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Call Participants

EXECUTIVES

Adam C. Spice

CFO, Secretary & Treasurer

Murielle Baker

Senior Communications Manager

Peter Beck

Founder, Chairman, President & CEO

Presentation

Operator

Thank you for standing by. My name is Tina, and I will be your conference operator today. At this time, I would like to welcome everyone to the Rocket Lab Acquires Geost Investor Presentation. [Operator Instructions]

I would now like to turn the conference over to Murielle Baker, Senior Communications Manager. You may begin.

Murielle Baker

Senior Communications Manager

Thank you. Hello, and welcome to today's conference call to discuss today's announced proposed acquisition of Geost.

As a reminder, today's call will include forward-looking statements regarding our future business performance and the expected timing and completion of the proposed transaction as well as the potential financial impact to Rocket Lab. These statements include risks and uncertainties that could cause our actual results to differ materially from the statements made on this call. Please refer to our press release today and our recent filings with the SEC for information on specific risk factors.

Comments made during today's call will primarily refer to both GAAP and non-GAAP financial measures. And any forward-looking statements are made as of today, and Rocket Lab has no obligation to update or revise any forward-looking statements.

This call is also being webcast with a supporting presentation, and a replay and copy of the presentation will be available on our website.

Our speakers today are Rocket Lab Founder and Chief Executive Officer, Sir Peter Beck; as well as Chief Financial Officer, Adam Spice.

So with that, let me turn the call over to Sir Peter.

Peter Beck

Founder, Chairman, President & CEO

Thanks, Murielle, and thanks for everybody joining us today.

Look, I'm pleased to announce that Rocket Lab and Geost, LLC have today signed a definitive agreement under which Rocket Lab will acquire Geost from Lightridge Solutions, a portfolio company from ATL Partners, in a cash plus equity transaction amounting \$275 million, plus a potential \$50 million revenue-based earn-out. I'm very excited to say that with this deal, Rocket Lab will officially enter the payload market as a disruptive prime contractor to U.S. national security.

Our acquisition of Geost will bring onboard critical technology and payloads that are relied upon by the Department of Defense for missile warning and tracking tactical intelligence and surveillance and reconnaissance as well as earth observation and space domain awareness. That now primes us to deliver the complete stack of mission-critical hardware for U.S. national security missions and opens up significant potential to reshape our business.

Our track record with past acquisitions has shown that we have the resource, scale and expertise to transform critical subscale satellite technology into readily available product lines for our customers, and we fully intend to do the same with Geost's technology.

Over the next few slides, I will take you through strategic rationale for the acquisition and review Geost's products and market potential, after which Adam will cover the financial profile of the transaction.

Rocket Lab is already a trusted contractor to the U.S. national security missions across multiple launches and constellation spacecraft. With Rocket's satellites and payloads, we are uniquely positioned to be a disruptive prime contractor, delivering a completely uncompromised solution for national security quickly and economically.

Flagship programs like the Space Development Agency's Tracking Layer and the Golden Dome for America's missile defense have developed from a mandate to move fast and put next-generation space capabilities into the hands of people who defend the nation.

We are already a trusted and relied upon launch provider to the Pentagon with our 3 rockets across dedicated small launch, hypersonic flight test and soon-to-be medium-lift launch for the DoD's highest priority national security missions.

In spacecraft manufacturing and operation, we're a prime contractor to the Space Development Agency's proliferated LEO constellation with a \$0.5 billion contract that puts us in charge of the design, development, production, test and operation of the agency's next-generation satellites.

We'll also deliver tactically responsive spacecraft and launch vehicles for the U.S. Space Force's Space Systems Command, supporting their ability to respond to on-orbit threats on very short time lines for the up-and-coming VICTUS HAZE mission. And now, with our acquisition of Geost, we move into payloads to offer a complete end-to-end solution aimed at disrupting the industry, and it really is a logical addition to our vertically integrated national security offering and the next natural step for Rocket Lab.

Geost's products are elegantly engineered solutions that integrates seamlessly into our business and our mission. Geost's compact high-performance electro-optical and infrared systems for small satellites, otherwise known as EO and IR payloads, enable key capabilities that directly support our national security and intelligence customers.

