

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

FORM 10-K

(Mark One)

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

For the fiscal year ended December 31, 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 001-39560

ROCKET LAB USA, INC.
(Exact name of Registrant as specified in its Charter)

Delaware

(State or other jurisdiction of
incorporation or organization)

3881 McGowen Street
Long Beach, California

(Address of principal executive offices)

98-1550340

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

90808

(Zip Code)

Registrant's telephone number, including area code: (714) 465-5737

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

Title of each class	Trading Symbol(s)	Name of each exchange on which registered
Common Stock, par value \$0.0001 per share	RKLB	The Nasdaq Stock Market LLC

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

Indicate by check mark if the Registrant is a well-known seasoned issuer, as defined in Rule 405 of the Securities Act. Yes ☒ No ☐

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

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

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

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

Large Accelerated Filer	<input checked="" type="checkbox"/>	Accelerated filer	<input type="checkbox"/>
Non-accelerated filer	<input type="checkbox"/>	Smaller reporting company	<input type="checkbox"/>
		Emerging growth company	<input 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 has filed a report on and attestation to its management's assessment of the effectiveness of its internal control over financial reporting under Section 404(b) of the Sarbanes-Oxley Act (15 U.S.C. 7262(b)) by the registered public accounting firm that prepared or issued its audit report. ☒

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

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

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

The aggregate market value of the registrant's common stock, \$0.0001 par value per share, held by non-affiliates of the registrant on June 30, 2024, the last business day of the registrant's most recently completed second fiscal quarter, was \$1,732.3 million (based on the closing sales price of the registrant's common stock on that date). Shares of the registrant's common stock held by each officer and director and each other person who may be deemed to be an affiliate of the registrant have been excluded from the computation. This determination of affiliate status with respect to the foregoing calculation is not necessarily a conclusive determination for other purposes.

As of February 21, 2025, the registrant had 453,545,095 shares of common stock, \$0.0001 par value per share, outstanding.

DOCUMENTS INCORPORATED BY REFERENCE

Information required by Part III of this Form 10-K is incorporated by reference to the registrant's proxy statement or the Proxy Statement, for the 2025 annual meeting of stockholders, which proxy statement will be filed with the Securities and Exchange Commission within 120 days after the end of the fiscal year covered by this Form 10-K.

CAUTIONARY NOTE REGARDING FORWARD-LOOKING STATEMENTS

Certain statements in this Annual Report on Form 10-K may constitute “forward-looking statements” for purposes of the federal securities laws. The information included in this Annual Report on Form 10-K has been provided by us and our management, and such forward-looking statements include statements relating to the expectations, hopes, beliefs, intentions or strategies regarding the future of Rocket Lab USA, Inc. (the “Company” or “Rocket Lab”) and its management team. In addition, any statements that refer to projections, forecasts or other characterizations of future events or circumstances, including any underlying assumptions, are forward-looking statements. The words “anticipate,” “believe,” “could,” “expect,” “intends,” “may,” “might,” “plan,” “potential,” “predict,” “project,” “should,” “will,” “would” and similar expressions may identify forward-looking statements, but the absence of these words does not mean that a statement is not forward-looking. The forward-looking statements contained in this Annual Report on Form 10-K are based on current expectations and beliefs concerning future developments and their potential effects on Rocket Lab. There can be no assurance that future developments affecting us will be those that we have anticipated. These forward-looking statements involve a number of risks, uncertainties (some of which are beyond our control) or 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, but are not limited to, those factors described below and under the heading “Risk Factors.”

- Our ability to effectively manage future growth and achieve operational efficiencies;
- any inability of us to operate our Electron Launch Vehicle (“Electron”) at its anticipated launch rate, including due to any government action related to launch failure and our ability to operate, could adversely impact our business, financial condition and results of operations;
- our inability to develop our Neutron Launch Vehicle (“Neutron”) or significant delays in developing Neutron could adversely impact our business, financial condition and results of operations;
- our inability to utilize our launch pads at our private launch complex in Mahia, New Zealand or at NASA’s Wallops Flight Facility, at Wallops Island, Virginia with sufficient frequency to support our launch cadence and future related revenue growth expectations;
- our spacecraft, space systems or space system components failing to operate as intended could have a material adverse effect on our business, financial condition and results of operations;
- changes in the competitive and highly regulated industries in which we operate, variations in operating performance across competitors, changes in laws and regulations affecting our business and changes in our capital structure;
- changes in governmental policies, priorities, regulations, mandates or funding for programs in which we or our customers participate, which could negatively impact our business;
- loss of, or default by, one or more of our key customers or inability of customers to fund contractual commitments, which could result in a decline in future revenues, cancellation of contracted launches or space systems orders or termination or default of existing agreements;
- the inability to comply with, and costs associated with complying, any applicable regulations, and specifically, U.S. government contract regulations, which could result in loss of contract opportunities, contract modifications or termination, assessment of penalties and fines, and suspension or debarment from U.S. government contracting or subcontracting;
- success in retaining or recruiting, or changes required in, officers, key employees or directors, and our ability to attract and retain key personnel, including Peter Beck, our President, Chief Executive Officer and Chairman;
- defects in or failure of our products to operate in the expected manner, including any launch failure, which could result in a loss of revenue, impact our business, prospects and profitability, increase our insurance rates and damage our reputation and ability to obtain future customers;
- inability or failure to protect intellectual property;
- disruptions in the supply of key raw materials or components used to produce our products or increases in prices of raw materials;
- the ability to implement our business plans, forecasts and other expectations, including the integration of recently acquired businesses, and to identify and realize additional opportunities;

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- the diversion of management’s attention and consumption of resources as a result of acquisitions of other companies and success in integrating and otherwise achieving the benefits of recent and potential acquisitions;
- our inability to effectively integrate or benefit from recently purchased assets or businesses;
- global inflation and interest rates;
- impacts of the wars in Ukraine or Israel or other global conflicts;
- fluctuations in foreign exchange rates;
- the risk of downturns in government and commercial launch services and spacecraft industries;
- our ability to anticipate changes in the markets for rocket launch services, mission services, spacecraft and spacecraft components;
- the inability or failure to comply with contractual requirements or covenants;
- failure to maintain adequate operational and financial resources or raise additional capital or generate sufficient cash flows;
- any significant disruption in or unauthorized access to our computer systems or those of third parties that we utilize in our operations, including those relating to cybersecurity or arising from cyber-attacks; and
- other factors detailed under the section of this Annual Report on Form 10-K entitled “Risk Factors.”

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. Some of these risks and uncertainties may in the future be amplified by a global crises and/or any response to such a crisis and there may be additional risks that we consider immaterial or which are unknown. It is not possible to predict or identify all such risks. We do not undertake any 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.

You should read this Annual Report on Form 10-K and the documents that we reference in this Annual Report on Form 10-K and have filed with the Securities and Exchange Commission (the “SEC”) as exhibits to this Annual Report on Form 10-K with the understanding that our actual future results, levels of activity, performance and events and circumstances may be materially different from what we expect. All forward-looking statements are qualified in their entirety by this cautionary statement.

You should also note that we may announce material business and financial information to our investors using our website (including at <https://investors.rocketlabusa.com>), filings with the SEC, webcasts, press releases, and conference calls. We use these mediums, as well as our official corporate accounts on social media outlets such as X (formerly Twitter), Facebook, LinkedIn, Instagram, Bluesky and YouTube, to broadcast our launches and other significant events, and to communicate with the public about our company, our products, and other matters. It is possible that the information that we make available may be deemed to be material information. We therefore encourage investors and others interested in our company to review the information that we make available on our website and through our other official social media channels. The information contained on, or that can be accessed through, our website or our social media channels is not a part of this Annual Report on Form 10-K.

Unless the context requires otherwise, references in this Annual Report to “Rocket Lab,” “Company,” “we,” “us” and “our” refer to Rocket Lab USA, Inc. and our subsidiaries.

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PART I

Item 1. Business

Who We Are

Our Mission: We Open Access to Space to Improve Life on Earth.

Rocket Lab is an end-to-end space company with an established track record of mission success. We deliver reliable launch services, spacecraft design services, spacecraft components, spacecraft manufacturing and other spacecraft and on-orbit management solutions that make it faster, easier and more affordable to access space. We believe that space has defined some of humanity's greatest achievements and it continues to shape our future. We are motivated by the impact we can have on Earth by making it easier to get to space and to use it as a platform for innovation, exploration and infrastructure.

As one of select few commercial companies delivering regular access to orbit, our proven launch vehicle, spacecraft technology and global infrastructure uniquely position us to grow in this dynamic market. Advances in technologies, materials and components have led to miniaturization of spacecraft and a significant reduction in cost and time-to-market, concurrent with the increase in demand for space applications such as communications, remote sensing, Earth observation, meteorology and navigation. We provide customers with frequent, reliable and cost-effective access to orbit for this new generation of small spacecraft with Electron, a fully carbon composite launch vehicle powered by Rutherford, our electric turbopump 3D printed engines. Since our first Electron launch in 2017 through December 31, 2024, we have delivered over 200 spacecraft to space across 54 successful orbital missions for commercial and government customers, including the United States ("U.S.") Department of Defense ("DoD"), the National Aeronautics and Space Administration ("NASA"), the Defense Advanced Research Projects Agency ("DARPA"), the National Reconnaissance Office ("NRO"), and a number of domestic and international commercial spacecraft operators including Blacksky Holdings, Canon, Kinéis, Capella Space, Planet, OHB Group and Synspecive. In 2024, Electron was the second most frequently launched orbital rocket by companies operating in the United States and the second most frequent orbital launcher globally.

Rocket Lab's frequent launch cadence has been enabled through innovative manufacturing techniques for Electron, including 3D printing and automation, but production is only part of the formula for frequent and reliable launch. We believe our launch infrastructure is a key part of our success. We currently operate a private launch complex located in Mahia, New Zealand, which we refer to as Launch Complex 1 ("LC-1"). This launch complex is supported by a bi-lateral treaty between the United States and New Zealand governments that enables us to use U.S. launch and spacecraft technology for launches at LC-1 that otherwise would not be permitted for launches from foreign soil. This treaty provides us with a competitive advantage over other companies launching rockets from outside the U.S. that do not have the benefit of such a treaty. Additionally, by operating our own private launch complex, we do not have to share the launch complex with other launch providers and, subject to obtaining required regulatory clearances for launches, we have complete control over launch schedule and availability. LC-1 serves as our high-volume launch complex, with two launch pads capable of supporting up to 120 missions every year. We also operate a dedicated launch pad at NASA's Wallops Flight Facility, at Wallops Island, Virginia, which we refer to as Launch Complex 2 ("LC-2"). LC-2 can support 24-hour rapid call-up capability for defense needs and urgent constellation replenishment and is currently licensed to launch 9 missions per year. We are currently constructing a dedicated launch pad located at the Mid-Atlantic Regional Spaceport within the NASA Wallops Flight Facility in Wallops Island, Virginia as a third launch complex, which we refer to as Launch Complex 3 ("LC-3"). LC-3 is being developed to receive and integrate Neutron launch vehicles to the Neutron launch pad.

Building on our strong foundation with Electron, we are now developing our Neutron launch vehicle. We anticipate Neutron will have a payload capacity of approximately 15,000 kg for expendable launches to low Earth orbit and support lighter payloads for reusable configurations and into higher orbits. Neutron is tailored for large constellation deployments, interplanetary missions and potentially for human spaceflight. We expect constellation missions to make up an increasing percentage of small spacecraft launched, versus bespoke or one-off missions. As such, Neutron will be an important part of our end-to-end space solution as it is tailored to meet demand from this growing market.

Consistent with our endeavor to provide end-to-end space solutions for our customers, Rocket Lab has expanded beyond launch services into space systems, delivering spacecraft design services, spacecraft components, spacecraft manufacturing and other spacecraft and on-orbit management solutions that make it faster, easier and more affordable to access space. Our space systems business utilizes our launch services, merchant spacecraft components, spacecraft design services, our family of spacecraft products, partnerships with global ground network service providers, as well as our own ground station network, and on-orbit constellation management capabilities to provide customers complete solutions that encompass spacecraft design, build, launch and on-orbit operations.

Our Competitive Strengths

- **Flight Heritage – First Mover Advantage:** Electron is the first small launch vehicle to establish frequent and reliable access to space with 54 successful orbital missions and over 200 spacecraft deployed through December 31, 2024, and 56 successful missions as of February 27, 2025. Successfully reaching orbit repeatedly and delivering mission success across more than seven years of launches demonstrates Electron as a mature launch vehicle, and showcases Rocket Lab's sophisticated team and robust manufacturing infrastructure and processes. We believe this gives us a significant competitive advantage over new and less-established market entrants to secure Rocket Lab both higher volume and market share and increasingly higher-value missions.
- **Unique Technologies:** We have innovated around key launch vehicle and spacecraft features and capabilities, including:
 - Carbon composite tanks and structures, delivering substantial mass-savings while maintaining high structural integrity;
 - An electric, turbo-pump-fed rocket engine that delivers high-performance while removing the complexity associated with traditional gas generator cycle engines;
 - We believe we were the first company to 3D print an orbital rocket engine, and as of December 31, 2024, have flight heritage with over 600 engines launched to space. We leverage our unique 3D printing capabilities beyond engines to enable ultra-rapid design and testing of new flight hardware and dramatically shorten our time-to-market; and
 - A unique kick stage that delivers spacecraft to precise and individual orbits increasing deployment flexibility and cost effectiveness for our customers. The kick stage can also be utilized as a fully-featured spacecraft, enabling hosted payload opportunities for our customers and for our own constellation applications.
- **Deep Vertical Integration:** We have vertically integrated design and manufacturing capabilities and developed world-class engineering and manufacturing teams across the United States, New Zealand and Canada. This allows us to manage and control almost every aspect of design, manufacturing and launch operations, enabling rapid prototyping and streamlined production to deliver products and solutions to orbit faster.
- **Integrated Design and Test Capabilities:** We own or lease our own propulsion test infrastructure, allowing us the capacity and flexibility to accelerate time-to-market while ensuring quality and a high rate of mission success.
- **Multiple Launch Complexes:** Rocket Lab operates two launch pads at its private orbital launch complex, LC-1, in Mahia, New Zealand. This launch complex can support up to 120 launches every year. By operating our own private launch complex, we have eliminated the availability issues commonly faced by other launch providers competing for a limited number of slots at shared launch complexes that they do not control. Rocket Lab has access to two launch pads at the Mid-Atlantic Regional Spaceport within NASA Wallops Flight Facility in Wallops Island, Virginia: LC-2, which is operational, and LC-3, which is currently under construction.
- **A complete end-to-end space solution:** Providing services and data from space has traditionally meant relying on multiple suppliers and mission partners. By providing launch services, spacecraft design and manufacturing services, including the vertically integrated supply of key spacecraft components, and on-orbit constellation management services, Rocket Lab provides strategic access to space.

Customers

Launch Services. As of December 31, 2024, we have launched and deployed over 200 spacecraft for our customers, which includes government customers, such as the DoD, NASA and other U.S. government agencies. We also provide launch services to major domestic and international commercial and government spacecraft operators. Our launch services have been used by more than 20 organizations.

Space Systems. As of December 31, 2024, we have flight hardware and spacecraft that have flown on over 1,800 missions, including legacy missions enabled by Sinclair Interplanetary (acquired April 2020), Advanced Solutions, Incorporated (acquired October 2021), Planetary Systems Corp (acquired November 2021) and SolAero Technologies Corp. (acquired January 2022). Our space systems have been used by a diverse mix of commercial, aerospace prime contractors and government customers.

Our Growth Strategy

- Leverage our market position as the U.S.’ first commercially operational, dedicated small, orbital launch provider with NASA Category 1 certification, 54 successful launches and over 200 spacecraft deployed as of December 31, 2024 to win increasing numbers of launch services contracts, be entrusted with higher value payloads, and drive an increasing average selling price of our launch services.
- Continue to expand into new launch service verticals, such as Hypersonic Accelerator Suborbital Test Electron (“HASTE”).
- Expand our addressable launch market with the development of the medium-lift Neutron launch vehicle, where the additional lift capacity will enable significantly higher revenue per launch.
- Apply manufacturing scaling and cost-reduction strategies to the production of our launch vehicles, spacecraft components and subsystems, and satellites to capture large constellation opportunities and increasing market share.
- Expand our portfolio of spacecraft components by commercializing solutions developed for our launch vehicles and various spacecraft product lines, including avionics subsystems, radios and batteries.
- Leverage our proven spacecraft product lines to provide streamlined hosted payload and technology demonstration capabilities in low Earth orbit to commercial and government customers without the need for customers to procure separately designed and built third-party spacecraft buses.
- Build upon ongoing interplanetary spacecraft development efforts, as well as our announced Neutron launch vehicle development, to expand our addressable market for interplanetary scientific and commercial missions.
- Leverage our cost and frequency advantaged “access to space,” enabled by our established launch assets and proven capabilities, to further penetrate the available market for on-orbit constellation management and ultimately address the space applications market, representing the largest addressable market in the space economy.

Product & Services Overview

We design and manufacture small and medium-class rockets, spacecraft, spacecraft components, and flight and ground software to support the space economy. Our launch services are used to place spacecraft into Earth orbit, and escape trajectories. Our space systems are the building blocks for spacecraft, which includes composite structures, reaction wheels, star trackers, solar power solutions, radios, separation systems, and command and control spacecraft software. Our family of spacecraft product lines is configurable for a range of low Earth orbit, medium Earth orbit, geosynchronous orbit and interplanetary missions.

- **Launch Services:** We currently provide reliable and responsive launch services into low earth orbit on Electron for spacecraft up to 300 kg. We are also currently developing Neutron, a medium-lift launch vehicle, which we expect will provide efficient constellation launch services for payloads up to 15,000 kg for expendable launches to low Earth orbit and for lighter payloads into higher orbits. Our facilities can support up to 120 launch opportunities every year from LC-1, which is our private launch complex in Mahia, New Zealand, and up to 9 launch opportunities every year from LC-2 at NASA’s Wallops Flight Facility, at Wallops Island, Virginia.
- **Space Systems:** We provide spacecraft solutions for government and commercial customers ranging from selling individual spacecraft components for use by customers in constructing their own spacecraft to complete spacecraft design, manufacture and on-orbit operations. With our end-to-end space systems, customers can procure launch services, spacecraft, ground services and on-orbit management from one source, significantly streamlining their access to space.

Launch Services

We design, manufacture and launch orbital and suborbital rockets to deploy payloads across a range of government and commercial missions from low Earth orbit to interplanetary destinations.

Electron is our orbital small launch vehicle that was designed to accommodate a high launch cadence business model to meet the growing and dynamic needs of our customers for small spacecraft launch services. Combining the use of innovative manufacturing technologies, including 3D printing and automation, Electron is optimized for rapid and frequent launch and has established itself as one of the most prolific and reliable orbital launch vehicles in the market. Since its maiden launch in 2017, Electron has become the leading small spacecraft launch vehicle, delivering over 200 spacecraft to orbit for government and commercial customers across 54 successful orbital missions through December 31, 2024. In 2024, Electron was the second most frequently launched orbital rocket by companies operating in the United States and established Rocket Lab as the second most frequent orbital launcher globally. Our launch services program has seen us develop many industry-leading innovations, including 3D printed electric turbo-pump rocket engines, fully carbon composite fuel tanks, a private orbital launch complex, a kick stage that can be configured to convert into a highly capable spacecraft on orbit, and the potential ability to successfully recover a stage from space, providing a path to reusability.

Electron provides tailored access to orbit for the high-growth small spacecraft market across dedicated and rideshare missions. It is capable of deploying spacecraft of up to 300 kg to low Earth orbit across a wide range of orbital inclinations from 38 to 120 degrees from our operational LC-1 in Mahia New Zealand and a wide range of orbital inclinations from 38 to 60 degrees from our operational LC-2 in Wallops Island, Virginia. Electron is also capable of delivering spacecraft to deep space and interplanetary destinations, a capability which we successfully demonstrated with the launch of a NASA mission to the Moon in support of the agency's Artemis program, Cislunar Autonomous Positioning System Technology Operations and Navigation Experiment ("CAPSTONE"). Electron has two primary stages and an innovative third kick stage, standing at 18 meters tall, with a diameter of 1.2 meters and a lift-off mass of approximately 14,000 kg. Electron's design includes innovative use of avionics, electrical systems, and advanced carbon-composites for its structures and propellant tanks. Carbon-composite construction decreases mass by as much as 40 percent relative to other materials, contributing to Electron's mass-to-orbit performance. Our in-house assembly of Electron's composite tanks and structures improves cost efficiency and supports high rates of production. Electron's kick stage enables the spacecraft to be placed in circular orbits, which is necessary for a spacecraft to maintain consistent altitude and is capable of engine restarts to deliver multiple payloads to a range of orbits, meeting precise orbit insertion requirements and deorbiting to avoid contributing to orbital debris.

Electron is propelled by a total of ten Rutherford engines that we manufacture at our headquarters in Long Beach, California. The Rutherford engine is a 5,600-lbf engine fueled by liquid oxygen and kerosene fed by electric turbo-pumps and is based on a propulsion cycle that makes use of electric motors and high-performance lithium polymer batteries to drive fuel pumps. Electric turbo-pumps are lower complexity than the turbomachinery typically required for gas generator cycles, yet still achieve high efficiency. We believe our Rutherford engine is the first oxygen/hydrocarbon engine to use additive manufacturing for all primary components, including the regeneratively cooled thrust chamber, injector pumps and main valves.

Electron is currently launched from our private launch complex in Mahia, New Zealand and our launch complex at NASA's Wallops Flight Facility, at Wallops Island, Virginia. As of December 31, 2024, Electron had successfully launched 54 times and deployed over 200 spacecraft to orbit.

In March 2021, we announced plans to develop our reusable-ready medium-capacity Neutron launch vehicle that will increase the payload capacity of our space launch vehicles to approximately 15,000 kg for expendable launches to low Earth orbit and lighter payloads for reusable configurations and into higher orbits. Neutron will be tailored for commercial and U.S. government constellation launches and ultimately configurable for and capable of human space flight, enabling us to provide crew and cargo resupply to space stations. Neutron will also provide a dedicated service to orbit for larger civil, defense and commercial payloads that need a high level of schedule control and high-flight cadence. We expect to be able to leverage Electron's flight heritage across various vehicle subsystems designs, launch complexes and ground station infrastructure.

The medium-lift Neutron will be a two-stage launch vehicle that stands 43 meters tall with a 5.5-meter diameter fairings. Neutron will feature a reusable first stage designed to return to launch site as well as land on an ocean platform, enabling flexibility of use, higher launch cadence, and decreased launch costs for customers. Neutron launches are planned to take place from Virginia's Mid-Atlantic Regional Spaceport located at the NASA Wallops Flight Facility.

