATION ON LIABILITY.** TO THE GREATEST EXTENT PERMITTED BY LAW, THE BORROWER HEREBY WAIVES ALL RIGHTS TO THE ASSERTION OR RECOVERY OF PUNITIVE OR EXEMPLARY DAMAGES AGAINST THE LENDER IN CONNECTION WITH THIS SECURED NOTE OR ANY OTHER DOCUMENT OR INSTRUMENT EVIDENCING OR SECURING THIS SECURED NOTE. THE BORROWER SHALL HAVE NO CLAIMS FOR ANY ACTS OR OMISSIONS OF THE LENDER OTHER THAN THOSE CONSTITUTING GROSS NEGLIGENCE OR INTENTIONALLY WRONGFUL CONDUCT.

31. **Entire Agreement.** This Secured Note, together with all other instruments, agreements, and certificates executed by the parties in connection therewith or with reference thereto, embody the entire understanding and agreement between the parties hereto and thereto with respect to the subject matter hereof and thereof and supersede all prior agreements, understandings, and inducements, whether express or implied, oral or written. This Secured Note

may not be contradicted by evidence of prior, contemporaneous, or subsequent oral agreements of the parties. There are no oral agreements between the parties. Each of the exhibits and schedules attached hereto are incorporated into this Secured Note and by this reference made a part hereof.

32. Amendments. No modification, amendment, or other revision of the provisions of this Secured Note shall be binding unless in writing and signed by the Lender and Borrower. No omission or delay by the Lender in exercising or continuing any right, remedy, or power under this Secured Note shall impair the exercise or continuation of any such right, remedy, or power or be construed to be a waiver of any default or Event of Default to be an acquiescence therein.

33. Severability. In the event that any one or more of the provisions of this Secured Note are deemed to be invalid, illegal, or otherwise unenforceable in any respect, (i) the validity, legality, and enforceability of the remaining provisions shall not in any manner be affected or impaired thereby and (ii) the parties hereto shall endeavor in good-faith negotiations to replace any prohibited or unenforceable provisions with valid and enforceable provisions, the economic effect of which comes as close as possible to that of the prohibited or unenforceable provisions.

34. Representation by Counsel; Drafting. The Borrower has been provided the opportunity to be represented by counsel of its choice in connection with this Secured Note. The Borrower has executed this Secured Note freely and without coercion or duress. This Secured Note shall be deemed to have been drafted by both parties hereto and no presumptions shall be made against either party based on the actual drafting of this Secured Note or any provision of this Secured Note.

35. Binding Nature of Obligations; Assignment. This Secured Note shall be binding upon the Borrower and its successors and permitted assigns and shall inure to the benefit of the Lender and its successors, assigns, and transferees. This Secured Note may be transferred or assigned by the Lender, in whole or in part, in its sole discretion. The Borrower may not assign this Secured Note or delegate any of its obligations hereunder without the prior written consent of Lender, which consent may be withheld or conditioned in the sole discretion of Lender, and any assignment made in violation of this provision is void.

36. Survival. Sections 15-18, 20(h), and 21-34 shall survive the termination or repayment in full of this Secured Note.

IN WITNESS WHEREOF, this Secured Note has been executed and delivered by its duly authorized representative as of the date first written above.

BORROWER:

MOMENTUS INC.

By: /s/ John Rood__

Name: John Rood__

Title: CEO__

LENDER:

SPACE INFRASTRUCTURES VENTURES, LLC

By: /s/ Jose Alonso__

Name: Jose Alonso__

Title: President__

**CERTIFICATION OF PRINCIPAL EXECUTIVE OFFICER
PURSUANT TO EXCHANGE ACT RULES 13a-14(a) OR 15d-14(a),
AS ADOPTED PURSUANT TO SECTION 302 OF
THE SARBANES-OXLEY ACT OF 2002**

I, John Rood, certify that:

- 1 I have reviewed this Quarterly Report on Form 10-Q of Momentus 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.

Dated: November 14, 2024

By: /s/John C. Rood
Name: John C. Rood
Title: Chief Executive Office

**CERTIFICATION OF PRINCIPAL FINANCIAL OFFICER
PURSUANT TO EXCHANGE ACT RULES 13a-14(a) OR 15d-14(a),
AS ADOPTED PURSUANT TO SECTION 302 OF
THE SARBANES-OXLEY ACT OF 2002**

I, Lon Ensler, certify that:

- 1 I have reviewed this Quarterly Report on Form 10-Q of Momentus 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.

Dated: November 14, 2024

By: /s/Lon Ensler
Name: Lon Ensler
Interim Chief Financial
Officer

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

In connection with the Quarterly Report of Momentus Inc., a Delaware corporation (the "Company"), on Form 10-Q for the quarter ended September 30, 2024, as filed with the Securities and Exchange Commission on the date hereof (the "Form 10-Q"), I, John Rood, Chief Executive Officer of the Company, certify, pursuant to 18 U.S.C. section 1350, as adopted pursuant section 906 of the Sarbanes-Oxley Act of 2002, that to the best of my knowledge:

- (i) the Form 10-Q fully complies with the requirements of section 13(a) or section 15(d) of the Securities Exchange Act of 1934, as amended; and
- (ii) the information contained in the Form 10-Q fairly presents, in all material respects, the financial condition and results of operations of the Company.

Dated: November 14, 2024

By: /s/John C. Rood
Name: John C. Rood
Title: Chief Executive Officer

This certification shall not be deemed "filed" for purposes of Section 18 of the Securities Exchange Act of 1934, as amended (the "Exchange Act"), or incorporated by reference in any filing under the Securities Act of 1933, as amended, or the Exchange Act, except as shall be expressly set forth by specific reference in such a filing.

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

In connection with the Quarterly Report of Momentus Inc., a Delaware corporation (the "Company"), on Form 10-Q for the quarter ended September 30, 2024, as filed with the Securities and Exchange Commission on the date hereof (the "Form 10-Q"), I, Lon Ensler, Interim Chief Financial Officer of the Company, certify, pursuant to 18 U.S.C. section 1350, as adopted pursuant section 906 of the Sarbanes-Oxley Act of 2002, that to the best of my knowledge:

- (i) the Form 10-Q fully complies with the requirements of section 13(a) or section 15(d) of the Securities Exchange Act of 1934, as amended; and
- (ii) the information contained in the Form 10-Q fairly presents, in all material respects, the financial condition and results of operations of the Company.

By: /s/Lon Ensler
Name: Lon Ensler
Interim Chief Financial
Title: Officer

Dated: November 14, 2024

This certification shall not be deemed "filed" for purposes of Section 18 of the Securities Exchange Act of 1934, as amended (the "Exchange Act"), or incorporated by reference in any filing under the Securities Act of 1933, as amended, or the Exchange Act, except as shall be expressly set forth by specific reference in such a filing.