For ISR with Geost payloads, we're able to deliver real-time intelligence from orbit, whether for global missile warning, tactical battlefield awareness or multi-orbit surveillance, the technology is optimized for rapid deployment and cost-effective scaling and is ideal for delivering critical data with speed, clarity and confidence.

And for mission autonomy, through this acquisition, we're bringing AI and machine learned-enabled technologies in-house to better support national security missions. Geost systems can detect threats, assess intent and initiate responses without human input. And that level of autonomy is a centerpiece of satellites highly valued by the defense and intelligence communities.

In the space industry, heritage is everything. It's critical. As we bring on a new payload capability, we will focus on finding a company with products that deliver best-in-class solutions to the industry. We believe we found that in Geost, and it's clear that the Pentagon and federal agencies think the same.

Between Rocket Lab and Geost, we share many of the same defense, intelligence and national security customers. And adding Geost payloads on top of our launch and spacecraft offering means that the U.S. government operators and our commercial customers will benefit from a more fully integrated suite of solutions to support their mission objectives.

We're not just bringing on critical technology with fantastic heritage. We're also adding a roster of industry leaders committed to the mission with decades of experience that will deepen our executive bench and expand our technical expertise.

The acquisition of Geost will bring with it clean rooms, laboratories and an expanded factory in Tucson, Arizona and Northern Virginia that broadens our already expansive footprint in the United States. And importantly, too, it shores up U.S. domestic supply of payload sensors designed, made and built and operated in America.

And with that, I'll turn it over to Adam to dig into the specifics of the transaction.

Adam C. Spice
CFO, Secretary & Treasurer

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Thanks, Pete. As disclosed in our press release from earlier today, Rocket Lab has entered into a definitive agreement to acquire Geost for \$275 million, in a mix of \$125 million of cash and \$150 million in privately placed shares of Rocket Lab common stock, plus up to \$50 million in potential additional cash earn-out payments tied to revenue targets in 2026 and in 2027. We're well positioned to close out this acquisition with ample cash and cash equivalents of \$517 million as of the end of Q1 2025, and we have the ability to access the capital markets should we choose to.

This acquisition unites our respective company's backlog of exciting contract and pipeline opportunities across a range of common U.S. government national security programs. In particular, there are significant near-term growth opportunities as it relates to the upcoming Space Development Agency's Tranche 3 procurement that will develop and deploy more than 50 missile tracking and missile defense satellites for its proliferated constellation across 3 awards.

Tranche 3 builds upon the agency's Tranche 1 and Tranche 2 constellation contracts for which Rocket Lab is already a prime contractor on the Tranche 2 Transport Layer.

Bringing Geost into the Rocket Lab portfolio, along with our previously announced planned acquisition of Mynaric, creates a more fulsome end-to-end mission solution to benefit our SDA customer. This also positions us to be a competitive provider for the Golden Dome missile defense system, a high-priority initiative by the current administration, with a total projected value of up to \$175 billion. The President's recent announcement made it clear that there is a strong emphasis on utilizing efficient and fast providers, which positions us well to capture these opportunities.

Since the GAAP purchase price accounting analysis has just begun, we cannot speak to any GAAP forecast measures at this time, but we do expect this business to be neutral to modestly accretive to adjusted EBITDA in the second half of the year.

The acquisition is subject to normal and customary closing conditions, including antitrust review with the Federal Trade Commission and Department of Justice. The deal has been approved by the Boards of Directors of both Rocket Lab and Geost and is not subject to Rocket Lab shareholder approval. The deal is expected to close in the second half of 2025.

And with that, I'll turn it back to Pete for some closing remarks.

Peter Beck

Founder, Chairman, President & CEO

Thanks, Adam. And before we wrap up the call, if you're interested in more information about this acquisition, please reach out to our Investor Relations and Communications team. Those contact details are available on today's press release. Otherwise, thanks very much for joining today's call. We look forward to speaking with you again in the future and talking about all the exciting progress that has been made in our business. Thanks very much.

Operator

This concludes today's conference. You may now disconnect.

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