Space Systems

We provide components and services to the space economy, including spacecraft components, design services, and spacecraft-as-a-service from low Earth orbit to deep space and interplanetary missions. We entered this market with our acquisition of leading spacecraft components manufacturer Sinclair Interplanetary and have since expanded our market participation with the acquisitions of Planetary Systems Corporation, SolAero Technologies Corp. and Advanced Solutions, Incorporated. Our space systems initiatives are supported by the design and manufacture of our family of spacecraft product lines, along with a range of merchant market components, software and services for spacecraft, including composite structures, reaction wheels, star trackers, radios, separation systems, solar power solutions, command and control software, high voltage space-grade batteries, and additional products in development. Each of these strategic acquisitions brought incremental vertically-integrated capabilities for our own family of spacecraft and also enabled Rocket Lab to deliver high-volume manufacturing of critical spacecraft components and software solutions at scale prices to the broader merchant market.

The family of spacecraft is configurable for a range of low Earth orbit, medium Earth orbit, geosynchronous orbit, and interplanetary missions. Our versatile platforms can be configured to meet a broad range of customers' requirements. Photon can be configured to operate as the upper stage of Electron (the kick stage) during launch, then with a simple command, transition into an operational spacecraft on orbit, eliminating the parasitic mass of deployed spacecraft and enabling full use of the fairing volume for payloads. Photon can also fly on other launch vehicles, such as our in-development Neutron launch vehicle, third-party launchers, and as a secondary payload on rockets developed under the National Security Space Launch program of the U.S. Space Force. Our family of spacecraft enable us to offer an end-to-end mission solution encompassing launch, full spacecraft manufacturing, ground services and mission operations to provide customers with streamlined access to orbit with Rocket Lab as a single mission partner.

Our family of spacecraft can also be used to conduct space-related scientific research, collect imagery and other remote-sensing data about the Earth, carry out lunar and other deep space planetary missions, and to demonstrate new space technologies. Our spacecraft can also be used in combination with Electron to deploy in different orbital locations and complete constellations in a single mission. Our spacecraft are intended for commercial, defense and civil government customers, including the DoD, NASA, other U.S. government agencies, and governments worldwide. Our first Photon spacecraft was successfully launched and placed into service in August 2020 and a second operational Photon was successfully launched in March 2021. Photon was selected by NASA in 2021 for the CAPSTONE mission, a pathfinder for the lunar Gateway initiative of the Artemis program, which involves a mini-space station NASA intends to use as a staging point for crewed lunar landings. CAPSTONE was deployed on its ballistic lunar transfer trajectory to the Moon in July 2022 and in November 2022 was inserted into it near rectilinear halo orbit as planned. Our spacecraft have also been selected for interplanetary missions to Mars and Venus.

Rocket Lab's space systems business also designs and manufactures a range of spacecraft components, including composite structures, reaction wheels, star trackers, radios, separation systems, solar power solutions, command and control software, high voltage space-grade batteries, and other products in development to serve a wide variety of missions.

Solar power solutions include a suite of vertically-integrated space solar cell, Coverglass Interconnected Cells ("CICs") and panel products, each specifically designed for missions to low Earth orbit, medium Earth orbit, geosynchronous orbit or interplanetary applications. Rocket Lab's space solar cells, CICs and panels are among the highest performing in the world and support civil space exploration, science, defense and intelligence, and commercial markets.

Reaction wheels are motor-driven flywheels used to store angular momentum on spacecraft. Many spacecraft use three or four reaction wheels to provide agile, 3-axis pointing control. Some configurations use a single wheel, called a "momentum wheel," for stable Earth-pointing control. All Rocket Lab reaction wheels incorporate an onboard digital processor with speed and torque control loops. Wheels are sized by their maximum angular momentum measured in Newton-meters ("Nm"). We make a large number of different wheel sizes, ranging from 3 mNms to 12 Nms. Bigger spacecraft require bigger and more costly wheels, with determination of the correct size of wheel for a particular spacecraft requiring detailed engineering analysis.

Star trackers are optical sensors that determine a spacecraft's pointing direction and rotation rate by looking at the stars. Our star trackers are fully integrated units, incorporating the lens, detector, processor, and all of the power supply and support circuits. A catalog of more than two million possible star triangles is loaded into the device before launch, allowing the processor to determine the spacecraft's pointing from any single image.

Power systems include both the high-capacity, high-voltage batteries used to power the electric turbo-pumps in the Rutherford rocket engine used by Electron and other batteries used for small spacecraft.

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Separation systems, including motorized lightband and canisterized spacecraft dispensers (“CSD”), are used to separate spacecraft from launch vehicles in orbit. The motorized lightband is a ringed system with sizes from 8-inches in diameter up to 39-inches in diameter. Lightbands deploy spacecraft via motors and a mechanical linkage. The CSD is a reliable and cost-effective housing for small spacecraft that protect spacecraft during launch and deploys them in space. Fully encapsulated, the CSD minimizes damage risk and eliminates the necessity for heavy or complicated interface structures between the spacecraft and launch vehicle platform.

Flight and Ground Software Services enable customer’s mission, providing total spacecraft command, guidance, navigation, control, ground station interface, and ground data system solutions.

Spacecraft Engineering and Design Services and On-Orbit Constellation Management Services

Our space systems engineering team works with customers to develop, design and manufacture full spacecraft solutions from low Earth orbit to interplanetary spacecraft. We also offer constellation management services where we perform command and control operations and leverage our ground station infrastructure and partnerships to deliver data to spacecraft constellation operators.

Sales, Business Development and Mission Management

We sell our launch services and space systems through a unified global business development team that cross-sells launch and space systems and leverages shared technical, proposal writing, mission project management and administrative resources. This team is based primarily in the United States and focuses on government customers, such as the DoD, NASA, and other U.S. government agencies, as well as major domestic and international commercial spacecraft operators and spacecraft manufacturers. The business development team works closely with our engineering teams to develop optimal solutions for our customers. Given the well-defined and consolidated nature of our customer base, we are able to adequately address our market with a lean and focused team.

Many of our business development team members have previously worked for government agencies and large institutional space and technology companies. They have in-depth knowledge and understanding of the industry and can draw on a vast network of contacts to support business development. With 54 successful orbital missions and over 200 spacecraft deployed through December 31, 2024, and a growing number of Rocket Lab spacecraft components operating on orbit, our team has a high-level of insight into customer requirements and evolving industry trends, putting us in a strong position to ensure our products and services meet customer needs.

Marketing

We utilize strategic marketing to accelerate sales opportunities and build brand awareness. Rocket Lab has established a strong brand through various activities, including:

- conferences and industry events at which we participate, sponsor, exhibit and speak;
- press releases and media engagement;
- social media postings;
- merchandising;
- cooperative marketing efforts with customers; and
- communicating our differentiated selling points and product features through marketing collateral such as our website, payload user guides, product data sheets, presentations, and high-quality launch webcasts and videos.

To date, conferences and industry events and direct outreach have been the primary drivers of our sales leads and have helped us achieve sales with relatively low marketing costs.

Engineering

We have made significant investments in our engineering teams. Our team members have a broad range of expertise from a range of industries including: aerospace, automotive, and marine, and broader manufacturing and technology. Rocket Lab's high level of vertical integration means that these engineering teams design and provide manufacturing support for components, sub-systems, and assemblies across the full range of our launch vehicles, and spacecraft family. They support the full product lifecycle from new product innovation to sustaining engineering, including payload lift capacity increases and other performance improvements, to new product features such as booster reusability and cost reduction initiatives.

Our engineering teams across New Zealand, the United States, and Canada address all key areas of launch vehicle build, payload integration, launch operations, ground segment communications, on-orbit spacecraft operations management, and spacecraft component design and manufacturing. Key areas of technical focus include composite structures, additive manufacturing, machining, avionics and power systems, propulsion assembly and test, spacecraft system design assembly and test, solar cell foundry through panel design and manufacturing, printed circuit-board design, optics integration, guidance and navigation, attitude direction and command and control, amongst other engineering focus areas.

These teams are supported by centralized planning and program management functions that guide significant projects across Rocket Lab for consistency and visibility. We leverage sophisticated product lifecycle management software tools, computer-aided design systems and business processes to drive efficiency and better manage the entire product lifecycle, including designing, sourcing and building the products that enable our launch services and end-product deliveries.

Supply Chain

We are highly vertically integrated, in that we design and manufacture many components and subsystems for our launch vehicles and family of spacecraft. In addition, we sell many spacecraft components into the merchant market. To support this level of vertical integration we have developed extensive supply chain operations and capabilities that are global in nature and enabled by sophisticated third-party enterprise resource planning systems and tools. These systems and tools are largely supported by an in-house team of enterprise information systems personnel.

We obtain raw materials, components, sub-systems and capital equipment, and other supplies from suppliers that we believe to be reputable and reliable. We have established and follow internal quality control processes to source suppliers, considering engineering validation, quality, cost, delivery and lead-time. We have a quality management team that is responsible for managing and ensuring that supplied components meet quality standards. While we largely source raw materials and other inputs and services from multiple sources, in some cases we also purchase various inputs and services from a sole source. Although we endeavor to diversify our supply chain, in those sole source supplier situations we manage this sole source risk through carrying increased buffer stock, particularly on long-lead items.

Manufacturing, Assembly and Launch Operations

Rocket Lab conducts global operations in support of its research and development, manufacturing, assembly and launch functions. We have our rocket propulsion and avionics manufacturing facilities in Long Beach, California, composite manufacturing, high-voltage battery systems, launch vehicle integration and propulsion testing in Auckland, New Zealand, space solar cell through panel production in Albuquerque, New Mexico and launch complexes in Mahia, New Zealand and Wallops Island, Virginia. We strive to instill a manufacturing culture of continuous improvement and leverage best practices in quality control and worker safety across our facilities and have achieved Category-1 certification by the NASA Launch Services Program. We possess differentiated in-house rapid prototyping capabilities to support both research and development initiatives and to accelerate time-to-market benefits for critical production ramps. These capabilities include computer numerically controlled machining stations, balancing machines and 3D printers and related expertise.

Long Beach Corporate Headquarters and Manufacturing Facility and Engine Development Center

From our Long Beach, California facilities, which consists of three buildings, in addition to manufacturing, we manage corporate administrative functions, sales and business development, launch services mission management, and conduct a range of research and development activities. Our lease for our corporate headquarters location expires on June 30, 2027, and we have the option to extend the term of the lease for up to two additional periods of five years each thereafter. The Engine Development Center lease expires on June 30, 2025 and has an option to extend the term for five years.

Our Rutherford engine and avionics production activities are conducted out of our Long Beach facilities, as is the case for Neutron's Archimedes engine and avionics design and production activities. We designed our manufacturing technology and processes to operate and scale efficiently as we grow and expand our business. Our proprietary manufacturing processes, which include specialized automated equipment, is comprised of three primary steps; (i) additive manufacturing, (ii) machining and (iii) assembly of complete engines and avionics subsystems. Our Long Beach facilities are also home to spacecraft satellite design and production activities, in addition to a Mission Operations Center from which our team conducts on-orbit operation of our family of spacecraft.

Auckland, New Zealand R&D and Production Complexes

From this location we conduct research and development and design and manufacturing of launch vehicles, conduct remote launch activities, and design and manufacture a range of components and subsystems for our spacecraft family and broader merchant market spacecraft components. We conduct these operations at four adjacent leased buildings comprising an approximately 200,000 square foot research and development and production complex in Auckland, New Zealand (the "Auckland complex"). Manufacturing related activities at the Auckland complex include the manufacture, assembly, and testing of high-voltage battery systems that power the Rutherford engines for Electron, the manufacturing and assembly of composite tanks, fairings, and other launch vehicle structures, electrical harnesses, complete kick stages, and final vehicle integration. Research and development activities include those related to launch vehicles, launch operations and a broad range of space systems initiatives. Our primary lease for this complex expires on April 30, 2028.

Auckland, New Zealand Propulsion Test Site

We currently operate a propulsion test complex approximately 45 km outside of Auckland where we test our rocket engines and related subsystems. Our propulsion test complex features multiple custom-built vertical test stands for liquid propulsion, composite tank, component and static stage fires. Operating our own private test complex means we avoid the delays and schedule conflicts that are common at shared test facilities. We lease the property where our test site is located. The current term of the lease for our test complex expires on November 15, 2029, but we have the right to renew this lease agreement for several additional terms of approximately five years each, which would allow us to continue to use this test complex through at least 2054.

Mahia, New Zealand Launch Complex 1

We operate a private orbital launch complex, our Launch Complex 1, in Mahia, New Zealand. We lease the property where Launch Complex 1 is located. The current term of this lease expires on November 30, 2027, but we have the right to renew our lease agreement for three additional terms of three years each, which would allow us to continuing using this launch complex through at least 2036.

This launch complex is capable of supporting up to 120 launches per year. Rocket Lab operates two active launch pads at LC-1: Pad A and Pad B. The operation of two launch pads within the launch complex eliminates the time required between launches for a full pad recycle, enabling responsive launch opportunities for our customers. The site features a vehicle processing facility that can house two Electron launch vehicles at any one time to support parallel launch campaigns. LC-1 is home to two identical, state-of-the-art payload processing facilities that include ISO 8 cleanrooms, dedicated electrical control rooms and comfortable customer lounge-style offices.

Wallops Island, Virginia Launch Complex 2

Rocket Lab has access to a dedicated launch pad located at the Mid-Atlantic Regional Spaceport within the NASA Wallops Flight Facility in Wallops Island, Virginia as a second launch complex, which we call LC-2. Our current agreement provides us with rights to access the facilities, launch property and services at this launch complex expires on September 28, 2028.

LC-2 represents a new responsive launch capability within the United States. The complex was designed to support both commercial and U.S. government launch services and is licensed to support 9 missions per year. The site can support launches to inclinations between 38 and 60 degrees. In addition to the dedicated launch pad for Electron, Rocket Lab also operates an Integration and Control Facility within the Wallops Research Park. This facility is dedicated to secure vehicle and payload processing facilities. The facility can process several Electron launch vehicles and customer spacecraft concurrently, enabling rapid and responsive launch opportunities and parallel launch campaigns. We have built out all of the physical infrastructure that we need in order to use this launch complex and on January 24, 2023, we successfully launched our first Electron from NASA Wallops Flight Facility.

Wallops Island, Virginia Launch Complex 3

Rocket Lab has access to a dedicated launch pad located at the Mid-Atlantic Regional Spaceport within the NASA Wallops Flight Facility in Wallops Island, Virginia as a third launch complex, which we call LC-3. Our current agreement provides us with rights to access the facilities, launch property and services at this launch complex expires on February 15, 2034.

LC-3 will represent a new responsive launch capability within the United States. The complex is designed to support both commercial and U.S. government launch services and is licensed to support 2 missions per year, with the potential for an increased number of missions pending ongoing assessments. In addition to the dedicated launch pad for Neutron, Rocket Lab will have access to the Mid-Atlantic Regional Spaceport Payload Processing Facility (PPF). This facility is dedicated to secure vehicle and payload processing facilities. We are currently building out all of the physical infrastructure that we need in order to use this launch complex.

Albuquerque, New Mexico Solar Cell Production Facility

Our solar cell through panel production activities are conducted out of our Albuquerque, New Mexico facility. From this location we research, develop, design and manufacture solar power solutions in an approximately 160,000 square foot production and research and development complex. We have a ground lease for one building that expires on September 18, 2050 and a lease on the second building that expires on May 31, 2042.

Competition

We believe our main sources of competition fall into 4 categories:

- companies providing dedicated and rideshare launch vehicles to deliver payloads to generic and custom planes/inclinations and altitude trajectories, such as Northrop Grumman, SpaceX, United Launch Alliance (a joint venture between Lockheed Martin Corporation and The Boeing Company), Firefly, Blue Origin, established Russian, Indian, Chinese, European and Japanese launch providers;
- companies that are reported to have plans to provide launch vehicles that can deliver payloads to a range of planes/inclinations and altitude trajectories;
- companies providing spacecraft solutions, such as Airbus, Lockheed, Boeing, General Atomics, General Dynamics, Maxar Technology, Northrop Grumman, Raytheon Technologies, Thales Alenia Space, Astro Digital and York Space Systems; and
- companies providing spacecraft components in the commercial marketplace, such as Ball Aerospace, Raytheon, Collins Aerospace, Bradford Space, Honeywell Aerospace, GOMSpace, Redwire and Beyond Gravity.

The principal competitive factors in our market include:

- flight heritage and reliability;
- delivery schedule;
- ability to customize products to meet specific needs of the customer;
- performance and technical features;
- price; and
- customer experience.

We believe that we compete favorably across these factors.

Intellectual Property

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

As of December 31, 2024, we held more than 200 issued U.S. patents and more than 90 issued foreign patents. Our U.S. issued patents expire between 2025 and 2042. As of December 31, 2024, we held more than 12 registered trademarks in the United States, including the Rocket Lab mark, and also held approximately 20 registered trademarks in foreign jurisdictions. We continually review our development efforts to assess the existence and patentability of new intellectual property. We intend to continue to file additional patent applications with respect to our technology.

Human Capital

As of December 31, 2024, we had over 2,100 full-time permanent employees worldwide, representing more than 25% increase in headcount from December 31, 2023. We believe that our strong culture of collaboration and innovation, combined with our close connection to employees, are key drivers of our market differentiation and business success. Additionally, our employees are not subject to collective bargaining agreements.

Culture

At Rocket Lab, we pride ourselves on fostering a culture of innovation, grit, and collaboration where we celebrate our collective achievements. This dynamic spirit is showcased annually during our Rocket Challenge and employee awards ceremony.

During the Rocket Challenge, teams come together globally across our sites and disciplines, putting aside their regular tasks to design and launch the most impressive small rockets. This event highlights quick thinking, innovative craftsmanship, and strong team camaraderie. The day concludes with a special awards ceremony where we honor and celebrate the winners of our annual staff awards recognizing their exceptional contributions.

This spirit of competition is particularly strong among employees with the technical skills and experience essential to our business. We believe that fostering this culture of collaboration, competition, and celebration significantly enhances our ability to attract, retain, and engage our team. It keeps our employees motivated and deeply involved in the meaningful work that furthers our mission.

Safety

Rocket Lab has robust health and safety policies, systems, and processes across the business to enable a safe working environment. Supported by the executive leadership team, Rocket Lab employees are empowered to make decisions and take steps to identify and correct hazards to ensure they maintain a safe and healthy workplace for themselves, colleagues and our business.

Operational Excellence

At Rocket Lab, we prioritize operational excellence and efficiency as key drivers for our success. By leveraging the experiences, knowledge, and cultures of our team members, we generate innovative solutions and maintain high performance levels across all areas of our organization.

We emphasize the importance of teamwork and valuing each individual's contributions towards streamlined operations. We are dedicated to fostering an environment where all team members feel respected and can perform at their best, aligned with our goals to optimize team functionality and productivity.

Talent

Our Rocket Lab team members are incredibly talented, and we are dedicated first and foremost to fostering and growing talent from within. Rocket Lab offers leadership training opportunities across the company, including internal and external resources and courses tailored specifically to developing our leadership pipeline.

We also offer an internship program with a focus on skill enhancement and practical experience that prepares a new generation of talent to join Rocket Lab. We partner closely with schools and universities both locally and nationally including hosting hiring events and info sessions to grow our internship cohort and broader employee population. Additionally, we have supported individuals impacted by local aerospace layoffs by hosting and attending hiring events dedicated to finding them employment.

Governmental Regulation

Compliance with various governmental regulations has an impact on our business, including our capital expenditures, revenue, earnings and competitive position, which can be material. We incur or will incur costs to monitor and take actions to comply with governmental regulations that are or will be applicable to our business, which include, among others, federal securities laws and regulations, applicable stock exchange requirements, export and import control, economic sanctions and trade embargo laws and restrictions and regulations of the U.S. Department of Transportation, Federal Aviation Administration (“FAA”), the New Zealand Space Agency and other government agencies in the United States, Canada, and New Zealand. See “Risk Factors–Risks Relating to Our Business” for a discussion of material risks to us, including, to the extent material, to our competitive position, relating to governmental regulations, and see “Management’s Discussion and Analysis of Financial Condition and Results of Operation” together with our consolidated financial statements, including the related notes included therein, for a discussion of material information relevant to an assessment of our financial condition and results of operations, including, to the extent material, the effects that compliance with governmental regulations may have upon our capital expenditures and earnings.

Corporate Information

Our corporate headquarters are located at 3881 McGowen Street, Long Beach, California 90808, and our telephone number is (714) 465-5737. Our website is located at www.rocketlabusa.com. Our Annual Report on Form 10-K, Quarterly Reports on Form 10-Q, Current Reports on Form 8-K, including exhibits, and amendments to reports filed pursuant to Sections 13(a) and 15(d) of the Securities Exchange Act of 1934, as amended (the “Exchange Act”) will be made available free of charge on our website as soon as reasonably practicable after we electronically file these materials with, or furnish it to, the SEC on their website located at www.sec.gov. The contents of our website are not incorporated into this Annual Report on Form 10-K, and our reference to the URL for our website is intended to be an inactive textual reference only. The information contained on, or that can be accessed through, our website is not a part of this Annual Report on Form 10-K.

Corporate History and Background

Our predecessor entity, Rocket Lab USA, Inc., completed a merger with Vector Acquisition Corporation (“Vector”) on August 25, 2021 (the “Business Combination”), in conjunction with which Vector changed its name to Rocket Lab USA, Inc.

Risk Factors Summary

You should carefully read the risks described below, this Annual Report on Form 10-K and especially consider the factors discussed in the section entitled “Risk Factors.” If any of the following events occur, our business, financial condition and operating results may be materially adversely affected. In that event, the trading price of our securities could decline, and you could lose all or part of your investment. Such risks include, but are not limited to:

- We have experienced rapid growth in recent periods and those growth rates may not be indicative of our future growth. If we fail to manage our growth effectively, we may be unable to execute our business plan and our business, results of operations, and financial condition could be harmed.
- We have a limited operating history in an evolving industry, which makes it difficult to forecast our revenue, plan our expenses and evaluate our business and future prospects.
- We have a history of losses, we anticipate increasing operating expenses and capital expenditures in the future, and we may not be able to achieve and, if ever achieved, maintain profitability.
- Our future revenue and operating results are dependent on our ability to generate a sustainable order rate for our products and services and develop new technologies to meet the needs of our customers or potential new customers.
- Our business with various governmental entities is subject to the policies, priorities, regulations, mandates and funding levels of such governmental entities and may be negatively or positively impacted by any change thereto.
- We derive a substantial amount of our revenues from only a few of our customers. A loss of, or default by, one or more of these major customers, or a material adverse change in any such customer’s business or financial condition, could materially reduce our future revenues and contracted backlog.
- Disruptions in U.S. government operations and funding could have a material adverse effect on our revenues, earnings and cash flows, and otherwise adversely affect our financial condition.
- We may not be successful in developing new technology, including our Neutron launch vehicle, and the technology we are successful in developing may not meet the needs of our customers or potential new customers.
- We operate in highly competitive industries and in various jurisdictions across the world which may cause us to have to reduce our prices.
- Acquisitions or divestitures could result in adverse impacts on our operations.
- Uncertain global macro-economic and political conditions could materially adversely affect our results of operations and financial condition.
- We often rely on a single vendor or a limited number of vendors to provide certain key products or services and the inability of these key vendors to meet our needs could have a material adverse effect on our business.
- Launch vehicles are subject to manufacturing delays, damage or destruction during pre-launch operations, and launch failures, the occurrence of which can materially and adversely affect our operations.
- Spacecraft are subject to manufacturing and launch delays, damage or destruction during pre-launch operations, launch failures and incorrect orbital placement, the occurrence of which can materially and adversely affect our operations.
- If our launch vehicles and spacecraft fail to operate as intended, it could have a material adverse effect on our business, financial condition and results of operations.
- Our revenue, results of operations and reputation may be negatively impacted if our products contain defects or fail to operate in the expected manner.
- Any inability to operate Electron at our anticipated launch rate could adversely impact our business, financial condition and results of operations.
- Disruptions in the supply of key raw materials or components and difficulties in the supplier qualification process, as well as increases in prices of raw materials, could adversely impact us.
- The expansion of our operations subjects us to additional risks that can adversely affect our operating results.

- Space is a harsh and unpredictable environment where our products and service offerings are exposed to a wide and unique range of environmental risks, including, among others, coronal mass ejections, solar flares and other extreme space weather events and potential collision with space debris or another spacecraft, which could adversely affect our launch vehicle and spacecraft performance.
- Increased congestion from the proliferation of low Earth orbit constellations could materially increase the risks of potential collision with space debris or another spacecraft and limit or impair our launch flexibility and/or access to our own orbital slots.
- Our business involves significant risks and uncertainties that may not be covered by insurance.
- Interruption or failure of our infrastructure could hurt our ability to effectively perform our daily operations and provide and produce our products and services, which could damage our reputation and harm our operating results.
- Any significant disruption in or unauthorized access to our computer systems or those of third parties that we utilize in our operations, including those relating to cybersecurity or arising from cyber-attacks, could result in a loss or degradation of service, unauthorized disclosure of data, or theft or tampering of intellectual property, any of which could materially adversely impact our business.
- If we cannot successfully protect our intellectual property, our business could suffer.
- Third parties may allege that our technology violates their proprietary data rights, which could have a negative impact on our operations.
- We are highly dependent on the services of Peter Beck, our President, Chief Executive Officer and Chairman, and if we are unable to retain Mr. Beck, our ability to compete could be harmed.
- Our inability to hire or retain key personnel could adversely affect our business, operating results and financial condition.
- Labor-related matters, including labor disputes, may adversely affect our operations.
- Given the relative contribution and materiality of our New Zealand operations, fluctuations in foreign exchange rates or future hedging activities could have a negative impact on our business.
- We may require additional capital to support business growth, and this capital might not be available on company favorable terms, if at all, or may be available only by diluting existing stockholders or putting excessive debt leverage and insolvency risk on the business.
- We are obligated in our existing equipment financing agreement to comply with covenants that restrict our operating activities, and we may become obligated in future credit facilities or other debt agreements to comply with financial and other covenants that could further restrict our operating activities. A failure to comply could result in a default which could, if not waived by the lenders, result in increased cost, inability to make future draws on credit facilities to the extent then available, acceleration of the payment of any outstanding amounts and potentially foreclosure on our assets securing our obligations.
- Our indebtedness and liabilities could limit the cash flow available for our operations, expose us to risks that could adversely affect our business, financial condition and results of operations and impair our ability to satisfy our obligations under our debt instruments when they come due.
- We may be unable to raise the funds necessary to repurchase our convertible senior notes for cash following a fundamental change, or to pay any cash amounts due upon conversion, and our other then-existing indebtedness may limit our ability to repurchase the notes or pay cash upon their conversion.
- The capped call transactions may affect the value of our convertible senior notes and our common stock.
- We are subject to counterparty risk with respect to the capped call transactions, and the capped call may not operate as planned.

Item 1A. Risk Factors

Investing in our securities involves risks. You should consider carefully the risks and uncertainties described below, together with all of the other information in Annual Report on Form 10-K, including the section titled “Management’s Discussion and Analysis of Financial Condition and Results of Operations” and our consolidated financial statements and related notes, before deciding whether to purchase any of our securities. Our business, results of operations, financial condition, and prospects could also be harmed by risks and uncertainties that are not presently known to us or that we currently believe are not material. If any of these risks actually occur, our business, results of operations, financial condition, and prospects could be materially and adversely affected. Unless otherwise indicated, references in these risk factors to our business being harmed will include harm to our business, reputation, brand, financial condition, results of operations, and prospects. In such event, the market price of our securities could decline, and you could lose all or part of your investment.

Risks Relating to Our Business

We have experienced rapid growth in recent periods and those growth rates may not be indicative of our future growth. If we fail to manage our growth effectively, we may be unable to execute our business plan and our business, results of operations, and financial condition could be harmed.

We have experienced, and may continue to experience, rapid growth, which has placed, and may continue to place, significant demands on our management and our operational and financial resources. Additionally, our organizational structure is becoming more complex as we scale our operational, financial and management controls, as well as our reporting systems and procedures. For example, our headcount has grown from approximately 1,400 employees as of December 2022 to over 2,100 employees as of December 31, 2024, and we have expanded across all areas of our business.

To manage growth in our operations, we will need to continue to grow and improve our operational, financial and management controls and our reporting systems and procedures. Our expansion has placed, and our expected future growth will continue to place, a significant strain on our management, sales and marketing, administrative, financial, research and development, and other resources. If we fail to manage our anticipated growth, such failure could negatively affect our reputation and harm our ability to attract new customers and to grow our business.

Our revenue was \$436.2 million, \$244.6 million and \$211.0 million for the years ended December 31, 2024, 2023 and 2022, respectively. In future periods, we may not be able to generate or sustain revenue growth. We believe our success and revenue growth depends on a number of factors, including, but not limited to, our ability to:

- scale our revenue and achieve the operating efficiencies necessary to achieve and maintain profitability;
- anticipate and respond to changing customer preferences;
- anticipate and respond to macroeconomic changes generally, including changes in the markets for rocket launch services, mission services, spacecraft and spacecraft components;
- improve and expand our operations and information systems;
- develop new technology that is responsive to and predictive of market conditions and demand;
- successfully compete against established companies and new market entrants;
- manage and improve our business processes in response to changing business needs;
- effectively scale our operations while maintaining high customer satisfaction;
- hire and retain talented employees at all levels of our business;
- integrate recent acquisitions, including personnel, systems and business processes;
- avoid or manage interruptions in our business from information technology downtime, cybersecurity breaches and other factors affecting our physical and digital infrastructure;
- adapt to changing conditions in our industry; and
- comply with regulations applicable to our business.

If we are unable to accomplish any of these tasks, our revenue growth will be harmed. We also expect our operating expenses to increase in future periods, and if our revenue growth does not increase to offset these anticipated increases in our operating expenses, our business, results of operations, and financial condition will be harmed, and we may not be able to achieve or maintain profitability.

We have a limited operating history in an evolving industry, which makes it difficult to forecast our revenue, plan our expenses and evaluate our business and future prospects.

We have a limited operating history in a rapidly evolving industry that may not develop in a manner favorable to our business. While our business has grown rapidly, and much of that growth has occurred in recent periods, the markets for launch services, space systems, spacecraft components and space data applications may not continue to develop in a manner that we expect or that otherwise would be favorable to our business. As a result of our limited operating history and ongoing changes in our new and evolving industry, including evolving demand for our products and services, our ability to forecast our future results of operations and plan for and model future growth is limited and subject to a number of uncertainties. We have encountered and expect to continue to encounter risks and uncertainties frequently experienced by growing companies in rapidly evolving industries, such as the risks and uncertainties described herein. Accordingly, we may be unable to prepare accurate internal financial forecasts or replace anticipated revenue that we do not receive as a result of delays arising from these factors, and our results of operations in future reporting periods may be below the expectations of investors or analysts. If we do not address these risks successfully, our results of operations could differ materially from our estimates and forecasts or the expectations of investors or analysts, causing our business to suffer and our common stock price to decline.

We have a history of losses, we anticipate increasing operating expenses and capital expenditures in the future, and we may not be able to achieve and, if ever achieved, maintain profitability.

We experienced net losses of \$190.2 million, \$182.6 million and \$135.9 million for the years ended December 31, 2024, 2023 and 2022, respectively. We expect to continue to incur net losses for at least the next 12 months and we may not achieve or maintain profitability in the future. Because the markets for launch services, space systems, spacecraft components and space data applications are evolving, it is difficult for us to predict our future results of operations or the limits of our market opportunity. In addition, our customers for whom we provide these products and services may experience delays or technical challenges with their products and services that limit or delay our expected revenue and future growth opportunities from those customers. We expect our operating expenses and capital expenditures to significantly increase as we make significant investments, expand our operations and infrastructure, develop and introduce new technologies, and hire additional personnel. These efforts may be more costly than we expect and may not result in revenue growth or increased efficiency. In addition, as we grow as a public company, we will continue to incur additional significant administrative expenses that we did not incur as a private company. If our revenue does not increase to offset these expected increases in our operating expenses, we will not be profitable in future periods. Any failure to increase our revenue sufficiently to keep pace with our investments and other expenses could prevent us from achieving or maintaining profitability or positive cash flow on a consistent basis. If we are unable to successfully address these risks and challenges as we encounter them, our business, results of operations, and financial condition could be adversely affected. We cannot assure you that we will ever achieve or sustain profitability and may continue to incur significant losses going forward. Any failure by us to achieve or sustain profitability on a consistent basis could cause the value of our common stock to decline.

Our future revenue and operating results are dependent on our ability to generate a sustainable order rate for our products and services and develop new technologies to meet the needs of our customers or potential new customers.

Our financial performance is dependent on our ability to generate a sustainable order rate for our products and services. This can be challenging and may fluctuate on an annual basis as the number of contracts awarded varies. If we are unable to win new awards or execute existing contracts as expected, our business, results of operations, and financial position could be further adversely affected. Furthermore, if our customers experience delays or technical challenges with their products or services or exercise delay or termination rights under new or existing contracts, our ability to recognize the full potential value of such contracts could also adversely affect our business, results of operations and financial position.

The cyclical nature of the rocket launch services, mission services, spacecraft and spacecraft component markets could negatively impact our ability to accurately forecast customer demand. The markets that we serve may not grow in the future and we may not be able to maintain adequate gross margins or profits in these markets. Our growth is dependent on the growth in the sales of services provided by our customers, our customers' ability to anticipate market trends, and our ability to anticipate changes in the businesses of our customers and to successfully identify and enter new markets. If we fail to anticipate such changes in demand, or such demand does not materialize to the extent we expected or at all, our business, results of operations, and financial position could be adversely affected.

The rocket launch services, mission services, spacecraft and spacecraft component industries are each characterized by development of technologies to meet changing customer demand for complex and reliable products and services. Our current development projects include spacecraft capabilities; new reaction wheel sizes; and a new medium-lift rocket, called Neutron, for constellation deployment, interplanetary missions and human spaceflight. Our products and services embody complex technology and may not always be compatible with current and evolving technical standards and systems developed by others. Failure or delays to meet the requisite and evolving industry or user standards could have a material adverse effect on our business, results of operations, and financial condition. Failure of suppliers to deliver against end customer requirements could lead to a material adverse effect on our financial results.

We have previously experienced, and may experience in the future, delays or other complications in the design, manufacture and commercialization of new rocket launch services, mission services, spacecraft, spacecraft components and related technology. If we fail to develop and successfully commercialize new technologies, if we fail to develop such technologies before our competitors, or if such technologies fail to perform as expected, or are inferior to those of our competitors, our business, financial condition and results of operations could be materially and adversely impacted.

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

Changes in government policies, priorities, regulations, government agency mandates, funding levels through agency budget reductions, the imposition of budgetary constraints, or a decline in government support or deferment of funding for programs in which we or our customers participate could result in contract terminations, delays in contract awards, reduction in contract scope, performance penalties or breaches of our contracts, the failure to exercise contract options, the cancellation of planned procurements, and fewer new business opportunities, all of which could negatively impact our business, financial condition, results of operations and cash flows. Such government policies, priorities, regulations and government agency mandates are evolving at a significant pace, and we expect further changes in policy positions and spending priorities from the new U.S. government administration..

The new U.S. government administration has been aggressively pursuing cost reductions policies and elimination of government agencies and programs that could negatively impact the funding of government projects and programs in which we or our customers participate or compete for new contracts. They may also pursue changes in contract and payment terms, procurement practices, award criteria; and other actions that may make such programs or contracts less profitable to us or not economically viable. The change in practices and policies, termination of projects, reduction or elimination of funding, and reduction in personnel staffing these entities may have a material impact on our or our customer's existing government projects, including delays in completion and payments, and may eliminate certain contract opportunities in the future. Additionally, any failure by the new administration and Congress to enact a full-year appropriations bill could cause significant disruption to all government discretionary programs and corresponding impacts on the entire aerospace and defense industry, which could adversely affect our business, results of operations, financial condition and cash flows.

We are subject to the procurement policies and procedures set forth in the Federal Acquisition Regulation ("FAR"). The FAR governs aspects of U.S. government contracting, including contractor qualifications and acquisition procedures. The FAR provisions in U.S. government contracts must be complied with in order for the contract to be awarded and provides for audits and reviews of contract procurement, performance, and administration. Failure to comply with the provisions of the FAR could result in contract termination.

In addition, contracts with any government, including the U.S. government, may be terminated or suspended by the government at any time and could result in significant liability obligations for us. Remedies for termination may fall short of the financial benefit associated with full completion and operation of a contract. In addition, we may not be able to procure new contracts to offset the revenue or backlog lost as a result of any termination of government contracts. The loss of one or more large contracts could have a material adverse impact on our business, financial condition, results of operations and cash flows.

During 2024, 2023 and 2022, approximately 33%, 31% and 33%, respectively, of our total annual revenues were derived from contracts with the U.S. government, U.S. prime contractors and its agencies or from subcontracts with other U.S. government contractors. Our contracts with the U.S. government are fixed-price contracts. Under firm fixed-price contracts, work performed and products shipped are priced at a fixed amount without adjustment for actual costs incurred in connection with the contract. Therefore, we bear the risk of loss if costs increase.

Our ability to pursue many of our business activities is regulated by various agencies and departments of the U.S. government and, in certain circumstances, the governments of other countries. Commercial space launches require licenses from the U.S. Department of Transportation (“DoT”) and the FAA. The Federal Communications Commission also requires licenses for radio communications during our rocket launches. Our classified programs require that we and certain of our employees maintain appropriate security clearances. We also require export licenses from the U.S. Department of State (“DoS”), the U.S. Department of Commerce (“DoC”) and, occasionally, the governments of other countries with respect to transactions we have with foreign customers or foreign subcontractors.

We derive a substantial amount of our revenues from only a few of our customers. A loss of, or default by, one or more of these major customers, or a material adverse change in any such customer’s business or financial condition, could materially reduce our future revenues and contracted backlog.

For the year ended December 31, 2024, our top five customers together accounted for approximately 51% of our revenues and our top five backlog customers accounted for approximately 69% of our backlog as of December 31, 2024. Our customers could experience a downturn in their business or find themselves in financial difficulties, which could result in their ceasing or reducing their use of our services or becoming unable to pay for services they had contracted to buy. A substantial amount of our backlog for government customers is also subject to risks of future government funding levels, which may be substantially curtailed or abandoned, resulting in contract cancellations, modifications, delays, or reduction in orders. In addition, some of our customers’ industries are undergoing significant consolidation, and our customers may be acquired by each other or other companies, including by our competitors. Such acquisitions could adversely affect our ability to sell services to such customers and to any end-users whom they serve. Some customers have in the past defaulted, and our customers may in the future default, on their obligations to us due to bankruptcy, lack of liquidity, operational failure, or other reasons. Such defaults could adversely affect our revenues, operating margins and cash flows. If our contracted revenue backlog is reduced due to the financial difficulties of our customers or other reasons, including cancellations for convenience, our revenues, operating margins, and cash flows would be further negatively impacted.

Disruptions in U.S. government operations and funding could have a material adverse effect on our revenues, earnings and cash flows, and otherwise adversely affect our financial condition.

Any disruptions in federal government operations could have a material adverse effect on our revenues, earnings, and cash flows. A prolonged failure to maintain significant U.S. government operations, particularly those pertaining to our business, could have a material adverse effect on our revenues, earnings, and cash flows. Continued uncertainty related to recent and future government shutdowns, the budget and/or the failure of the government to enact annual appropriations, such as long-term funding under a continuing resolution, could have a material adverse effect on our revenues, earnings and cash flows. Additionally, disruptions in government operations may negatively impact regulatory approvals and guidance that are important to our operations.

We may not be successful in developing new technology, including our Neutron launch vehicle, and the technology we are successful in developing may not meet the needs of our customers or potential new customers.

The markets in which we operate are characterized by changing technology and evolving industry standards, and we may not be successful in identifying, developing and marketing products and services that respond to rapid technological change, evolving technical standards and systems developed by others. Our competitors may develop technology that better meets the needs of our customers. If we do not continue to develop, manufacture, and market innovative technologies or applications that meet customers’ requirements, or if we are unsuccessful in the development, manufacture or sale of any new technology or application we attempt to develop or are able to develop, including Neutron, sales may suffer and our business may not continue to grow in line with historical rates or at all. If we are unable to achieve sustained growth, we may be unable to execute our business strategy, expand our business, or fund other liquidity needs, and our business prospects, financial condition and results of operations could be materially and adversely affected.

We operate in highly competitive industries and in various jurisdictions across the world which may cause us to have to reduce our prices.

We operate in highly competitive industries and many of our competitors are larger and have substantially greater resources than we have.

We may also face competition in the future from emerging low-cost competitors. Competition in the rocket launch, spacecraft, spacecraft services and spacecraft component businesses is highly diverse, and while our competitors offer different products and services, there is often competition for contracts.

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

Acquisitions or divestitures could result in adverse impacts on our operations.

In order to grow our business, we may acquire additional assets or companies. For example, we acquired Sinclair Interplanetary on April 28, 2020, Advanced Solutions, Incorporated on October 12, 2021, Planetary Systems Corporation on November 30, 2021 and SolAero Technologies Corp. on January 18, 2022. In connection with these acquisitions or any future acquisitions, there can be no assurance that we will be able to identify, acquire or obtain the required regulatory approvals, or profitably manage the additional businesses or successfully integrate any acquired businesses, products, or technologies without substantial expenses, delays or other operational, regulatory or financial problems. In addition, any acquired businesses, products or technologies may not achieve anticipated revenues and income growth.

Further, acquisitions may involve a number of additional risks, including diversion of management's attention, failure to retain key personnel, or failure to attract the necessary talent to manage organizational growth. We may become responsible for unexpected liabilities that were not discovered or disclosed in the course of due diligence in connection with historical acquisitions and any future acquisitions. Additionally, acquisitions with international operations, such as the Sinclair Interplanetary acquisition with operations in Canada, expose us to greater international business risks. If we do not realize the expected benefits or synergies of an acquisition, such as revenue gains or cost reductions, there could be a material adverse effect on our business, results of operations, and financial condition.

We may also seek to divest portions of our businesses which may no longer be aligned with our strategic initiatives and long-term objectives. Various factors could materially affect our ability to successfully do so, including the availability of buyers willing to purchase the assets on terms acceptable to us, difficulties in the separation of operations, the diversion of management's attention from other business concerns, the disruption of our business, the potential loss of key employees, and the retention of uncertain contingent liabilities related to the divested business. We cannot assure that we will be successful in managing these or any other significant risks that we encounter in divesting a business or product line, and any divestiture we undertake could materially and adversely affect our business, financial condition, results of operations and cash flows.

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

Our results of operations are materially affected by economic and political conditions in the United States and internationally, including inflation, deflation, interest rates, recession or fears of recession, availability of capital, energy and commodity prices, the availability and cost of labor, trade laws and the effects of governmental initiatives to manage economic conditions. In certain prior periods, we have seen a broad-based weakening in the global macroeconomic environment which has impacted and could impact in the future certain of our markets. Additionally, instability in the global credit markets, the impact of uncertainty regarding global central bank monetary policy, the instability in the geopolitical environment in many parts of the world (including as a result of the on-going Russia and Ukraine war, the Israel-Hamas war, and China-Taiwan relations), the current economic challenges in China, including global economic ramifications of Chinese economic difficulties, and other disruptions may continue to put pressure on global economic conditions. Further, the Trump administration has proposed taking certain actions, including the implementation of tariffs, that could adversely impact trade relations and the global economy. If global economic and market conditions, or economic conditions in key markets, remain uncertain or deteriorate further, we may experience material impacts on our business, operating results, and financial condition. In addition, due to such conditions current or potential customers may delay or decrease spending on our products and services as their business and/or budgets are impacted by economic conditions. The inability of current and potential customers to pay us for our products and services may adversely affect our earnings and cash flows.

The current invasion of Ukraine by Russia has escalated tensions among the United States, the North Atlantic Treaty Organization ("NATO") and Russia. The United States and other NATO member states, as well as non-member states, have announced new sanctions against Russia and certain Russian banks, enterprises and individuals. These and any future additional sanctions and any resulting conflict between Russia, the United States and NATO countries could have an adverse impact on our current operations. Further, such invasion, ongoing military conflict, resulting sanctions and related countermeasures by NATO states, the United States and other countries are likely to lead to market disruptions, including significant volatility in commodity prices, credit and capital markets, as well as supply chain interruptions for equipment, which could have an adverse impact on our operations and financial performance.

We often rely on a single vendor or a limited number of vendors to provide certain key products or services and the inability of these key vendors to meet our needs could have a material adverse effect on our business.

Historically, we have contracted with a single vendor or a limited number of vendors to provide certain key products or services, such as composites, inertial measurement units, construction of launch vehicle structures, and ground network services. In addition, our manufacturing operations depend on specific technologies and companies for which there may be a limited number of vendors. If these vendors are unable to meet our needs because they fail to perform adequately, are unable to match new technological requirements or problems, or are unable to dedicate engineering and other resources necessary to provide the services contracted for, our business, financial position and results of operations may be adversely affected. While alternative sources for these products, services, and technologies may exist, we may not be able to develop these alternative sources quickly and cost-effectively, which could materially impair our ability to operate our business. Furthermore, these vendors may request changes in pricing, payment terms, or other contractual obligations, which could cause us to make substantial additional investments.

Additionally, some of our suppliers' employees are represented by labor unions. Labor union actions at suppliers can also affect us. Work stoppages and instability in our relationships with labor unions could delay the production and/or development of our products, which could strain relationships with customers and cause a loss of revenues which would adversely affect our operations.

Launch vehicles are subject to manufacturing delays, damage or destruction during pre-launch operations, and launch failures, the occurrence of which can materially and adversely affect our operations.

Delays in the manufacturing of launch vehicles, damage or destruction during pre-launch operations, or launch failures could have a material adverse effect on our business, financial condition and results of operations. The loss of, or damage to, a launch vehicle could result in significant delays in anticipated revenue to be generated by other rocket launch services using the same or similar launch vehicles or their components.

Spacecraft are subject to manufacturing and launch delays, damage or destruction during pre-launch operations, launch failures and incorrect orbital placement, the occurrence of which can materially and adversely affect our operations.

Delays in the manufacturing of spacecraft, launch delays, damage or destruction during pre-launch operations, launch failures or incorrect orbital placement could have a material adverse effect on our business, financial condition and results of operations. The loss of, or damage to, a spacecraft due to a launch failure could result in significant delays in anticipated revenue to be generated by that spacecraft. Any significant delay in the commencement of service of a spacecraft would delay or potentially permanently reduce the revenue anticipated to be generated by that spacecraft. In addition, if the loss of a spacecraft were to occur, we may not be able to accommodate affected customers with our other spacecraft until a replacement spacecraft is available, and we may not have on hand, or be able to obtain in a timely manner, the necessary funds to cover the cost of any necessary spacecraft replacement. Any launch delay, launch failure, underperformance, delay, or perceived delay could have a material adverse effect on our results of operations, business prospects and financial condition.

If our launch vehicles and spacecraft fail to operate as intended, it could have a material adverse effect on our business, financial condition and results of operations.

The manufacturing, testing, launching and operation of launch vehicles and spacecraft involves complex processes and technology. Our launch vehicles and spacecraft employ advanced technologies and sensors that are exposed to severe environmental stresses that have and could affect the performance of our launch vehicles. Hardware component problems and software issues could lead to deterioration in performance or loss of functionality of a launch vehicle and spacecraft. In addition, human operators may execute improper commands that may negatively impact a launch vehicle's or spacecraft performance. Exposure of our launch vehicles and spacecraft to an unanticipated catastrophic event, such as collision with space debris, could reduce the performance of, or completely destroy, the affected launch vehicle and spacecraft. For example, as of December 31, 2024, we have had 54 successful orbital missions and three failed customer launches, which occurred in July 2020, May 2021 and September 2023. In July 2020, the failed launch resulted from a battery related power-supply issue on the second stage propulsion system. In May 2021, our failed launch resulted from a second stage engine computer malfunction. In September 2023, our failed launch resulted from high voltage from the second stage's power supply system resulting in a total loss of power. The failed missions resulted in the loss of all payloads onboard and prevented us from conducting future launches until we had investigated the cause of the failures and obtained authorization from the Federal Aviation Administration to resume launches, which, in each case, took slightly less than three weeks.

We may experience other problems with our launch vehicles or spacecraft that may reduce their performance and we cannot provide assurances that our spacecraft will continue to operate successfully in space throughout their expected operational lives. Even if a spacecraft is operated properly, technical flaws in that spacecraft's sensors or other technical deficiencies or anomalies could significantly hinder its performance. During any period of time in which a type of launch vehicle or spacecraft is not operational, we may lose most or all of the revenue that otherwise would have been derived from it. Our inability to repair or replace a defective type of launch vehicle or spacecraft, or correct any other technical problem in a timely manner could result in a significant loss of revenue. If a launch vehicle or spacecraft experiences a significant anomaly such that its type is no longer operational, it would significantly impact our business, prospects and profitability. Additionally, any launch failures could damage our reputation and ability to obtain future customers for our launch services, prevent us from receiving any payments contingent on a successful launch and increase our insurance rates, which could have a material adverse effect on our business and prospects.

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

We sell complex and technologically advanced products and services, including rocket launch services, mission services, spacecraft and spacecraft components. Sophisticated software used in our products and services, including software developed by us, may contain defects that can unexpectedly interfere with the software's intended operation. Defects may also occur in components and products that we manufacture or purchase from third parties. Most of the launch vehicles, spacecraft and spacecraft components we have developed must function under demanding and unpredictable operating conditions and in harsh and potentially destructive environments. Our products and services may not be successfully implemented, pass required acceptance criteria, or operate or give the desired output, or we may not be able to detect and fix all defects in the launch vehicles, spacecraft, spacecraft components and systems we sell and/or use. Failure to do so could result in lost revenue, such as occurred after our launch failure in September 2023, and damage to our reputation and may adversely affect our ability to win new contract awards.

Any inability to operate Electron at our anticipated launch rate could adversely impact our business, financial condition and results of operations.

Our launch services business is currently dependent on Electron. To be successful, we will need to maintain a sufficient launch rate, which will be negatively impacted if we are not able to operate Electron for any reason, including not being granted appropriate government clearance after a launch failure such as occurred in connection with our launch failure in September 2023. We may be unable to operate Electron at our anticipated launch rate for a number of reasons, including, but not limited to, production delays or failures, design and engineering flaws, launch failures, natural disasters, epidemics or pandemics, changes in governmental regulations or in the status of our regulatory approvals or applications, customer delays or cancellations, or other events that force us to cancel or reschedule launches.

Disruptions in the supply of key raw materials or components and difficulties in the supplier qualification process, as well as increases in prices of raw materials, could adversely impact us.

Many raw materials, major components, and product equipment items are procured or subcontracted on a single or sole-source basis. Although we maintain a qualification and performance surveillance process and we believe that sources of supply for raw materials and components are generally adequate, it is difficult to predict what effects shortages or price increases may have in the future. Our ability to manage inventory and meet delivery requirements may be constrained by our suppliers' inability to scale production and adjust delivery of long-lead time products during times of volatile demand. Our inability to fill our supply needs would jeopardize our ability to fulfill obligations under commercial and government contracts, which could, in turn, result in reduced sales and profits, contract penalties or terminations, and damage to customer relationships, and could have a material adverse effect on our operating results, financial condition, or cash flows.

Key raw materials and components used in our operations include chemicals; composites; electronic, electro-mechanical and mechanical components; subassemblies; and subsystems that are integrated with the manufactured parts for final assembly into finished products and systems. We are impacted by increases in the prices of raw materials used in production on fixed-price business. We monitor sources of supply to attempt to assure that adequate raw materials and other components and supplies needed in manufacturing processes are available. Prolonged disruptions in the supply of any of our key raw materials or components, difficulty completing qualification of new sources of supply, implementing use of replacement materials, components or new sources of supply, or a continuing increase in the prices of raw materials, energy, or components could have a material adverse effect on our operating results, financial condition, or cash flows.

The expansion of our operations subjects us to additional risks that can adversely affect our operating results.

We contemplate further expansion of our operations as part of our growth strategy, including acquisitions and the development of our Neutron launch vehicle. Our current and contemplated operations subject us to a variety of risks, including:

- recruiting and retaining talented and capable management and employees;
- competition from other companies with significant market share in those markets and with better understanding of demand;
- difficulties in enforcing contracts, collecting accounts receivables, and longer payment cycles;
- regulatory, political or contractual limitations on our ability to operate in certain foreign markets, including trade barriers such as export requirements, tariffs, taxes and other restrictions and expenses;
- compliance with anti-bribery laws, including without limitation the Foreign Corrupt Practices Act;
- varying security laws and regulations in other countries;
- management distraction and constraints on bandwidth from acquisitions;
- increased management, travel, infrastructure and legal compliance costs associated with having multiple operations and integrating acquisitions;
- differing regulatory and legal requirements and possible enactment of additional regulations or restrictions on the use, import or export of our products and services, which could delay or prevent the sale or use of our products and services in some jurisdictions;
- currency translation and transaction risk, which may negatively affect our revenue, cost of net revenue, and gross margins, and could result in exchange losses;
- heightened exposure to political instability, war and terrorism;
- continued access to our LC-1 at Mahia, New Zealand at lease expiration;
- access to launch capacity at government-controlled launch sites, such as our Launch Complex 2 at the NASA-operated Mid-Atlantic Regional Spaceport at Wallops Island, Virginia;
- weaker protection of intellectual property rights in some countries; and
- overlapping of different tax regimes.

Any of these risks could harm our operations and reduce our sales, adversely affecting our business, operating results, financial condition and growth prospects.

Space is a harsh and unpredictable environment where our products and service offerings are exposed to a wide and unique range of environmental risks, including, among others, coronal mass ejections, solar flares and other extreme space weather events and potential collision with space debris or another spacecraft, which could adversely affect our launch vehicle and spacecraft performance.

Space weather, including coronal mass ejections and solar flares have the potential to impact the performance and controllability of launch vehicles and spacecraft on orbit, including completely disabling our launch vehicles or spacecraft on orbit. Although we have some ability to actively maneuver our spacecraft to avoid potential collisions with space debris or other spacecraft, this ability is limited by, among other factors, uncertainties and inaccuracies in the projected orbit location of and predicted conjunctions with debris objects tracked and cataloged by the U.S. government. Additionally, some space debris is too small to be tracked and therefore its orbital location is completely unknown; nevertheless, this debris is still large enough to potentially cause severe damage or a failure of our launch vehicles or spacecraft should a collision occur.

Increased congestion from the proliferation of low Earth orbit constellations could materially increase the risks of potential collision with space debris or another spacecraft and limit or impair our launch flexibility and/or access to our own orbital slots.

Recent years have seen increases in the number of spacecraft deployed to low earth orbits, and publicly announced plans call for many thousands of additional spacecraft deployments over the next decade. The proliferation of these low Earth orbit constellations could materially increase the risks of potential collision with space debris or another spacecraft and affect our ability to effectively access sufficient orbital slots to support the expected growth across our business.

Our business involves significant risks and uncertainties that may not be covered by insurance.

A significant portion of our business relates to designing, developing and manufacturing advanced space technology products and services. New technologies may be untested or unproven. Failure of some of these products and services could result in extensive property damage. Accordingly, we may incur liabilities that are unique to our products and services.

The amount of insurance coverage that we maintain may not be adequate to cover all claims or liabilities. Existing coverage may be canceled while we remain exposed to the risk and it is not possible to obtain insurance to protect against all operational risks, natural hazards and liabilities.

We have historically insured against liability to third parties from launch activities as required, by law to the extent that insurance was available on acceptable premiums and other terms. The insurance coverage for third-party damages may not be sufficient to cover the liability. Although the U.S. government may pay claims for third-party damages to the extent they exceed our insurance coverage, this depends on a government appropriation and is subject to a statutory limit. In addition, this insurance will not protect us against our own losses, including to our launch vehicle, launch complex and spacecraft.

The price and availability of insurance fluctuate significantly. Insurance market conditions or factors outside our control at the time we are in the market for the required insurance, such as failure of launch vehicles and spacecraft, could cause premiums to be significantly higher than current estimates and could reduce amounts of available coverage. The cost of our insurance has been increasing and may continue to increase. Higher premiums on insurance policies will reduce our operating income by the amount of such increased premiums. If the terms of insurance policies become less favorable than those currently available, there may be limits on the amount of coverage that we can obtain or we may not be able to obtain insurance at all.

In addition, even though we carry business interruption insurance policies, any business interruption losses could exceed the coverage available or be excluded from our insurance policies. Any disruption of our ability to operate our business could result in a material decrease in our revenues or significant additional costs to replace, repair, or insure our assets, which could have a material adverse impact on our financial condition and results of operations.

Interruption or failure of our infrastructure could hurt our ability to effectively perform our daily operations and provide and produce our products and services, which could damage our reputation and harm our operating results.

We are vulnerable to natural disasters and significant disruptions including tsunamis, floods, earthquakes, fires, water shortages, other extreme weather conditions, epidemics or pandemics, acts of terrorism, power shortages and blackouts, aging infrastructures and telecommunications failures. In the event of such a natural disaster or other disruption, we could experience: disruptions to our operations or the operations of suppliers, subcontractors, distributors or customers; destruction of facilities; and/or loss of life.

The availability of many of our products and services depends on the continuing operation of our information technology and communications systems. Any downtime, damage to, or failure of our systems could result in interruptions in our operations and services, which could reduce our revenue and profits. Our systems are vulnerable to damage or interruption from floods, fires, power loss, aging infrastructure, telecommunications failures, computer viruses, computer denial of service attacks, or other attempts to harm our systems. Our manufacturing facilities are also subject to risks associated with an aging infrastructure. An infrastructure failure could result in the destruction of launch vehicles, spacecraft and spacecraft components being manufactured or in inventory, manufacturing delays, or additional costs. We do not maintain back-up manufacturing facilities or operations. The occurrence of any of the foregoing could result in lengthy interruptions in our operations and services and/or damage our reputation, which could have a material adverse effect on our financial condition and results of operations.

Any significant disruption in or unauthorized access to our computer systems or those of third parties that we utilize in our operations, including those relating to cybersecurity or arising from cyber-attacks, could result in a loss or degradation of service, unauthorized disclosure of data, or theft or tampering of intellectual property, any of which could materially adversely impact our business.

Our operations, products, services and intellectual property are inherently at risk of disruption, loss, inappropriate access, or tampering by both insider threats and external bad actors. In particular, our operations face various cyber and other security threats, including attempts to gain unauthorized access to sensitive information, intellectual property and networks. In addition, insider threats, threats to the safety of our directors and employees, threats to the security of our facilities, infrastructure, and supply chain, and threats from terrorist acts or other acts of aggression could have a material adverse impact on our business.

Our customers and suppliers face similar threats. Customer or supplier proprietary, classified, or sensitive information stored on our networks is at risk. Assets, intellectual property and products in customer or supplier environments are also inherently at risk. We also have risk where we have access to customer and supplier networks and face risks of breach, disruption, or loss as well.

Our systems and processes can be attacked by third parties to obtain access to our data, systems and assets. The techniques used to gain unauthorized access are constantly evolving, and we may be unable to anticipate or prevent all unauthorized access, disruption, loss, or harm. Because of our highly desired intellectual property and our support of the U.S. government and other governments, we (and our customers and suppliers) may be a particularly attractive target for such attacks by hostile foreign governments. From time to time, we have experienced attacks on our systems from bad actors that, to date, have not had a material adverse effect on our business. We cannot offer assurances, however, that future attacks will not materially adversely affect our business.

A security event or other significant disruption of our operations, systems, assets, products, or services could:

- disrupt the proper functioning of our networks, applications and systems and therefore our operations and/or those of certain of our customers or suppliers;
- result in the unauthorized access to, and destruction, loss, theft, misappropriation, or release of, our, our customers', or our suppliers' proprietary, confidential, sensitive or otherwise valuable information, including trade secrets, which others could use to compete against us or for disruptive, destructive or otherwise harmful purposes and outcomes;
- destroy or degrade assets including space, ground and intellectual property assets;
- manipulate or tamper with our operations, products, services or other systems delivered to our customers or suppliers;
- compromise other sensitive government functions; and
- damage our reputation with our customers (particularly agencies of various governments) and the public generally.

A security event that involves classified or other sensitive government information or certain controlled technical information could subject us to civil or criminal penalties and could result in loss of security clearances and other accreditations, loss of our government contracts, loss of access to classified information, loss of export privileges or debarment as a government contractor.

If we cannot successfully protect our intellectual property, our business could suffer.

We rely on a combination of intellectual property rights, contractual protections, and other practices to protect our proprietary information, technologies and processes. We primarily rely on patent, copyright and trade secret laws to protect our proprietary technologies and processes, including the operations systems and technology we use throughout our business. Others may independently develop the same or similar technologies and processes or may improperly acquire and use information about our technologies and processes, which may allow them to provide products and services similar to ours, which could harm our competitive position. To the extent we pursue additional patent protection for our innovations, patents we may apply for may not issue, and patents that do issue or that we acquire may not provide us with any competitive advantages or may be challenged by third parties. There can be no assurance that any patents we obtain will adequately protect our inventions or survive a legal challenge, as the legal standards relating to the validity, enforceability, and scope of protection of patent and other intellectual property rights are uncertain. We may be required to spend significant resources to monitor and protect our intellectual property rights, and the efforts we take to protect our proprietary rights may not be sufficient.

We rely in part on trade secrets, proprietary know-how and other confidential information to maintain our competitive position. Although we enter into confidentiality and invention assignment agreements with our employees and consultants and enter into confidentiality agreements with the parties with whom we have strategic and business relationships, no assurance can be given that these agreements will be effective in controlling access to and distribution of our proprietary information. Further, these agreements do not prevent our competitors from independently developing technologies that are substantially equivalent or superior to our technologies.

To protect our intellectual property rights, we may be required to spend significant resources to monitor and protect these rights, and we may or may not be able to detect infringement by third parties. Litigation may be necessary in the future to enforce our intellectual property rights and to protect our trade secrets. Such litigation could be costly, time consuming and distracting to management and could result in the impairment or loss of portions of our intellectual property. Furthermore, our efforts to enforce our intellectual property rights may be met with defenses, counterclaims and countersuits attacking the validity and enforceability of our intellectual property rights. Our inability to protect our proprietary technology against unauthorized copying or use, as well as any costly litigation or diversion of our management's attention and resources, could delay future sales and introductions of new capabilities, result in our substituting inferior or more costly technologies into our business, or injure our reputation. In addition, we may be required to license additional technology from third parties to develop and market new capabilities, and we cannot assure you that we could license that technology on commercially reasonable terms or at all, and our inability to license this technology could harm our ability to compete.

Third parties may allege that our technology violates their proprietary data rights, which could have a negative impact on our operations.

If any of our technology violates proprietary rights, including copyrights and patents, third parties may assert infringement claims against us. Certain software modules and other intellectual property used by us or in our launch vehicles, spacecraft, spacecraft components and systems make use of or incorporate licensed software components and other licensed technology. These components are developed by third parties over whom we have no control. Any claims brought against us may result in limitations on our ability to use the intellectual property subject to these claims. We may be required to redesign our launch vehicles, spacecraft, spacecraft components and systems or to obtain licenses from third parties to continue our offerings without substantially re-engineering such products or systems. Our intellectual property rights may be invalidated, circumvented, challenged, infringed or required to be licensed to others. An infringement or misappropriation could harm any competitive advantage we currently derive or may derive from our proprietary rights.

Indemnity provisions in various agreements potentially expose us to substantial liability for intellectual property infringement and other losses.

Our agreements with certain other parties include indemnification provisions, under which we agree to indemnify them for losses suffered or incurred as a result of claims of intellectual property infringement and, in some cases, for damages caused by us to property or persons. The term of these indemnity provisions is generally perpetual after execution of the corresponding agreement. Large indemnity payments could harm our business, operating results and financial condition.

We are highly dependent on the services of Peter Beck, our President, Chief Executive Officer and Chairman, and if we are unable to retain Mr. Beck, our ability to compete could be harmed.

Our success depends, in part, on our ability to retain our key personnel. We are highly dependent on the services of Peter Beck, our President, Chief Executive Officer and Chairman. Mr. Beck is the source of many, if not most, of the ideas and execution driving our company. Mr. Beck participates in various high-risk activities, such as recreational aviation, motorsports and operating heavy machinery, all which carry the risk of serious injury and death. If Mr. Beck were to discontinue his service to us due to death, disability or any other reason, there could be a material adverse impact on our operations and the market prices for our securities, and we would be significantly disadvantaged. We do not maintain, and we do not expect to maintain in the future, a key person life insurance policy with respect to Mr. Beck.

Our inability to hire or retain key personnel could adversely affect our business, operating results and financial condition.

We depend on the continued contributions of our senior management and other key personnel. The loss of the services of one or more of these individuals could significantly delay or prevent the achievement of our development and strategic objectives and could divert other senior management time in searching for their replacements. We registered the resale of shares of common stock issuable upon exercise of stock options or settlement of restricted stock units held by members of our management. To the extent that members of our management were to sell significant amounts of equity in us, we may have more difficulty in retaining and continuing to incentivize these members of management than we have historically.

Our future success also depends on our ability to identify, attract and retain highly skilled technical, managerial, financial and other personnel. The loss of the services of any of our key personnel, the inability to attract or retain qualified personnel, or delays in hiring required personnel, particularly in engineering and sales, may seriously harm our business, financial condition and results of operations. We face intense competition for qualified individuals from numerous companies. Often, significant amounts of time and resources are required to train technical, sales and other personnel. Qualified individuals are in high demand. We may incur significant costs to attract and retain them, and we may lose new employees to our competitors or other companies before we realize the benefit of our investment in recruiting and training them. We may be unable to attract and retain suitably qualified individuals who are capable of meeting our growing technical, operational and managerial requirements, on a timely basis or at all, and we may be required to pay increased compensation in order to do so. If we are unable to attract and retain the qualified personnel we need to succeed, our business would suffer. Also, to the extent we hire personnel from competitors, we may be subject to allegations that they have been improperly solicited or divulged proprietary or other confidential information.

Labor-related matters, including labor disputes, may adversely affect our operations.

None of our employees are currently represented by a union. If our employees decide to form or affiliate with a union, we cannot predict the negative effects such future organizational activities will have on our business and operations. If we were to become subject to work stoppages, we could experience disruption in our operations, including delays in manufacturing and operations, and increases in our labor costs, which could harm our business, results of operations, and financial condition.

In addition, we have in the past and could face in the future a variety of employee claims against us, including but not limited to general discrimination, privacy, wage and hour, labor and employment, Employee Retirement Income Security Act and disability claims. Any claims could also result in litigation against us or regulatory proceedings being brought against us by various government agencies that regulate our business, including the U.S. Equal Employment Opportunity Commission. Often these cases raise complex factual and legal issues and create risks and uncertainties.

Given the relative contribution and materiality of our New Zealand operations, fluctuations in foreign exchange rates or future hedging activities could have a negative impact on our business.

We are exposed to foreign exchange risk as certain of our expenses and liabilities are required to be paid in currencies other than the U.S. dollar, primarily the New Zealand dollar, and are translated into U.S. dollars for the purposes of compiling our consolidated financial statements. During 2024, approximately 17% of our expenditures, or \$106.3 million, were denominated in foreign currencies, whereas primarily all of our revenues were denominated in U.S. dollars. In addition, we generally maintain our cash and cash equivalents in U.S. dollars or investments denominated in U.S. dollars. Fluctuations in foreign exchange rates, which can be unpredictable, could result in disproportion increases in our expenses and future liabilities as compared to our revenue and current assets. In particular, the Trump administration has enacted and proposed to enact certain policies, including tariffs, which could impact the global economy and global exchange rates. We do not currently, but may in the future, use hedging strategies or seek to maintain a greater portion of our cash and cash equivalents in foreign currencies or investments denominated in foreign currencies to manage and minimize the impact of exchange rate fluctuations on our financial statements. If we decide to hedge our foreign currency exchange rate exposure, we may not be able to hedge effectively due to lack of experience, unreasonable costs, or illiquid markets.

We may require additional capital to support business growth, and this capital might not be available on company favorable terms, if at all, or may be available only by diluting existing stockholders or putting excessive debt leverage and insolvency risk on the business.

Historically, we have funded our operations and capital expenditures primarily through equity issuances, debt and cash generated from our operations. Although we currently anticipate that our existing cash and cash equivalents and cash flow from operations will be sufficient to meet our cash needs for the foreseeable future, we may require additional financing, and we may not be able to obtain debt or equity financing on favorable terms, if at all. If we raise equity financing to fund operations or on an opportunistic basis, our stockholders may experience significant dilution of their ownership interests. If we obtain debt financing, the terms of such debt financing may restrict our ability to incur additional indebtedness, require us to maintain certain financial covenants, or restrict our ability to pay dividends. For example, in connection with the Direct Funding Agreement with the United States Department of Commerce, we are currently restricted from buying back outstanding shares of our capital stock without obtaining prior approval and from paying dividends. If we need additional capital and cannot raise it on acceptable terms, or at all, we may not be able to, among other things, develop new products, technologies and services, enhance our operating infrastructure, expand the markets in which we operate and potentially acquire complementary businesses and technologies.

We are incurring, and will continue to incur, significant increased expenses and administrative burdens as a public company, which could have an adverse effect on its business, financial condition and results of operations.

As a public company, we are facing, and will continue to face, increased legal, accounting, administrative and other costs and expenses as a public company that we did not incur as a private company. The Sarbanes-Oxley Act, including the requirements of Section 404, as well as rules and regulations subsequently implemented by the SEC, the Dodd-Frank Wall Street Reform and Consumer Protection Act of 2010 and the rules and regulations promulgated and to be promulgated thereunder, the PCAOB and the securities exchanges, impose additional reporting and other obligations on public companies. Compliance with public company requirements will increase costs and make certain activities more time-consuming. In addition, expenses associated with SEC reporting requirements are being incurred. Furthermore, if any issues in complying with those requirements are identified (for example, if management, internal auditors, or external auditors identify a material weakness or significant deficiency in the internal control over financial reporting), we could incur additional costs rectifying those issues, and the existence of those issues could adversely affect our reputation or investor perceptions of it. It may also be more expensive to maintain director and officer liability insurance. Risks associated with our status as a public company may make it more difficult to attract and retain qualified persons to serve on our board of directors or as executive officers. The additional reporting and other obligations imposed by these rules and regulations will increase legal and financial compliance costs and the costs of related legal, accounting and administrative activities. These increased costs will require us to divert a significant amount of money that could otherwise be used to expand the business and achieve strategic objectives. Advocacy efforts by stockholders and third parties may also prompt additional changes in governance and reporting requirements, which could further increase costs.

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

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

If we experience cost overruns on our contracts, we would have to absorb the excess costs which could adversely affect our financial results.

During the year ended December 31, 2024, the majority of our net sales were from fixed-price contracts. Under fixed-price contracts, we agree to perform specified work for a fixed price and realize all of the profit or loss resulting from variations in the costs of performing the contract. As a result, all fixed-price contracts involve the inherent risk of unreimbursed cost overruns. To the extent we incur unanticipated cost overruns on a fixed-price contract, our profitability would be adversely affected. Future profitability is subject to risks including the ability of suppliers to deliver components of acceptable quality on schedule.

Our fixed-price contracts include development work. This type of work is inherently more uncertain as to future events than non-development contracts, and, as a result, there is typically more variability in estimates of the costs to complete the development stage. While management uses its best judgment to estimate costs associated with fixed-price development, future events could result in adjustments to those estimates.

We are obligated in our existing equipment financing agreement to comply with covenants that restrict our operating activities, and we may become obligated in future credit facilities or other debt agreements to comply with financial and other covenants that could further restrict our operating activities. A failure to comply could result in a default which could, if not waived by the lenders, result in increased cost, inability to make future draws on credit facilities to the extent then available, acceleration of the payment of any outstanding amounts and potentially foreclosure on our assets securing our obligations.

Our existing equipment financing agreement contains various restrictive covenants which include, among others, provisions which may restrict our ability to do any of the following, subject to certain exceptions:

- incur additional debt;
- enter into transactions with affiliates;
- create certain liens;
- sell, lease, license, transfer or otherwise dispose of assets; and
- consolidate, merge or sell all or substantially all of our assets.

Future credit facilities or other debt agreements also may contain similar or additional covenants, which could include requirements that we maintain certain financial ratios.

Any of the covenants described in this risk factor may restrict our operations and our ability to pursue potentially advantageous business opportunities. In addition, our failure to pay principal and interest when due, a material adverse change in our business, operations or financial condition, a default under certain other indebtedness, the existence of unpaid fines, penalties or judgments above specified amounts, material misrepresentation and specified other events will constitute an event of default under our existing secured loan agreement and future credit facilities or other debt agreements also may contain similar event of default provisions. Our failure to comply with these covenants or the occurrence of another event of default, if not cured or waived, could result in increased cost, inability to make future draws on credit facilities to the extent then available, acceleration of the payment of any outstanding amounts and potentially foreclosure on our assets securing our obligations.

Our indebtedness and liabilities could limit the cash flow available for our operations, expose us to risks that could adversely affect our business, financial condition and results of operations and impair our ability to satisfy our obligations under our debt instruments when they come due.

As of December 31, 2024, we had \$413.3 million aggregate principal amount of indebtedness, of which \$58.3 million was secured indebtedness. We may also incur additional indebtedness to meet future financing needs. Our indebtedness could have significant negative consequences for our security holders and our business, results of operations and financial condition by, among other things:

- increasing our vulnerability to adverse economic and industry conditions;
- limiting our ability to obtain additional financing on acceptable terms or at all;
- requiring the dedication of a substantial portion of our cash flow from operations to service our indebtedness, which will reduce the amount of cash available for other purposes;
- limiting our flexibility to plan for, or react to, changes in our business;
- exposing us to the risk of increased interest rates as certain of our borrowings, including borrowings under equipment financing agreement, are at variable rates of interest;
- diluting the interests of our existing stockholders as a result of issuing shares of our common stock upon conversion of the notes; and
- placing us at a possible competitive disadvantage with competitors that are less leveraged than us or have better access to capital.

Our business may not generate sufficient funds, and we may otherwise be unable to maintain sufficient cash reserves, to pay amounts due under our indebtedness and our cash needs may increase in the future.

We may be unable to raise the funds necessary to repurchase our convertible senior notes for cash following a fundamental change, or to pay any cash amounts due upon conversion, and our other then-existing indebtedness may limit our ability to repurchase the notes or pay cash upon their conversion.

The holder of our convertible senior notes may, subject to a certain limited exceptions, require us to repurchase their convertible senior notes following a “fundamental change” (as defined in the indenture governing the convertible senior notes) at a cash repurchase price generally equal to the principal amount plus accrued and unpaid interest. In addition, upon conversion, we will satisfy part or all of our conversion obligation in cash unless we elect to settle conversions solely in shares of our common stock. We may not have enough available cash or be able to obtain financing at the time we are required to repurchase the convertible senior notes or pay any cash amounts due upon conversion. In addition, applicable law, regulatory authorities and the agreements governing any of our other indebtedness may restrict our ability to repurchase the convertible senior notes or pay any cash amounts due upon conversion. For example, certain fundamental change transactions would constitute an event of default under our equipment financing agreement. Our failure to repurchase convertible senior notes or pay any cash amounts due upon conversion when required will constitute a default under the indenture governing the convertible senior notes. A default under the indenture or the fundamental change itself could also lead to a default under agreements governing our other indebtedness, which may result in that other indebtedness becoming immediately payable in full. We may not have sufficient funds to satisfy all amounts due under our other indebtedness and the convertible senior notes.

Provisions in the indenture could delay or prevent an otherwise beneficial takeover of us.

Certain provisions in the convertible senior notes and the indenture could make a third party attempt to acquire us more difficult or expensive. For example, if a takeover constitutes a fundamental change, then noteholders will have the right to require us to repurchase their convertible senior notes for cash. In addition, if a takeover constitutes a make-whole fundamental change, then we may be required to temporarily increase the conversion rate. In either case, and in other cases, our obligations under the convertible senior notes and the indenture could increase the cost of acquiring us or otherwise discourage a third party from acquiring us or removing incumbent management, including in a transaction that holders of our common stock or convertible senior notes may view as favorable.

The capped call transactions may affect the value of our convertible senior notes and our common stock.

In connection with the issuance of our convertible senior notes, we entered into privately negotiated capped call transactions with certain financial institutions (the “option counterparties”). The capped call transactions are expected generally to reduce or offset the potential dilution upon conversion of the convertible senior notes and/or at our election (subject to certain conditions) offset any potential cash payments we are required to make in excess of the principal amount of converted convertible senior notes, as the case may be, with such reduction and/or offset subject to a cap.

We have been advised that, in connection with establishing their initial hedges of the capped call transactions, the option counterparties or their respective affiliates purchased shares of our common stock and/or entered into various derivative transactions with respect to our common stock.

In addition, we have been advised that the option counterparties and/or their respective affiliates may modify their hedge positions by entering into or unwinding various derivatives with respect to our common stock and/or purchasing or selling our common stock or other securities of ours in secondary market transactions following the pricing of the convertible senior notes and from time to time prior to the maturity of the convertible senior notes (and are likely to do so on each exercise date of the capped call transactions, which are expected to occur during the 40 trading day period beginning on the 41st scheduled trading day prior to the maturity date of the convertible senior notes, or following our election to terminate any portion of the capped call transactions in connection with any repurchase, redemption or early conversion of the convertible senior notes). This activity could cause or avoid an increase or a decrease in the market price of our common stock.

We are subject to counterparty risk with respect to the capped call transactions, and the capped call may not operate as planned.

The option counterparties are, or are affiliates of, financial institutions, and we will be subject to the risk that any or all of them might default under the capped call transactions. Our exposure to the credit risk of the option counterparties will not be secured by any collateral. Past global economic conditions have resulted in the actual or perceived failure or financial difficulties of many financial institutions. If an option counterparty becomes subject to insolvency proceedings, we will become an unsecured creditor in those proceedings with a claim equal to our exposure at that time under the capped call transactions with such option counterparty. Our exposure will depend on many factors but, generally, an increase in our exposure will be correlated to an increase in the market price and in the volatility of our common stock. In addition, upon a default by an option counterparty, we may suffer more dilution than we currently anticipate with respect to our common stock. We can provide no assurance as to the financial stability or viability of the option counterparties.

In addition, the capped call transactions are complex, and they may not operate as planned. For example, the terms of the capped call transactions may be subject to adjustment, modification or, in some cases, renegotiation if certain corporate or other transactions occur. Accordingly, these transactions may not operate as we intend if we are required to adjust their terms as a result of transactions in the future or upon unanticipated developments that may adversely affect the functioning of the capped call transactions.

Changes in our accounting estimates and assumptions could negatively affect our financial position and results of operations.

We prepare our consolidated financial statements in accordance with GAAP. These accounting principles require us to make estimates and assumptions that affect the reported amounts of assets and liabilities and the disclosure of contingent assets and liabilities at the date of our financial statements. We are also required to make certain judgments that affect the reported amounts of revenues and expenses during each reporting period. We periodically evaluate our estimates and assumptions including, but not limited to, those relating to business acquisitions, revenue recognition, restructuring costs, recoverability of assets including customer receivables, valuation of goodwill and intangibles, contingencies, stock-based compensation and income taxes. We base our estimates on historical experience and various assumptions that we believe to be reasonable based on specific circumstances. These assumptions and estimates involve the exercise of judgment and discretion, which may evolve over time in light of operational experience, regulatory direction, developments in accounting principles and other factors. Actual results could differ from these estimates as a result of changes in circumstances, assumptions, policies or developments in the business, which could materially affect our consolidated financial statements.

Our actual operating results may differ significantly from our guidance.

From time to time, we may release guidance regarding our future performance that represents our management's estimates as of the date of release. This guidance, which consists of forward-looking statements, is prepared by our management and is qualified by, and subject to, the assumptions and the other information contained or referred to in the release. Our guidance is not prepared with a view toward compliance with published guidelines of the American Institute of Certified Public Accountants, and neither any independent registered public accounting firm nor any other independent expert or outside party compiles, examines or reviews the guidance and, accordingly, no such person expresses any opinion or any other form of assurance with respect thereto.

Guidance is based upon a number of assumptions and estimates that, while presented with numerical specificity, is inherently subject to significant business, economic and competitive uncertainties and contingencies, many of which are beyond our control and are based upon specific assumptions with respect to future business decisions, some of which will change. We may generally state possible outcomes as high and low ranges which are intended to provide a sensitivity analysis as variables are changed but are not intended to represent that actual results could not fall outside of these ranges. The principal reason that we may release this data is to provide a basis for our management to discuss our business outlook with analysts and investors. We do not accept any responsibility for any projections or reports published by any such persons.

Guidance is necessarily speculative in nature, and it can be expected that some or all of the assumptions of the guidance furnished by us will not materialize or will vary significantly from actual results, particularly any guidance relating to the results of operations of acquired businesses or companies as our management will be less familiar with their business, procedures and operations. Accordingly, our guidance is only an estimate of what management believes is realizable as of the date of release. Actual results will vary from the guidance and the variations may be material. Investors should also recognize that the reliability of any forecasted financial data will diminish the farther in the future that the data are forecast. In light of the foregoing, investors are urged to put the guidance in context and not to place undue reliance on it. Any failure to successfully implement our operating strategy could result in the actual operating results being different than the guidance, and such differences may be adverse and material.

Certain future operational facilities may require significant expenditures in capital improvements and operating expenses to develop and foster basic levels of service needed for our operations, and the ongoing need to maintain existing operational facilities requires us to expend capital.

As part of our growth strategy, we may need to acquire, build or utilize additional facilities. Construction of incremental factories and launch pads or other facilities in which we conduct our operations may require significant capital expenditures to develop, and in the future we may be required to make similar expenditures to expand, improve or construct adequate facilities for our operations. If we cannot access the capital we need, we may not be able to execute on our growth strategy, take advantage of future opportunities or respond to competitive pressures. If the costs of funding new locations or renovations or enhancements at existing locations exceed budgeted amounts or the time for building or renovation is longer than anticipated, our business, financial condition and results of operations could be materially adversely affected.

We currently have, and will continue to have, significant lease obligations, and our failure to meet those obligations could adversely affect our financial condition and business.

We currently have, and will continue to have, significant lease obligations for our properties, vehicles and equipment. We depend on cash flow from operations to pay our lease expenses.

If our business does not generate sufficient cash flow from operating activities to fund these expenses, we may not be able to meet our lease obligations, which could have a material adverse effect on our financial condition and business. Furthermore, the significant cash flow required to satisfy our financial obligations under the leases could limit our ability to incur indebtedness and make capital expenditures or other investments in our business.

If we expand further outside the United States, we will be exposed to a variety of risks associated with international operations that could materially and adversely affect our business.

As part of our growth strategy, we may leverage our U.S., New Zealand and Canada operations to further expand internationally. In that event, we expect that we would be subject to additional risks related to entering into other international business relationships, including:

- restructuring our operations to comply with local regulatory regimes;
- identifying, hiring and training highly skilled personnel;
- unexpected changes in tariffs, trade barriers and regulatory requirements;
- economic weakness, including inflation, or political instability in foreign economies and markets;
- compliance with tax, employment, immigration and labor laws for employees living or traveling abroad;
- foreign taxes, including withholding of payroll taxes;
- the need for U.S. government approval to operate our launch vehicles and spacecraft systems outside the United States;
- foreign currency fluctuations, which could result in increased operating expenses and reduced revenue;
- government appropriation of assets;
- workforce uncertainty in countries where labor unrest is more common than in the United States; and
- disadvantages of competing against companies from countries that are not subject to U.S. laws and regulations, including anti-corruption laws and anti-money laundering regulations, as well as exposure of our foreign operations to liability under these regulatory regimes.

We are subject to many hazards and operational risks that can disrupt our business, including interruptions or disruptions in service at our primary facilities, which could have a material adverse effect on our business, financial condition and results of operations.

Our operations are subject to many hazards and operational risks inherent to our business, including general business risks, product liability and damage to third parties, our infrastructure or properties that may be caused by fires, floods and other natural disasters, power losses, telecommunications failures, terrorist attacks, human errors, pandemics and other similar health crises and similar events. Additionally, our manufacturing operations are hazardous at times and may expose us to safety risks, including environmental risks and health and safety hazards to our employees or third parties.

Any significant interruption due to any of the above hazards and operational to the manufacturing or operation of our spacecraft systems at one of our primary facilities, including from weather conditions, growth constraints, performance by third-party providers (such as electric, utility or telecommunications providers), failure to properly handle and use hazardous materials, failure of computer systems, power supplies, fuel supplies, infrastructure damage, disagreements with the owners of the land on which our facilities are located, or damage sustained to our runway could result in manufacturing delays or the delay or cancellation of our spacecraft and, as a result, could have a material adverse effect on our business, financial condition and results of operations.

Moreover, our insurance coverage may be inadequate to cover our liabilities related to such hazards or operational risks. In addition, we may not be able to maintain adequate insurance in the future at rates we consider reasonable and commercially justifiable, and insurance may not continue to be available on terms as favorable as our current arrangements. The occurrence of a significant uninsured claim, or a claim in excess of the insurance coverage limits maintained by us, could harm our business, financial condition and results of operations.

Natural disasters, unusual weather conditions, epidemic outbreaks, terrorist acts and political events could disrupt our business and flight schedule.

The occurrence of one or more natural disasters such as tornadoes, hurricanes, fires, floods and earthquakes, unusual weather conditions, epidemic or pandemic outbreaks, terrorist attacks or disruptive political events in certain regions where our facilities are located, or where our third-party contractors' and suppliers' facilities are located, could adversely affect our business. Natural disasters including tornados, hurricanes, floods and earthquakes may damage our facilities or those of our suppliers, which could have a material adverse effect on our business, financial condition and results of operations. Severe weather, such as rainfall, snowfall or extreme temperatures, may impact the ability for spacecraft to operate as planned, resulting in additional expense to reschedule the operation and customer travel plans, thereby reducing our sales and profitability. Terrorist attacks, actual or threatened acts of war or the escalation of current hostilities, or any other military or trade disruptions impacting our domestic or foreign suppliers of components of our products, may impact our operations by, among other things, causing supply chain disruptions and increases in commodity prices, which could adversely affect our raw materials or transportation costs. These events also could cause or act to prolong an economic recession or depression in the United States or abroad. To the extent these events also impact one or more of our suppliers or contractors or result in the closure of any of their facilities or our facilities, we may be unable to maintain spacecraft schedules, provide other support functions to our astronaut experience or fulfill our other contracts. In addition, the disaster recovery and business continuity plans we have in place currently are limited and are unlikely to prove adequate in the event of a serious disaster or similar event. We may incur substantial expenses as a result of the limited nature of our disaster recovery and business continuity plans and, more generally, any of these events could cause consumer confidence and spending to decrease, which could adversely impact our operations.

Any acquisitions, partnerships or joint ventures that we enter into could disrupt our operations and have a material adverse effect on our business, financial condition and results of operations.

From time to time, we may evaluate potential strategic acquisitions of businesses, including partnerships or joint ventures with third parties. We may not be successful in identifying acquisition, partnership and joint venture candidates. In addition, we may not be able to continue the operational success of such businesses or successfully finance or integrate any businesses that we acquire or with which we form a partnership or joint venture. We may have potential write-offs of acquired assets and/or an impairment of any goodwill recorded as a result of acquisitions. Furthermore, the integration of any acquisition may divert management's time and resources from our core business and disrupt our operations or may result in conflicts with our business. Any acquisition, partnership or joint venture may not be successful, may reduce our cash reserves, may negatively affect our earnings and financial performance and, to the extent financed with the proceeds of debt, may increase our indebtedness. We cannot ensure that any acquisition, partnership or joint venture we make will not have a material adverse effect on our business, financial condition and results of operations.

Risks Related to Legal and Regulatory Matters

Our business is subject to various regulatory risks that could adversely affect our operations.

The environment in which we operate is highly regulated due to the sensitive nature of our complex and technologically advanced systems, including launch vehicles, spacecraft and spacecraft components, in addition to those regulations broadly applicable to publicly listed corporations. There are numerous regulatory risks that could adversely affect operations, including but not limited to:

- Changes in laws and regulations. It is possible that the laws and regulations governing our business and operations will change in the future. A substantial portion of our revenue is generated from customers outside of the U.S. There may be a material adverse effect on our financial condition and results of operations if we are required to alter our business to comply with changes in both domestic and foreign regulations, tariffs, or taxes and other trade barriers that reduce or restrict our ability to sell our products and services on a global basis, or by political and economic instability in the countries in which we conduct business. Specifically with respect to tariffs, the Trump administration has proposed to implement tariffs on imports from Canada and Mexico, and has implemented tariffs on imports from China. Further tariffs with respect to other countries, in particular the European Union, could be on the horizon. Any failure to comply with such regulatory requirements could also subject us to various penalties or sanctions.

- **Import and Export Restrictions.** Certain of our launch vehicles, spacecraft, spacecraft components, systems, services, or technologies we have developed require the implementation or acquisition of products or technologies from third parties and affiliates, including those in other jurisdictions. In addition, certain of our launch vehicles, spacecraft, spacecraft components, systems, services or technologies may be required to be forwarded, imported or exported to other jurisdictions. In certain cases, if the use of the technologies can be viewed by the jurisdiction in which that supplier, subcontractor or affiliate resides as being subject to import or export constraints or restrictions relating to national security, we may not be able to obtain the technologies and products that we require from subcontractors and suppliers who would otherwise be our preferred choice or may not be able to obtain the export permits necessary to transfer or export our technology. The inability to obtain or maintain export approvals, and export restrictions or changes during contract execution or non-compliance by our suppliers, subcontractors and customers, could have an adverse effect on our revenues and margins.
- **U.S. Government Approval Requirements.** For certain aspects of our business operations, we are required to obtain U.S. government licenses and approvals and to enter into agreements with various government bodies in order to export launch vehicles, spacecraft, spacecraft components and related equipment, to disclose technical data, or provide defense services to foreign persons. The delayed receipt of or the failure to obtain the necessary U.S. government licenses, approvals and agreements may prohibit entry into or interrupt the completion of contracts which could lead to a customer's termination of a contract for default or monetary penalties. In addition, certain aspects of our business operations depend on the Agreement between the Government of New Zealand and the Government of the United States of America on Technology Safeguards Associated with United States Participation in Space Launches from New Zealand. Any change or termination of this agreement could materially adversely affect our financial condition and results of operations.
- **Other Government Regulations.** Our ability to pursue our business activities is regulated by various agencies and departments of the U.S. government and the governments of other countries. Commercial space launch activities require licenses from the Department of Transportation and, for launches from Launch Complex 1, the New Zealand Space Agency. Our license to conduct launches at Launch Complex 2 requires certification of our flight termination system software by NASA. Radio communications for launch activities and spacecraft operations require licenses from the Federal Communications Commission and/or New Zealand Radio Spectrum Management and frequency coordination with the International Telecommunication Union. The operation of private remote sensing space systems requires a license from the Department of Commerce. Any failure to comply with these and other regulatory requirements could subject us to various penalties or sanctions and could have a significant adverse effect on our reputation, financial condition and results of operations.
- **Competitive Impact of U.S. Regulations.** Export and import control, economic sanction and trade embargo laws and regulations, including those administered by the U.S. Department of Commerce's Bureau of Industry and Security, the U.S. State Department's Directorate of Defense Trade Controls and the U.S. Treasury Department's Office of Foreign Assets Control, including, but not limited to the International Traffic in Arms Regulations (ITAR) and Export Administration Regulations (EAR), may limit certain business opportunities or delay or restrict our ability to contract with potential foreign customers or suppliers. To the extent that our non-U.S. competitors are not subject to similar export and import control, economic sanction and trade embargo laws and regulations, they may enjoy a competitive advantage with foreign customers, and it could become increasingly difficult for us to recapture this lost market share.
- **Anti-Corruption Laws.** As part of the regulatory and legal environments in which we operate, we are subject to global anti-corruption laws that prohibit improper payments directly or indirectly to government officials, authorities or persons defined in those anti-corruption laws in order to obtain or retain business or other improper advantages in the conduct of business. Our policies mandate compliance with anti-corruption laws. Failure by our employees, agents, subcontractors, suppliers and/ or partners to comply with anti-corruption laws could impact us in various ways that include, but are not limited to, criminal, civil and administrative fines and/or legal sanctions and the inability to bid for or enter into contracts with certain entities, all of which could have a significant adverse effect on our reputation, operations and financial results.

Our operations in the U.S. government market are subject to significant regulatory risk.

Our operations in the U.S. government market are subject to significant government regulation. A failure by us to maintain the relevant clearances and approvals could limit our ability to operate in the U.S. government market. Further, there can be no assurance that we will continue to be awarded contracts by the U.S. government. In addition, a failure by us to keep current and compliant with relevant U.S. regulations could result in fines, penalties, repayments or suspension or debarment from U.S. government contracting or subcontracting for a period of time and could have an adverse effect on our standing and eligibility for future U.S. government contracts.

U.S. government contractors (including their subcontractors and others with whom they do business) must comply with many significant procurement regulations and other specific legal requirements. These regulations and other requirements, although often customary in government contracting, increase our performance and compliance costs and risks and are regularly evolving. New laws, regulations or procurement requirements or changes to current ones (including, for example, regulations related to cybersecurity, privacy, information protection, cost accounting, counterfeit parts, anti-human trafficking, specialty metals, conflict minerals and use of certain non-US equipment) can significantly increase our costs and risks and reduce our profitability.

We operate in a highly regulated environment and may be audited and reviewed by the U.S. government and its agencies, such as the Defense Contract Management Agency and agency Offices of Inspector General. These agencies may review performance under our contracts, our cost structure and accounting, and our compliance with applicable laws, regulations, terms, and standards, as well as the adequacy of our systems and processes in meeting government requirements. If an audit uncovers improper or illegal activities, we may be subject to civil and criminal penalties, sanctions, forfeiture of profits or suspension or debarment. In addition, we could suffer serious reputational harm if allegations of impropriety were made against us or our business partners.

If we or those with whom we do business do not comply with the laws, regulations, contract terms and processes to which we are subject or if government customer business practices or requirements change significantly, it could affect our ability to compete and have a material adverse effect on our financial position, results of operations and/or cash flows.

Failure to comply with the requirements of the National Industrial Security Program Operating Manual could result in interruption, delay or suspension of our ability to provide our products and services, and could result in loss of current and future business with the U.S. government.

Certain contracts with the U.S. government may require us to be issued facility security clearances under the National Industrial Security Program. The National Industrial Security Program requires that a corporation maintaining a facility security clearance be effectively insulated from foreign ownership, control or influence ("FOCI"). Failure to maintain an agreement with the DoD regarding the appropriate FOCI mitigation arrangement could result in invalidation or termination of the facility security clearances, which in turn would mean that we would not be able to enter into future contracts with the U.S. government requiring facility security clearances, and may result in the loss of our ability to complete existing contracts with the U.S. government.

Changes in tax law, in our tax rates or in exposure to additional income tax liabilities or assessments may materially and adversely affect our financial condition, results of operations and cash flows.

Changes in law and policy relating to taxes may materially and adversely affect our financial condition, results of operations and cash flows. For example, on March 27, 2020 the U.S. enacted the Coronavirus Aid, Relief and Economic Security Act ("CARES Act"). The CARES Act, among other things, includes provisions relating to refundable payroll tax credits, deferment of employer side social security payments, NOL carryback periods, alternative minimum tax credit refunds, modification to the net interest deduction limitations, and technical corrections to tax depreciation methods for qualified improvement property.

The U.S. also enacted the Tax Cuts and Jobs Act of 2017 ("2017 Tax Act") on December 22, 2017, which significantly changed the U.S. federal income taxation of U.S. corporations. The 2017 Tax Act remains unclear in many respects and has been, and may continue to be, the subject of amendments and technical corrections, as well as interpretations and implementing regulations by the Treasury and IRS, which have mitigated or increased certain adverse impacts of the 2017 Tax Act and may continue to do so in the future. In addition, it is unclear how certain of these U.S. federal income tax changes will affect state and local taxation, which often uses federal taxable income as a starting point for computing state and local tax liabilities. We continue to examine the impact the CARES Act and the 2017 Tax Act may have on our business in future quarters.

The U.S. Congress is currently considering other legislative proposals, including increasing the U.S. federal income tax rate on corporations like us, which, if enacted, could materially impact our financial condition and cash flows in the future.

Our operations are subject to governmental law and regulations relating to environmental matters, which may expose us to significant costs and liabilities that could negatively impact our financial condition.

We are subject to various federal, state, provincial and local environmental laws and regulations relating to the operation of our businesses, including those governing pollution, the handling, storage, disposal and transportation of hazardous substances, and the ownership and operation of real property. Such laws and regulations may result in significant liabilities and costs to us due to the actions or inactions of the previous owners. In addition, new laws and regulations, more stringent enforcement of existing laws and regulations or the discovery of previously unknown contamination could result in additional costs.

We may experience warranty claims for product failures, schedule delays or other problems with existing or new products.

Many of the products we develop and manufacture are technologically advanced systems that must function under demanding operating conditions. The sophisticated and rigorous design, manufacturing and testing processes and practices we employ do not entirely prevent the risk that we may not be able to successfully launch or manufacture our products on schedule or that our products may not perform as intended.

When our products fail to perform adequately, some of our contracts require us to forfeit a portion of our expected profit, receive reduced payments, provide a replacement product or service or reduce the price of subsequent sales to the same customer. Performance penalties may also be imposed when we fail to meet delivery schedules or other measures of contract performance. We do not generally insure against potential costs resulting from any required remedial actions or costs or loss of sales due to postponement or cancellation of scheduled operations or product deliveries.

We may be subject to securities litigation, which is expensive and could divert management attention.

Our share price may be volatile and, in the past, companies that have experienced volatility in the market price of their stock have been subject to securities litigation, including class action litigation. We may be the target of this type of litigation in the future. Litigation of this type could result in substantial costs and diversion of management's attention and resources, which could have a material adverse effect on the Company's business, financial condition, and results of operations. Any adverse determination in litigation could also subject the Company to significant liabilities.

We may become involved in litigation that may materially adversely affect us.

From time to time, we may become involved in various legal proceedings relating to matters incidental to the ordinary course of our business, including intellectual property, commercial, product liability, employment, class action, whistleblower and other litigation and claims, and governmental and other regulatory investigations and proceedings. Such matters can be time-consuming, divert management's attention and resources, cause us to incur significant expenses or liability or require us to change our business practices. Because of the potential risks, expenses and uncertainties of litigation, we may, from time to time, settle disputes, even where we believe that we have meritorious claims or defenses. Because litigation is inherently unpredictable, we cannot assure you that the results of any of these actions will not have a material adverse effect on our business.

Our amended and restated certificate of incorporation requires, to the fullest extent permitted by law, that derivative actions brought in our name, actions against our directors, officers, other employees or stockholders for breach of fiduciary duty and other similar actions may be brought only in the Court of Chancery in the State of Delaware and, if brought outside of Delaware, the stockholder bringing the suit will be deemed to have consented to service of process on such stockholder's counsel, which may have the effect of discouraging lawsuits against our directors, officers, other employees or stockholders.

Our amended and restated certificate of incorporation requires, to the fullest extent permitted by law, that derivative actions brought in our name, actions against our directors, officers, other employees or stockholders for breach of fiduciary duty and other similar actions may be brought only in the Court of Chancery in the State of Delaware and, if brought outside of Delaware, the stockholder bringing the suit will be deemed to have consented to service of process on such stockholder's counsel except any action (A) as to which the Court of Chancery in the State of Delaware determines that there is an indispensable party not subject to the jurisdiction of the Court of Chancery (and the indispensable party does not consent to the personal jurisdiction of the Court of Chancery within ten days following such determination), (B) which is vested in the exclusive jurisdiction of a court or forum other than the Court of Chancery, (C) for which the Court of Chancery does not have subject matter jurisdiction, or (D) any action arising under the Securities Act, as to which the Court of Chancery and the federal district court for the District of Delaware shall have concurrent jurisdiction. Any person or entity purchasing or otherwise acquiring any interest in shares of our capital stock shall be deemed to have notice of and consented to the forum provisions in our amended and restated certificate of incorporation. This choice of forum provision may limit a stockholder's ability to bring a claim in a judicial forum that it finds favorable for disputes with us or any of our directors, officers, other employees or stockholders, which may discourage lawsuits with respect to such claims, although our stockholders will not be deemed to have waived our compliance with federal securities laws and the rules and regulations thereunder. Alternatively, if a court were to find the choice of forum provision contained in our amended and restated certificate of incorporation to be inapplicable or unenforceable in an action, we may incur additional costs associated with resolving such action in other jurisdictions, which could harm our business, operating results and financial condition.

Our amended and restated certificate of incorporation provides that the exclusive forum provision will be applicable to the fullest extent permitted by applicable law. Section 27 of the Exchange Act creates exclusive federal jurisdiction over all suits brought to enforce any duty or liability created by the Exchange Act or the rules and regulations thereunder. As a result, the exclusive forum provision will not apply to suits brought to enforce any duty or liability created by the Exchange Act or any other claim for which the federal courts have exclusive jurisdiction.

Risks Related to Ownership of our Common Stock

Future resales of common stock may cause the market price of our securities to drop significantly, even if our business is doing well.

Sales of a substantial number of shares of our common stock in the public market could occur at any time. These sales, or the perception in the market that the holders of a large number of shares intend to sell shares, could reduce the market price of our common stock.

As restrictions on resale end and registration statements for the sale of the shares held by parties who have contractual registration rights are available for use, the sale or possibility of sale of these shares could have the effect of increasing the volatility in the market price of our common stock, or decreasing the market price itself. As a result of any such decreases in price of our common stock, purchasers who acquire shares of our common stock may lose some or all of their investment.

Any significant downward pressure on the price of our common stock as the selling stockholders sell the shares of our common stock, or the prospect of such shares could encourage short sales by the selling stockholders or others. Any such short sales could place further downward pressure on the price of our common stock.

Our issuance of additional capital stock, warrants or convertible debt securities in connection with financings, refinancings of existing indebtedness, acquisitions, investments, the Equity Incentive Plan or otherwise will dilute all other stockholders.

We expect to issue additional capital stock or securities exercisable for or convertible into capital stock in the future that will result in dilution to all other stockholders. We expect to grant equity awards to employees, directors and consultants under the Equity Incentive Plan. We may also raise capital through equity financings in the future. As part of our business strategy, we may acquire or make investments in complementary companies, products or technologies and issue equity securities to pay for any such acquisition or investment. Any such issuances of additional capital stock may cause stockholders to experience significant dilution of their ownership interests and the per share value of our common stock to decline. In addition, if we raise additional capital through further issuances of equity or convertible debt securities or elect to settle conversions of our convertible senior notes in shares of our common stock, our existing shareholders could suffer significant dilution in their percentage ownership of us. Moreover, any new equity securities we issue could have rights, preferences and privileges senior to those of holders of our common stock.

Provisions in our amended and restated certificate of incorporation and Delaware law may inhibit a takeover of us, which could limit the price investors might be willing to pay in the future for our common stock and could entrench management.

Our amended and restated certificate of incorporation contains provisions that may discourage unsolicited takeover proposals that stockholders may consider to be in their best interests. These provisions include a staggered board of directors and the ability of the board of directors to designate the terms of and issue new series of preferred shares, which may make the removal of management more difficult and may discourage transactions that otherwise could involve payment of a premium over prevailing market prices for our securities.

We are also subject to anti-takeover provisions under Delaware law, which could delay or prevent a change of control. Together these provisions may make the removal of management more difficult and may discourage transactions that otherwise could involve payment of a premium over prevailing market prices for our securities.

Item 1B. Unresolved Staff Comments

None.

Item 1C. Cybersecurity

Cybersecurity Risk Management and Strategy

Our cybersecurity risk management strategy is a key component and has been integrated into our overall enterprise risk management program and has been designed based on established industry frameworks and standards, including those developed by the National Institute of Standards and Technology and the US Department of Defense's Cybersecurity Maturity Model Certification (CMMC) program. Although this does not mean that we currently meet all of any particular technical standards, specifications, or requirements, we use these frameworks, complemented by insights from internal assessments, to guide the development of policies governing the use of our information assets, access to intellectual property, and the safeguarding of personal information.

To fortify our information assets, we employ industry-standard measures such as multifactor authentication and endpoint protection defenses. Moreover, we collaborate with internal stakeholders across the organization to embed fundamental cybersecurity principles into our operations. This entails implementing multiple layers of cybersecurity defenses, restricting access based on business necessity, and ensuring the integrity of our business information. Throughout the year, our employees undergo regular cybersecurity awareness training, receive guidance on protecting confidential information, and participate in simulated phishing exercises. We maintain a cybersecurity incident response plan that includes a cross-functional response team and procedures for responding to cybersecurity incidents.

We engage third-party assessors to conduct penetration testing and evaluate our adherence to industry-standard frameworks. Additionally, we maintain ongoing relationships with incident response experts and other external professionals. We also seek to collaborate with industry peers and cybersecurity practitioners in order to facilitate the exchange of insights and knowledge regarding potential threats, best practices, and emerging trends. We have developed processes to identify and oversee risks from cybersecurity threats associated with our third-party service providers, which includes the information security team assisting with and assessing cybersecurity robustness during onboarding as well as risk-based monitoring on an ongoing basis.

Our global information technology security team collaborates periodically with a cross-functional group of subject matter experts and leaders to assess and refine our cybersecurity posture and preparedness. This collaborative effort extends to partnerships with the National Defense Cyber Alliance, National Security Agency, and the FBI to monitor and comprehend active risks within the Aerospace industry, Defense Industrial Base, and Critical Infrastructure.

As of December 31, 2024, we have not identified any risks from cybersecurity threats (including any previous cybersecurity incidents) that have materially affected or are reasonably likely to materially affect the Company's business strategy, financial condition or results of operations. For further details on cybersecurity risks, please refer to the Risk Factors discussion in Item 1A of this Report, including the discussion under the heading *"Any significant disruption in or unauthorized access to our computer systems or those of third parties that we utilize in our operations, including those relating to cybersecurity or arising from cyber-attacks, could result in a loss or degradation of service, unauthorized disclosure of data, or theft or tampering of intellectual property, any of which could materially adversely impact our business."*

Governance of Cybersecurity Risk Management

Our Board of Directors (the "Board") holds collective oversight responsibility for our strategic and operational risks. Assisting the Board in this capacity, our Audit Committee thoroughly reviews and deliberates on our risk assessment and risk management practices, including cybersecurity risks, in collaboration with management. The Audit Committee provides periodic reports on these reviews to the full Board of Directors.

Management bears the responsibility for the day-to-day assessment and management of cybersecurity risks. Our Chief Information Officer (CIO) assumes primary oversight of material risks stemming from cybersecurity threats. With over 20 years of experience across various information technology roles, our CIO also serves as the Vice President accountable for the Information Technology organization and information protection.

Reporting directly to our CIO, our Cybersecurity Manager brings over 15 years of experience in aerospace IT organizations, coupled with more than 10 years of expertise in cybersecurity.

Our CIO and Cybersecurity Manager evaluate our cybersecurity readiness through a combination of internal assessment tools and third-party control tests, vulnerability assessments, audits, and alignment with industry standards. We maintain governance and compliance structures tailored to promptly escalate cybersecurity-related matters to our cybersecurity team, addressing potential threats or vulnerabilities. Incidents undergo evaluation based on their impact and potential materiality, followed by reporting to designated internal and external personnel in accordance with defined procedures. Moreover, we implement diverse defensive measures and continuous monitoring techniques, leveraging established industry frameworks and cybersecurity standards, including collaboration with third-party security operations centers.

Our CIO conducts periodic meetings with the Audit Committee to review our information technology systems and address significant cybersecurity risks.

Item 2. Properties

As of December 31, 2024, our principal facilities include our offices and production facility in Auckland, New Zealand, our offices and production facilities in Long Beach, California, our propulsion test center complex in Kopuku, New Zealand, our launch complexes in Mahia, New Zealand and Wallops Island, Virginia and our solar cell production facility in Albuquerque, New Mexico. We lease or have contractual rights to access, but do not own, these facilities.

Our lease for our main office space and production facilities in Auckland, New Zealand expires on April 30, 2028, and we have the option to renew the lease for four additional years thereafter. This facility is our main production facility for Electron. Our locations in Long Beach, California, includes office space and production facilities for certain components that we use in Electron and spacecraft manufacturing. The two main leases in Long Beach, California include one lease that expires on June 30, 2027, for which we have the option to extend the term of such lease for up to two additional periods of five years each thereafter, and another lease that expires on June 30, 2025 that has an option to extend the term for five years.

We lease a propulsion test complex, which houses rocket engine testing facilities, in Kopuku, New Zealand. Our lease for this complex expires on November 15, 2029. We have the right to renew this lease agreement for four additional terms of five years each, followed by a fifth term of five years, less one day.

We also operate a launch complexes in Mahia, New Zealand and Wallops Island, Virginia. The current term of the lease agreement for our Mahia, New Zealand, launch complex expires on November 30, 2027. We have the right to renew our lease agreement for three additional terms of three years each. We have entered into an agreement providing us with rights to access the facilities, launch property and services at the Wallops Island, Virginia launch complex (LC-2), which expires on September 28, 2028. We have entered into an agreement providing us with rights to access the facilities, launch property and services at the Wallops Island, Virginia launch complex (LC-3), which expires on February 15, 2034.

Our solar cell through panel production activities are conducted out of our Albuquerque, New Mexico facility. From this location we research, develop, design and manufacture solar power solutions in an approximately 160,000 square foot production and research and development complex. We have a ground lease for one building that expires on September 18, 2050 and a lease on the second building that expires on May 31, 2042.

We lease a rocket engine testing complex, which houses operations for testing the Archimedes engine, at the Stennis Space Center in Mississippi. Our lease for this complex expires on October 22, 2032. We have the option to renew this lease agreement for ten years, subject to terms contained in the lease.

We lease a dedicated production and development complex designed to deliver a comprehensive suite of advanced composite products for the space industry, in Middle River, Maryland. Our lease for this complex expires on March 31, 2034. We have the option to renew this lease agreement for two additional terms of five years each.

Item 3. Legal Proceedings

From time to time, we may become involved in litigation relating to claims arising from the ordinary course of business. Our management believes that there are currently no claims or actions pending against us, the ultimate disposition of which could have a material adverse effect on our results of operations or financial condition.

Item 4. Mine Safety Disclosures

Not applicable.

PART II

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

Market Information and Holders

Our common stock is currently listed on the Nasdaq under the symbol “RKL B”. As of February 21, 2025, there were approximately 37 holders of record of our common stock. Such numbers do not include beneficial owners holding our securities through nominee names.

Dividend Policy

We have never declared or paid any cash dividends on our capital stock, and we do not currently intend to pay any cash dividends for the foreseeable future. It is the present intention of our Board to retain all earnings, if any, for use in our business operations and, accordingly, our Board does not anticipate declaring any dividends in the foreseeable future. The payment of cash dividends in the future will be dependent upon our revenues and earnings, if any, capital requirements and general financial condition. The payment of any cash dividends is within the discretion of our Board. Further, our ability to declare dividends may be limited by the terms of financing or other agreements entered into by it or its subsidiaries from time to time.

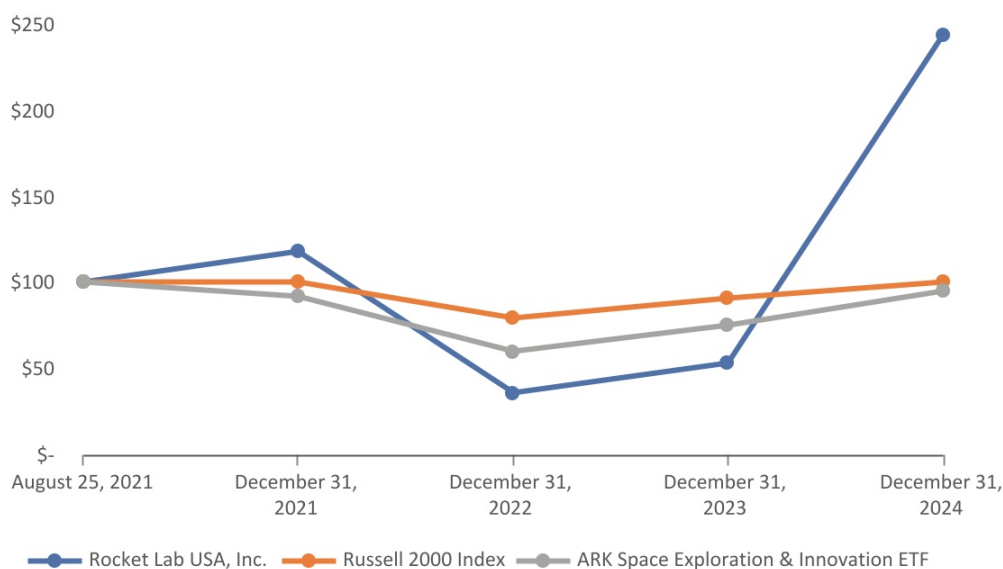
Equity Compensation Plan Information

Information about our equity compensation plans is incorporated herein by reference to Part III, Item 12 of this Annual Report on Form 10-K.

Stock Performance Graph

The following performance graph and related information shall not be deemed “soliciting material” or to be “filed” with the SEC for purposes of Section 18 of the Exchange Act, nor shall such information be incorporated by reference into any future filing under the Securities Act or the Exchange Act, whether made before or after the date hereof and irrespective of any general incorporation language in any such filing, or otherwise subject to the liabilities under the Securities Act or Exchange Act, except to the extent that we specifically incorporate it by reference into such filing.

The following graph depicts the total cumulative stockholder return on our common stock from August 25, 2021, the first day of trading of our common stock on the Nasdaq, through December 31, 2024, relative to the performance of the Russell 2000 Index and the ARK Space Exploration & Innovation ETF. The graph assumes an initial investment of \$100.00 at the close of trading on August 25, 2021 and that all dividends paid by companies included in these indices have been reinvested. The performance shown in the graph below is not intended to forecast or be indicative of future stock price performance.



Item 6. [Reserved]

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

The following discussion and analysis provides information that management believes is relevant to an assessment and understanding of our consolidated results of operations and financial condition. You should read this discussion and analysis in conjunction with the consolidated financial statements and notes thereto included elsewhere in this Annual Report on Form 10-K. Certain amounts may not foot due to rounding. Certain information in this discussion and analysis or set forth elsewhere in this Annual Report on Form 10-K contains forward-looking statements that involve numerous risks and uncertainties, including, but not limited to, those described under the sections entitled "Cautionary Note Regarding Forward-Looking Statements" and Item I, Part 1A. "Risk Factors" included in this Annual Report on Form 10-K. We assume no obligation to update any of these forward-looking statements. Actual results may differ materially from those contained in any forward-looking statements.

Overview

Rocket Lab is an end-to-end space company with an established track record of mission success. We deliver reliable launch services, spacecraft design services, spacecraft components, spacecraft manufacturing and other spacecraft and on-orbit management solutions that make it faster, easier and more affordable to access space.

While our business has historically been centered on the development of small-class launch vehicles and the related sale of launch services, we are currently innovating in the areas of medium-class launch vehicles and launch services, space systems design and manufacturing, on-orbit management solutions, and space data applications. Each of these initiatives addresses a critical component of the end-to-end solution and our value proposition for the space economy:

- Launch Services is the design, manufacture, and launch of orbital rockets to deploy payloads to various Earth orbits and interplanetary destinations.
- Space Systems is the design and manufacture of spacecraft components and spacecraft program management services, space data applications and mission operations.

Electron is our orbital small launch vehicle that was designed from the ground up to accommodate a high launch rate business model to meet the growing and dynamic needs of our customers for small launch services. Since its maiden launch in 2017, Electron has become the leading small spacecraft launch vehicle delivering over 200 spacecraft to orbit for government and commercial customers across 54 successful missions through December 31, 2024. In 2024, Electron was the second most frequently orbital launched rocket by companies operating in the United States and the second most frequent orbital launcher globally. Our launch services program has seen us develop many industry-leading innovations, including 3D printed electric turbo-pump rocket engines, fully carbon composite first stage fuel tanks, a private orbital launch complex, a rocket stage that can be configured to convert into a highly capable spacecraft on orbit, and the potential ability to successfully recover a stage from space, providing a path to reusability.

In March 2021, we announced plans to develop our reusable-ready medium-capacity Neutron launch vehicle that will increase the payload capacity of our space launch vehicles to approximately 15,000 kg for expendable launches to low Earth orbit and lighter payloads for reusable configurations and into higher orbits. Neutron will be tailored for commercial and U.S. government constellation launches and ultimately configurable for and capable of human space flight, enabling us to provide crew and cargo resupply to space stations. Neutron will also provide a dedicated service to orbit for larger civil, defense and commercial payloads that need a high level of schedule control and high-flight cadence. We expect to be able to leverage Electron's flight heritage across various vehicle subsystems designs, launch complexes and ground station infrastructure.

Our space systems initiatives are supported by the design and manufacture of our spacecraft family along with a range of components, software and services for spacecraft, including reaction wheels, star trackers, radios, separation systems, solar solutions, command and control spacecraft software, high voltage space grade battery solutions, and additional products in development to serve a wide variety of sub-system functions. We entered this market with our acquisition of leading spacecraft components manufacturer Sinclair Interplanetary, and have since expanded our market participation with the acquisitions of Planetary Systems Corporation, SolAero Technologies Corp. and aerospace software firm Advanced Solutions, Incorporated. Each of these strategic acquisitions brought incremental vertically-integrated capabilities for our own spacecraft family and also enabled Rocket Lab to deliver high-volume manufacturing of critical spacecraft components and software solutions at scale prices to the broader spacecraft merchant market. Our spacecraft family, which are configurable for a range of low Earth orbit, medium Earth orbit, geosynchronous orbit and interplanetary missions enable us to offer an end-to-end mission solution encompassing launch, full spacecraft manufacturing, ground services and mission operations to provide customers with streamlined access to orbit with Rocket Lab as a single mission partner.

Recent Developments

Neutron Update

We continue to make significant progress across Neutron's structures and infrastructure at our LC-3 facility in Virginia. Archimedes engine qualification continues at Rocket Lab's engine test site at the Stennis Space Center in Mississippi. Performance iterations on the production line have resulted in mass reductions of more than 200kg per engine. We introduced our proposed modified barge, that will be customized to enable landings at sea for our reusable Neutron rocket. Based on our evaluation of progress to date and necessary testing, engineering, qualification and manufacturing and infrastructure milestones still necessary to be achieved, we continue to plan for the debut launch of Neutron in the second half of 2025, although uncertainty remains in the complex development cycle of a new launch vehicle which could result in our targeted timeline for first launch slipping further.

Key Factors Affecting Our Performance

Ability to timely develop and successfully deploy Neutron launch vehicle

Our future results will depend on the success of the development and commercial acceptance of our Neutron medium-capacity launch vehicle. While we have made significant progress across Neutron's structures and infrastructure to date, including engine testing and initial production execution, the commercial development of a new launch vehicle is inherently time consuming and involves numerous risks throughout the engineering and manufacturing development cycle, any of which could create delays in reaching the initial launch and future launches of the completed vehicle. In addition, even if we succeed in developing Neutron consistent with our targeted timeline, we could be unsuccessful in developing the ability to produce these launch vehicles in quantities and with the necessary quality manufacturing system that ensures each vehicle and engines perform as required. Any delay in the production of the Neutron launch vehicle or in our ability to produce these launch vehicles at our expected rate of production and with a reliable quality management system could have a material impact on customer acceptance as well as our future revenue, financial condition and results of operations. Additionally, delays or setbacks in Neutron development may require more research, development and capital expenditures than we currently anticipate, which could adversely affect our liquidity and capital resources in future periods.

Ability to sell additional launch services, space systems service and spacecraft components to new and existing customers

Our results will be impacted by our ability to sell our launch services, space systems services, and spacecraft components to new and existing customers. We have successfully launched Electron 54 times delivering over 200 spacecraft to orbit, including one suborbital launch, through December 31, 2024. We have flight hardware and spacecraft that have flown on over 1,800 missions, including legacy missions enabled by Sinclair Interplanetary (acquired April 2020), Advanced Solutions, Incorporated (acquired October 2021), Planetary Systems Corporation (acquired November 2021) and SolAero Technologies Corp. (acquired January 2022). Our growth opportunity is dependent on our ability to expand our addressable launch services market with larger volumetric and higher mass payload capabilities of our in-development medium-capacity Neutron launch vehicle, which will address large commercial and government constellation launch opportunities. Our growth opportunity is also dependent on our ability to win spacecraft constellation missions and expand our portfolio of strategic spacecraft components. Our ability to sell additional products to existing customers is a key part of our success, as follow-on purchases indicate customer satisfaction and decrease the likelihood of competitive substitution. To sell additional products and services to new and existing customers, we will need to continue to invest significant resources in our products and services.

Ability to improve profit margins and scale our business

We intend to continue to invest in initiatives to improve our operating leverage and significantly ramp production. We believe continued reduction in costs and an increase in production volumes will enable the cost of launch vehicles to decline and improve our gross margins. Our ability to achieve our production-efficiency objectives could be negatively impacted by a variety of factors including, among other things, lower-than-expected facility utilization rates, manufacturing and production cost overruns, increased purchased material costs and unexpected supply-chain quality issues or interruptions.

Government expenditures and private enterprise investment into the space economy

Government expenditures and private enterprise investment has fueled the growth in our target markets. We expect the continued availability of government expenditures and private investment for our customers to help fund purchases of our products and services will remain. This is an important factor in our company's growth prospects.

Key Metrics and Select Financial Data

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

Launch Vehicle Build-Rate and Launch Cadence

We built approximately 12 Electron launch vehicles in 2022, approximately 11 Electron launch vehicles in 2023 and approximately 14 Electron launch vehicles in 2024. We launched nine Electron vehicles in 2022, ten Electron vehicles in 2023 and 16 Electron vehicles in 2024. Growth rates between launches and total launch service revenue are not perfectly correlated because our total revenue is affected by other variables, such as the revenue per launch, which can vary considerably based on factors such as unique orbit and insertion requirements, payload handling needs, launch location, time sensitivity of mission completion and other factors.

Revenue Growth

We generated \$436.2 million and \$244.6 million in revenue for the years ended December 31, 2024 and 2023, respectively, representing a year-on-year increase in revenue of approximately 78%. This year-on-year increase primarily resulted from increased revenues in our organic space system products and services representing growth of \$138.1 million and higher launch cadence that delivered growth of \$53.5 million.

Revenue and Cost Value Per Launch

Revenue value per launch represents the average revenue per launch contract attributable to launches that occurred during a period, regardless of when the revenue was recognized. Revenue value per launch can be a useful metric to provide insight into general competitiveness and price sensitivity in the marketplace. Revenue value per launch can vary considerably, based on factors such as unique orbit and insertion requirements, payload handling needs, launch location, time sensitivity of mission completion and other factors, and as such may not provide absolute clarity with regards to pricing and competitive dynamics in the marketplace.

For the years ended December 31, 2024, 2023 and 2022, our revenue value per launch was \$7.8 million, \$7.1 million and \$6.7 million, respectively. Meanwhile, cost per launch was \$5.7 million, \$7.0 million and \$7.5 million for the years ended December 31, 2024, 2023 and 2022, respectively. Cost per launch for the year ended December 31, 2023 excludes a \$2.1 million benefit from non-recurring employee retention credit to Launch Services cost of revenue and a \$4.1 million benefit from non-recurring reversal of provision made for contract losses that were credited to Launch Services cost of revenue. The decrease in cost per launch in the years ended December 31, 2024 and 2023 was driven by efficiencies of scale.

Backlog

Backlog represents future revenues that we would recognize in connection with the completion of all contracts and purchase orders that have been entered into by our customers but have not yet been fulfilled, excluding any customer options for future products or services that have not yet been exercised. Contracts for launch services and spacecraft builds typically include termination rights that may be exercised by customers upon advanced notice and payment of a specified termination fee. As of December 31, 2024, our backlog totaled \$1,067.0 million, of which \$680.7 million is related to space systems and \$386.3 million is related to launch services.

Components of Results of Operations

Revenue

Our revenues are derived from a combination of long-term fixed price contracts for launch services and spacecraft builds, and purchase order based spacecraft components sales. Revenues from long-term contracts are recognized using either the “point-in-time” or “over-time” method of revenue recognition. Point-in-time revenue recognition results in cash payments being initially accrued to the balance sheet as deferred revenue as contractual milestones are accomplished and then recognized as revenue once the final contractual obligation is completed. Over-time revenue recognition is generally based on an input measure of progress based on costs incurred compared to estimated total costs at completion. Each project has a contractual revenue value and an estimated cost. The over-time revenue is recognized based on the percentage of the total project cost that has been realized.

Estimating future revenues and associated costs and profit is a process requiring a high degree of management judgment, including management's assumptions regarding our future operational performance as well as general economic conditions. Frequently, the period of performance of a contract extends over a long period of time and, as such, revenue recognition and our profitability from a particular contract may be affected to the extent that estimated costs to complete are revised, delivery schedules are delayed, performance-based milestones are not achieved or progress under a contract is otherwise impeded. Accordingly, our recorded revenues and operating profit from period to period can fluctuate significantly depending on when the point-in-time or over-time contractual obligations are achieved. In the event cost estimates indicate a loss on a contract, the total amount of such loss is recorded in the period in which the loss is first estimated.

For a description of our revenue recognition policies, see Note 2, Significant Accounting Policies, to our consolidated financial statements included elsewhere in this Annual Report on Form 10-K.

Cost of Revenues

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

Because direct labor costs and manufacturing overhead comprise a significant portion of cost of revenues, increasing our production rate resulting in greater absorption of these costs is our most critical cost reduction initiative. Increasing our production rate is a cross-functional effort involving sales and business development, manufacturing, engineering, supply chain and finance.

Operating Expenses

Our operating expenses consist of research and development and selling, general and administrative expenses.

Research and Development, Net

Research and development, net expense consists primarily include labor, prototype, professional services, materials, facilities and depreciation expense. We intend to continue to make significant investments in developing new products and enhancing existing products, including but not limited to our medium capacity Neutron launch vehicle, Electron's first stage recovery, and spacecraft features and capabilities, as well as expanding our portfolio of spacecraft components and subsystems. Research and development expense will be variable relative to the number of products that are in development, validation or testing. However, we expect it to decline as a percentage of total revenue over time.

Selling, General and Administrative

Selling, general and administrative expenses consist primarily of personnel-related expenses for our sales, marketing, supply chain, finance, legal, human resources and administrative personnel, as well as the costs of customer service, information technology, risk management and related insurance, travel, allocated overhead and other marketing, communications and administrative expenses. We also expect to further invest in our corporate infrastructure and incur additional expenses associated with operating as a public company, including increased legal and accounting costs, investor relations and compliance costs. As a result, we expect that selling, general and administrative expenses will increase in absolute dollars in future periods but decline as a percentage of total revenue over time.

Interest Income (Expense), Net

Interest income (expense), net consists primarily of interest expense incurred on debt and interest income earned on our cash and cash equivalents, short-term investments balances and marketable securities.

Loss on Foreign Exchange

Gain (loss) on foreign exchange relates to currency fluctuations that generate foreign exchange gains or losses on invoices denominated in currencies other than the United States ("U.S.") Dollar.

Change in Fair Value of Liability Classified Warrants

Change in fair value of liability classified warrants relates to changes in the fair value of warrant liabilities.

Results of Operations

The following table sets forth our consolidated statements of operations information and data as a percentage of revenue for each of the periods indicated (in thousands, except percentages):

	Years Ended December 31,					
	2024		2023		2022	
	\$	%	\$	%	\$	%
Revenues	\$ 436,214	100.0 %	\$ 244,592	100.0 %	\$ 210,996	100.0 %
Cost of revenues	320,065	73.4 %	193,183	79.0 %	192,006	91.0 %
Gross profit	116,149	26.6 %	51,409	21.0 %	18,990	9.0 %
Operating expenses:						
Research and development, net	174,394	40.0 %	119,054	48.7 %	65,168	30.9 %
Selling, general and administrative	131,556	30.2 %	110,273	45.1 %	89,026	42.2 %
Total operating expenses	305,950	70.2 %	229,327	93.8 %	154,194	73.1 %
Operating loss	(189,801)	(43.6)%	(177,918)	(72.8) %	(135,204)	(64.1)%
Other income (expense):						
Interest expense, net	(3,954)	(0.9)%	(4,248)	(1.7) %	(7,799)	(3.7)%
Loss on foreign exchange	(87)	— %	(470)	(0.2) %	(4,435)	(2.1)%
Change in fair value of liability classified warrants	—	— %	—	— %	13,482	6.4 %
Other income, net	4,431	1.0 %	3,715	1.5 %	1,010	0.5 %
Total other income (expense), net	390	0.1 %	(1,003)	(0.4) %	2,258	1.1 %
Loss before income taxes	(189,411)	(43.5)%	(178,921)	(73.2) %	(132,946)	(63.0)%
Provision for income taxes	(764)	(0.2)%	(3,650)	(1.5) %	(2,998)	(1.4)%
Net loss	\$ (190,175)	(43.7)%	\$ (182,571)	(74.7) %	\$ (135,944)	(64.4)%

Comparison of the Years Ended December 31, 2024 and 2023

Revenues

(in thousands, except percentages)	Years Ended December 31,			
	2024	2023	\$ Change	% Change
Revenues	\$ 436,214	\$ 244,592	\$ 191,622	78 %

Revenue increased by \$191.6 million, or 78%, for the year ended December 31, 2024 as compared to the year ended December 31, 2023. Space systems revenue was \$310.8 million for the year ended December 31, 2024, an increase of \$138.1 million, or 80%, primarily due to spacecraft manufacturing growth. Launch services revenue was \$125.4 million for the year ended December 31, 2024, an increase of \$53.5 million, or 74%, primarily due to a higher launch cadence, with 16 launch missions completed in the year ended December 31, 2024, versus ten launch mission completed in the year ended December 31, 2023.

Cost of Revenues

(in thousands, except percentages)	Years Ended December 31,			
	2024	2023	\$ Change	% Change
Cost of revenues	\$ 320,065	\$ 193,183	\$ 126,882	66 %

Cost of revenues increased by \$126.9 million, or 66%, for the year ended December 31, 2024 as compared to the year ended December 31, 2023. Space systems cost of revenue was \$229.3 million for the year ended December 31, 2024, an increase of \$99.9 million, or 77%, primarily due to spacecraft manufacturing growth. Launch Service cost of revenues was \$90.8 million for the year ended December 31, 2024, an increase of \$27.0 million, or 42%, primarily due to a higher launch cadence referenced above. Cost of revenues for the year ended December 31, 2024 decreased to 73% of total revenue as compared to 79% for the year ended December 31, 2023.

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Research and Development, Net

(in thousands, except percentages)	Years Ended December 31,		\$ Change	% Change
	2024	2023		
Research and development, net	\$ 174,394	\$ 119,054	\$ 55,340	46 %

Research and development expense increased by \$55.3 million, or 46%, for the year ended December 31, 2024 as compared to the year ended December 31, 2023, primarily due to Neutron development progress, increased staff and staff related expenses as a result of hiring and prototype spend focused on expanding our spacecraft and spacecraft components product portfolio.

Selling, General and Administrative

(in thousands, except percentages)	Years Ended December 31,		\$ Change	% Change
	2024	2023		
Selling, general and administrative	\$ 131,556	\$ 110,273	\$ 21,283	19 %

Selling, general and administrative expense increased by \$21.3 million, or 19%, for the year ended December 31, 2024 as compared to the year ended December 31, 2023, primarily due to increased staff and staff related expenses to support revenue growth.

Interest Expense, Net

(in thousands, except percentages)	Years Ended December 31,		\$ Change	% Change
	2024	2023		
Interest expense, net	\$ (3,954)	\$ (4,248)	\$ 294	(7)%

Interest expense, net of interest income decreased by \$0.3 million, or 7%, for the year ended December 31, 2024 as compared to the year ended December 31, 2023, primarily due to an increase of interest income from increased money market account balances and decreased interest expense on secured borrowings, partially offset by interest expense incurred on senior convertible notes.

Loss on Foreign Exchange

(in thousands, except percentages)	Years Ended December 31,		\$ Change	% Change
	2024	2023		
Loss on foreign exchange	\$ (87)	\$ (470)	\$ 383	(81)%

Loss on foreign exchange decreased by \$0.4 million, or 81%, for the year ended December 31, 2024 as compared to the year ended December 31, 2023, primarily due to fluctuations on the foreign exchange rates of the New Zealand Dollar and Canadian Dollar as compared to the U.S. Dollar.

Other Income, Net

(in thousands, except percentages)	Years Ended December 31,		\$ Change	% Change
	2024	2023		
Other income, net	\$ 4,431	\$ 3,715	\$ 716	19 %

Other income increased by \$0.7 million, or 19%, for the year ended December 31, 2024 as compared to the year ended December 31, 2023, primarily due to a gain on sale of assets related to the sale of a helicopter and spare parts in 2024, partially offset by a decrease in accretion of marketable securities purchased at a discount.

Provision for Income Taxes

(in thousands, except percentages)	Years Ended December 31,		\$ Change	% Change
	2024	2023		
Provision for income taxes	\$ (764)	\$ (3,650)	\$ 2,886	(79)%

We recorded income tax expense of \$0.8 million and \$3.7 million for the years ended December 31, 2024 and 2023, respectively. The effective tax rate was (0.4)% for the year ended December 31, 2024, compared to (2.0)% for the year ended December 31, 2023. The effective tax rate differs from the federal statutory rate due primarily to a full valuation allowance against our U.S. deferred tax assets.

Comparison of the Years Ended December 31, 2023 and 2022

Revenues

(in thousands, except percentages)	Years Ended December 31,		\$ Change	% Change
	2023	2022		
Revenues	\$ 244,592	\$ 210,996	\$ 33,596	16 %

Revenue increased by \$33.6 million, or 16%, for the year ended December 31, 2023 as compared to the year ended December 31, 2022. Launch services revenue was \$71.9 million for the year ended December 31, 2023, an increase of \$11.2 million, or 18%, primarily due to a higher launch cadence, with ten launch missions completed in the year ended December 31, 2023, versus nine launch mission completed in the year ended December 31, 2022. Space systems revenue was \$172.7 million for the year ended December 31, 2023, an increase of \$22.4 million, or 15%, primarily due to spacecraft manufacturing growth.

Cost of Revenues

(in thousands, except percentages)	Years Ended December 31,		\$ Change	% Change
	2023	2022		
Cost of revenues	\$ 193,183	\$ 192,006	\$ 1,177	1 %

Cost of revenues increased by \$1.2 million, or 1%, for the year ended December 31, 2023 as compared to the year ended December 31, 2022. Launch Service cost of revenues was \$63.8 million for the year ended December 31, 2023, a decrease of \$3.8 million, or 6%, primarily due to a release of a \$4.1 million provision for contract losses and a \$2.1 million benefit from non-recurring employee retention credit, offset by the higher launch cadence referenced above. Space systems cost of revenue was \$129.4 million for the year ended December 31, 2023, an increase of \$5.0 million, or 4%, primarily due to spacecraft manufacturing growth. Cost of revenues for the year ended December 31, 2023 decreased to 79% of total revenue as compared to 91% for the year ended December 31, 2022.

Research and Development, Net

(in thousands, except percentages)	Years Ended December 31,		\$ Change	% Change
	2023	2022		
Research and development, net	\$ 119,054	\$ 65,168	\$ 53,886	83 %

Research and development expense increased by \$53.9 million, or 83%, for the year ended December 31, 2023 as compared to the year ended December 31, 2022, primarily due to Neutron development progress, increased staff cost as a result of hiring and prototype spend focused on expanding our Photon and spacecraft components product portfolio.

Selling, General and Administrative

(in thousands, except percentages)	Years Ended December 31,		\$ Change	% Change
	2023	2022		
Selling, general and administrative	\$ 110,273	\$ 89,026	\$ 21,247	24 %

Selling, general and administrative expense increased by \$21.2 million, or 24%, for the year ended December 31, 2023 as compared to the year ended December 31, 2022, primarily due to expanding our business development initiatives which drove higher staff related costs, increased professional services costs associated with our recent transition to large accelerated filer status, a \$2.6 million increase in stock-based compensation and facility related expense.

Interest Income (Expense), Net

(in thousands, except percentages)	Years Ended December 31,		\$ Change	% Change
	2023	2022		
Interest income (expense), net	\$ (4,248)	\$ (7,799)	\$ 3,551	(46)%

Interest expense, net of interest income decreased by \$3.6 million, or 46%, for the year ended December 31, 2023 as compared to the year ended December 31, 2022, primarily due to an increase of interest income on marketable securities and money market funds, partially offset by increased interest expense on our floating rate term loan from Hercules.

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Loss on Foreign Exchange

(in thousands, except percentages)	Years Ended December 31,		\$ Change	% Change
	2023	2022		
Loss on foreign exchange	\$ (470)	\$ (4,435)	\$ 3,965	(89)%

Loss on foreign exchange decreased by \$4.0 million, or 89%, for the year ended December 31, 2023 as compared to the year ended December 31, 2022, primarily due to our New Zealand intercompany loan denominated in New Zealand Dollar. On July 1, 2022, the Company determined the New Zealand intercompany loan was not expected to be repaid and started recording foreign exchange impact on this intercompany loan to foreign currency translation adjustments.

Change in Fair Value of Liability Classified Warrants

(in thousands, except percentages)	Years Ended December 31,		\$ Change	% Change
	2023	2022		
Change in fair value of liability classified warrants	\$ —	\$ 13,482	\$ (13,482)	(100)%

Change in fair value of liability classified warrants income was \$13.5 million for the year ended December 31, 2022 as a result of the change in fair value of liability classified warrants assumed in connection with the Business Combination that were redeemed in January 2022. The Company had no liability classified warrants as of December 31, 2023.

Other Income (Expense), Net

(in thousands, except percentages)	Years Ended December 31,		\$ Change	% Change
	2023	2022		
Other income (expense), net	\$ 3,715	\$ 1,010	\$ 2,705	268 %

Other income increased by \$2.7 million, or 268%, for the year ended December 31, 2023 as compared to the year ended December 31, 2022, primarily due to accretion of marketable securities purchased at a discount.

Benefit (Provision) for Income Taxes

(in thousands, except percentages)	Years Ended December 31,		\$ Change	% Change
	2023	2022		
Benefit (provision) for income taxes	\$ (3,650)	\$ (2,998)	\$ (652)	22 %

We recorded income tax expense of \$3.7 million and 3.0 million for the years ended December 31, 2023 and 2022, respectively. The effective tax rate was (2.0)% for the year ended December 31, 2023, compared to (2.3)% for the year ended December 31, 2022. The effective tax rate differs from the federal statutory rate due primarily to a full valuation allowance against our U.S. deferred tax assets.

Liquidity and Capital Resources

Since inception, we have funded our operations with proceeds from sales of our capital stock, convertible senior notes, term note debt, equipment financing, research and development grant proceeds, and cash flows from the sale of our products and services. As of December 31, 2024, we had \$271.0 million of cash and cash equivalents and \$208.6 million of marketable securities. Our primary requirements for liquidity and capital are for investment in new products and technologies, the expansion of existing manufacturing facilities, working capital, debt service, acquisitions of complementary businesses, products or technologies and general corporate needs. Historically, these cash requirements have been met through the net proceeds we received through private sales of equity securities and convertible senior notes, borrowings under our credit and equipment financing facilities, net proceeds received in the Business Combination and payments received from customers.

We believe that our existing cash and cash equivalents and payments from customers will be sufficient to meet our working capital and capital expenditure needs for at least the next twelve months, although we may choose to take advantage of opportunistic capital raising or refinancing transactions at any time primarily for the purposes noted above. We will continue to invest in increasing production and expanding our product offerings through acquisitions.

Material Cash Requirements

As of December 31, 2024, we had outstanding \$58.3 million in aggregate principal amount of indebtedness under our equipment financing agreement, of which \$12.0 million was scheduled to become due in the following twelve months. As of December 31, 2024, our total minimum lease payments was \$102.3 million, of which \$10.9 million is due in the following twelve months. For details regarding our indebtedness and lease obligations at December 31, 2024, refer to Note 12, Loan Agreements, and Note 16, Leases, to our consolidated financial statements included elsewhere in this Annual Report on Form 10-K.

Our capital expenditures for the fiscal year ended December 31, 2024 were \$67.1 million. Our future capital requirements will depend on many factors, including our launch cadence, traction in the market with our space systems offerings, the expansion of sales and marketing activities, the timing and extent of spending to support product development efforts, the introduction of new and enhanced products, the continuing market adoption of our products, the timing and extent of additional capital expenditures to invest in existing and new office spaces and the number of acquisitions of complementary businesses, products or technologies we pursue, if any. We may be required to seek additional equity or debt financing or take advantage of opportunistic capital raising or financing transactions primarily for the purposes noted above. In the event that we require additional financing, we may not be able to raise such financing on terms acceptable to us or at all. If we are unable to raise additional capital or generate cash flows necessary to expand our operations and invest in continued product innovation, we may not be able to compete successfully, which would harm our business, operations and financial condition.

Additionally, we expect our capital and operating expenditures will increase significantly in connection with ongoing activities as we:

- increase our investment in marketing, advertising, sales and distribution infrastructure for our existing and future products and services;
- develop additional new products and enhancements to existing products;
- obtain, maintain and improve our operational, financial and management performance;
- hire additional personnel;
- obtain, maintain, expand and protect our intellectual property portfolio; and
- continue to operate as a public company.

Indebtedness

On February 6, 2024, the Company issued \$355.0 million aggregate principal amount of its 4.250% Convertible Senior Notes due 2029 (the “Notes”). The Notes were issued pursuant to, and are governed by, an indenture (the “Indenture”), dated as of February 6, 2024, between the Company and U.S. Bank Trust Company, National Association, as trustee (the “Trustee”). As of December 31, 2024, there was \$355.0 million outstanding under the Notes, before unamortized discount and debt issuance costs of \$9.6 million. As of December 31, 2024, the effective interest rate under the Notes was 5.0%.

On December 29, 2023 (the “Effective Date”), the Company and certain of its subsidiaries (the “Subsidiaries”, together with the Company, the “Borrowers”), entered into a Master Equipment Financing Agreement (the “Loan Agreement”) with Trinity Capital, Inc., a Maryland corporation (the “Lender”) to provide financing for certain equipment and other property (the “Equipment”). The Loan Agreement provides that the Lender shall provide equipment financing in the aggregate of up to \$120.0 million (the “Conditional Commitment”), with advances (“Draws”) to be made as follows: (i) \$70 million on the Effective Date (the “Effective Date Draw”); and (ii) \$40 million to be drawn on the Effective Date (the “Blanket Lien Draw”), with each of the Effective Date Draw and Blanket Lien Draw payable over sixty (60) months beginning January 2024, with the final payments due in January 2029. After the Blanket Lien Draw is repaid in full, Borrowers may make Draws as follows: (x) \$30 million to be drawn in not more than three advances of at least \$10 million each at the Borrowers’ option no later than the date that is 18 months after the Effective Date; and (y) \$20 million to be drawn at Borrower’s option between January 1, 2025 and June 30, 2025 (such date, the “Termination Date”), subject to customary conditions. As of December 31, 2024 the effective interest rate under the Loan Agreement was 14.9%.

As of December 31, 2024, there was \$58.3 million principal outstanding under the Loan Agreement, of which \$12.0 million is classified as current in the Company’s consolidated balance sheets, with the remainder classified as long-term borrowing.

Cash Flows

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

(in thousands)	Years Ended December 31,		
	2024	2023	2022
Net cash provided by (used in):			
Operating activities	\$ (48,890)	\$ (98,867)	\$ (106,538)
Investing activities	(98,327)	12,018	(346,079)
Financing activities	256,682	7,369	2,041
Effect of exchange rate changes	(597)	43	4,372
Net increase (decrease) in cash, cash equivalents, and restricted cash	\$ 108,868	\$ (79,437)	\$ (446,204)

Cash Flows from Operating Activities

Net cash used in operating activities for the year ended December 31, 2024 of \$48.9 million, which consisted of \$190.2 million in operating loss, \$95.5 million non-cash expense and \$45.8 million in cash provided by operating assets and liabilities. Included in the non-cash activities are \$56.8 million in stock-based compensation expense and \$33.7 million in depreciation and amortization. Included in the cash provided by operating assets and liabilities are \$76.9 million in contract liabilities, \$24.8 million in trade payables, \$9.1 million in accrued expenses and \$7.6 million in prepaids and other assets, offset by cash used in operating assets and liabilities including \$50.2 million in contract assets, \$12.9 million in other non-current assets and \$12.4 million in inventories.

Cash Flows from Investing Activities

Cash used in investing activities for the year ended December 31, 2024 of \$98.3 million was primarily driven by capital equipment and infrastructure investments of \$67.1 million and net cash used related to purchases, maturities and sales of marketable securities of \$43.8 million. These capital investments included the purchases of equipment, including additive manufacturing or 3D printers and milling machines, and tenant improvements to support Neutron production and space systems infrastructure. Cash used in investing activities was partially offset by \$12.5 million of net proceeds on disposal of assets, primarily related to the sale of a helicopter.

Cash Flows from Financing Activities

Cash provided by financing activities for the year ended December 31, 2024 of \$256.7 million was primarily related to \$355.0 million of proceeds from the issuance of convertible senior notes, partially offset by \$51.7 million of repayments on Trinity Loan Agreement, \$43.2 million purchase of capped calls related to the issuance of convertible senior notes and \$12.2 million of debt issuance costs.

Critical Accounting Policies and Estimates

We believe that the following accounting policies involve a high degree of judgment and complexity. Accordingly, these are the policies we believe are the most critical to aid in fully understanding and evaluating our consolidated financial condition and results of operations. See Note 2, Significant Accounting Policies to our consolidated financial statements appearing elsewhere in this Annual Report on Form 10-K for a description of our other significant accounting policies. The preparation of our consolidated financial statements in conformity with accounting standards generally accepted in the United States of America ("U.S. GAAP") requires us to make estimates and judgments that affect the amounts reported in those financial statements and accompanying notes. Although we believe that the estimates we use are reasonable, due to the inherent uncertainty involved in making those estimates, actual results reported in future periods could differ from those estimates.

Revenue Recognition

The transaction price represents the amount of consideration to which we expect to be entitled in exchange for transferring the promised products or services to our customers. The consideration promised within a contract may include fixed amounts and variable amounts. Variable consideration may consist of final milestone payments, mission success fees or liquidating damages that are earned or penalized if certain contractual milestones are achieved or are not achieved.

We estimate variable consideration at the most likely amount or expected value, which is included in the transaction price to the extent it is probable that a significant reversal of cumulative revenue recognized will not occur. We do not have a history of significant changes in our estimates of variable consideration; however, judgment is involved in estimating the amounts on long term contracts and could be subject to change if we encounter significant delays in production.

For revenue recognized over-time, we use an input method, based on costs incurred relative to total estimated costs at completion to estimate the percentage of completion. The costs incurred are determined by assessing the physical and technical progress on the spacecraft applied to the standard costs. Due to the nature of the work performed under spacecraft construction contracts, the estimation of physical and technical progress requires judgment and is subject to many variables including but not limited to actual progress and costs incurred, labor productivity, changes in cost and availability of materials.

If our actual costs exceed our estimates, our margins and profits are reduced and we could incur a provision for contract loss. A provision for contract loss is when estimates of total costs to be incurred on a contract exceed total estimates of the transaction price. When this occurs, a provision for the entire loss is determined at the contract level and is recorded in the period in which the loss is evident.

Stock-based Compensation

The fair value of stock options under our employee equity incentive plan are estimated as of the grant date using the Black-Scholes option valuation model, which is affected by the fair value per share of common stock, the expected share price volatility of its common shares over the expected term, expected term, risk-free interest rate and expected dividend yield, which are estimated as follows:

- *Fair value per share of common stock.* The fair value of common stock based on the market price of our common stock underlying the awards on the grant date.
- *Expected volatility.* Our shares have actively traded for a short period of time subsequent to the Business Combination, the volatility is based on the weighted average historical volatilities of our common stock and a pool of public companies that are comparable to us. Expected volatility represents the estimated volatility of the shares over the expected life of the options.
- *Expected term.* We determine the expected term of the awards using the simplified method. The simplified method estimates the expected term based on the average of the vesting period and contractual term of the stock option.
- *Risk-free interest rate.* The risk-free interest rate for periods within the expected life of the option is derived from the U.S. treasury interest rates in effect at the date of grant.
- *Estimated dividend yield.* We use an expected dividend yield of zero since no dividends are expected to be paid.

The assumptions used in calculating the fair value of stock-based awards represent our best estimates, however, these estimates involve inherent uncertainties and the application of judgment. As a result, if factors change or we use different assumptions, stock-based compensation expense could be materially different in the future.

Income Taxes

We use the asset and liability method of accounting for income taxes. Under this method, deferred tax assets and liabilities are recognized by applying the statutory tax rates in effect in the years in which the differences between the financial reporting and tax filing bases of existing assets and liabilities are expected to reverse. Valuation allowances are established when necessary to reduce deferred tax assets to the amounts expected to be realized.

We utilize a two-step approach to recognizing and measuring uncertain income tax positions (tax contingencies). The first step is to evaluate the tax position for recognition by determining if the weight of available evidence indicates it is more likely than not that the position will be sustained on audit, including resolution of related appeals or litigation processes. The second step is to measure the tax benefit as the largest amount which is more than 50% likely of being realized upon ultimate settlement. We make estimates, assumptions and judgments to determine its provision for income taxes and also for deferred tax assets and liabilities and any valuation allowances recorded against deferred tax assets. Actual future operating results and the underlying amount and type of income could differ materially from our estimates, assumptions and judgments thereby impacting its consolidated financial position and results of operations.

Item 7A. Quantitative and Qualitative Disclosures About Market Risk

We are exposed to market risks in the ordinary course of our business. Market risk represents the risk of loss that may impact our financial position due to adverse changes in financial market prices and rates. Our market risk exposure is primarily the result of fluctuations in foreign currency exchange rates, interest rates and inflation.

Foreign Currency Exchange Risk

Our reporting currency is the U.S. dollar, and the functional currency of each of our subsidiaries is either its local currency or the U.S. dollar. The assets and liabilities of each of our subsidiaries are translated into U.S. dollars at exchange rates in effect at each balance sheet date and operations accounts are translated using the average exchange rate for the relevant period. Increases and decreases in the relative value of the U.S. dollar to other currencies may positively or negatively affect revenue and other operating results as expressed in U.S. dollars. Foreign currency translation adjustments are accounted for as a component of accumulated other comprehensive income (loss) within stockholders' equity. Gains or losses due to transactions in foreign currencies are reflected in the consolidated statements of operations under the line item "Loss on foreign exchange." Materially all of our revenues are denominated in U.S. dollars and we have not engaged in the hedging of foreign currency risk to date, although we may choose to do so in the future. As such, a 10% or greater move in exchange rates versus the U.S. dollar could have a material impact on our financial results and position.

Interest Rate Risk

As of December 31, 2024, we had cash and cash equivalents of \$271.0 million, comprised primarily of operating accounts and money market instruments and \$208.6 million invested in marketable securities, comprised of U.S. Treasury securities, corporate debt securities, certificates of deposit, asset backed securities, commercial paper and Yankee bonds. We do not enter into investments for trading or speculative purposes and have not used any derivative financial instruments to manage our interest rate risk exposure.

Impact of Inflation

We do not believe that inflation has had a material effect on our business, results of operations, or financial condition. Nonetheless, if our costs were to become subject to significant inflationary pressures it could diminish our margin thereby limiting our profits, especially if we are not able to fully offset such higher costs. Our inability or failure to do so could harm our business, financial condition, and results of operations.

Item 8. Financial Statements and Supplementary Data

The financial statements and supplementary data required by this item, including the report of our independent registered public accounting firm and the notes thereto, are included commencing at page F-1 of this Annual Report on Form 10-K and incorporated herein by reference.

Item 9. Changes in and Disagreements With Accountants on Accounting and Financial Disclosure

None.

Item 9A. 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 ensure that information required to be disclosed in the reports that we file or submit under the Exchange Act is (1) recorded, processed, summarized and reported within the time periods specified in the Securities and Exchange Commission's ("SEC") rules and forms and (2) accumulated and communicated to our management, including our principal executive and principal financial officer, as appropriate to allow timely decisions regarding required disclosure.

As required by paragraph (b) of Rules 13a-15 and 15d-15 under the Exchange Act, our management, with the participation of our principal executive officer and principal financial officer, evaluated the effectiveness of our disclosure controls and procedures as of the end of the period covered by this Annual Report on Form 10-K. Based upon such evaluation, our principal executive officer and principal financial officer have concluded that our disclosure controls and procedures were effective as of December 31, 2024.

Management's Report on Internal Control over Financial Reporting

Our management is responsible for establishing and maintaining adequate internal control over financial reporting (as defined in Rule 13a-15(f) and 15d-15(f) under the Exchange Act). Our management, including our principal executive officer and our principal financial officer, assessed the effectiveness of our internal control over financial reporting using the criteria set forth by Internal Control—Integrated Framework (2013) issued by the Committee of Sponsoring Organizations of the Treadway Commission ("COSO").

Based on that assessment, our management concluded that our internal control over financial reporting was effective as of December 31, 2024.

Deloitte & Touche LLP, an independent registered public accounting firm, which has audited and reported on the consolidated financial statements contained in this Annual Report on Form 10-K, has issued its report on the effectiveness of the Company's internal control over financial reporting which is included commencing at page F-1 of this Annual Report on Form 10-K and incorporated herein by reference.

Limitations on the Effectiveness of Controls

Management recognizes that any controls and procedures, no matter how well-designed and operated, can provide only reasonable assurance of achieving their objectives, and management necessarily applies its judgment in evaluating the benefits of possible controls and procedures relative to their costs. Because of these inherent limitations, our disclosure and internal controls may not prevent or detect all instances of fraud, misstatements or other control issues. In addition, projections of any evaluation of the effectiveness of disclosure or internal controls to future periods are subject to risks, including, among others, that controls may become inadequate because of changes in conditions or that the degree of compliance with policies or procedures may deteriorate.

Changes in Internal Control over Financial Reporting

We assessed, with the participation of our Chief Executive Officer and Chief Financial Officer, any change in our internal control over financial reporting as of the end of the fiscal quarter covered by this Annual Report on Form 10-K. There have been no changes in our internal control over financial reporting during the quarter ended December 31, 2024 covered by this Annual Report on Form 10-K that has materially affected, or is reasonably likely to materially affect, our internal control over financial reporting.

Item 9B. Other Information

Rule 10b5-1 Trading Plans

During the three months ended December 31, 2024, certain executive officers and directors of the Company (each, a "Plan Participant") entered into Rule 10b5-1 trading plan (a "Rule 10b5-1 Trading Plan") to sell shares of the Company's common stock, in each case, subject to any applicable volume limitations.

The table below provides certain information regarding each Plan Participant's Rule 10b5-1 Trading Plan.

Name	Title	Plan Date	Earliest Selling Start Date	Maximum Shares That May Be Sold Under the Plan	Plan Expiration Date
Adam Spice	Chief Financial Officer	December 12, 2024	March 13, 2025	2,377,078 ⁽¹⁾	March 31, 2026
Frank Klein	Chief Operations Officer	December 13, 2024	March 14, 2025	39,000 ⁽²⁾	December 31, 2025
Arjun Kampani	Senior Vice President, General Counsel and Secretary	December 12, 2024	March 13, 2025	92,844 ⁽²⁾	December 31, 2025

(1) Represents shares issuable to Mr. Spice upon the exercise of approximately 46% of the vested stock options held by Mr. Spice as of the date of the Rule 10b5-1 Trading Plan, all of which are scheduled to expire in August 2028. The maximum number of shares that may be sold under the Rule 10b5-1 Trading Plan is tiered such that the number of shares that may be sold in any one month period is subject to certain escalating minimum price thresholds whereby a maximum of 198,089 shares may be sold in any one month subject to a certain price threshold, 396,178 shares may be sold in any one month subject to a higher minimum price threshold, and all 2,377,078 shares may be sold if an even higher minimum price threshold is eclipsed, as further specified in the Rule 10b5-1 Trading Plan.

(2) The aggregate number of RSU Shares that will be available for sale under the Rule 10b5-1 Trading Plan is not yet determinable because the shares available will be net of shares sold to satisfy tax withholding obligations that arise in connection with the vesting and settlement of such RSU awards. Additionally, certain provisions within the Rule 10b5-1 Trading Plan specify a certain percentage of the net shares that can be sold at the vesting date of the underlying equity award. As such, for purposes of this disclosure, the shares included in this table reflect the aggregate maximum number of gross shares underlying the equity awards subject to the Rule 10b5-1 Trading Plan, adjusted to represent the maximum percentage specified in the plan for each vesting date of such award, but without excluding the shares that will be sold to satisfy the tax withholding obligations.

A Rule 10b5-1 Trading Plan is a written document that pre-establishes the amounts, prices and dates (or formulas for determining the amounts, prices and dates) of future purchases or sales of the Company's common stock, including, if applicable, shares issued upon exercise of stock options or vesting of restricted stock units.

Each Plan Participant's Rule 10b5-1 Trading Plan was adopted during an authorized trading period and when such Plan Participant was not in possession of material non-public information and is intended to satisfy the affirmative defense of Rule 10b5-1(c) under the Exchange Act.

Item 9C. Disclosure Regarding Foreign Jurisdictions that Prevent Inspections

Not applicable.

PART III

We expect to file a definitive Proxy Statement for our 2025 Annual Meeting of Stockholders (the “2025 Proxy Statement”) with the SEC, pursuant to Regulation 14A, not later than 120 days after the end of our fiscal year. Accordingly, certain information required by Part III has been omitted under General Instruction G(3) to Form 10-K. Only those sections of the 2025 Proxy Statement that specifically address the items required to be set forth herein are incorporated by reference.

Item 10. Directors, Executive Officers and Corporate Governance

Code of Conduct and Ethics

We have adopted a code of ethics and employee conduct that applies to all of our employees, officers and directors, including our President, Chief Executive Officer and Chairman, Chief Financial Officer, and other executive and senior officers. The full text of this code of ethics and employee conduct is posted on the investor relations page of our website at www.rocketlabusa.com. If we make any amendment to, or a waiver from, a provision of our code of ethics that applies to our Chief Executive Officer, Chief Financial Officer, principal accounting officer or controller, or persons performing similar functions, that relates to any element of the code of ethics definition enumerated in paragraph (b) of Item 406 of Regulation S-K, we intend to disclose such amendment or waiver on that website.

The other information required by this Item is incorporated by reference from our 2025 Proxy Statement.

Item 11. Executive Compensation

The information required by this Item is incorporated by reference from our 2025 Proxy Statement.

Item 12. Security Ownership of Certain Beneficial Owners and Management and Related Stockholder Matters

The information required by this Item is incorporated by reference from our 2025 Proxy Statement.

Item 13. Certain Relationships and Related Transactions, and Director Independence

The information required by this Item is incorporated by reference from our 2025 Proxy Statement.

Item 14. Principal Accounting Fees and Services

The information required by Item 9(e) of Schedule 14A will be set forth in the Company’s 2025 Proxy Statement. For the limited purpose of providing the information necessary to comply with this Item 14, the 2025 Proxy Statement is incorporated herein by this reference.

PART IV

Item 15. Exhibits, Financial Statement Schedules

- (a) (1) See the Index to Financial Statements at page F-1 of this report.
- (2) All schedules are omitted because they are not applicable or the required information is shown in the financial statements or notes thereto.

(b) Exhibits

Exhibit Number	Description
3.1	Certificate of Incorporation of Rocket Lab USA, Inc. (incorporated by reference to Exhibit 3.1 to the Form 8-K filed by Rocket Lab USA, Inc. on August 30, 2021).
3.2	Bylaws of Rocket Lab USA, Inc. (incorporated by reference to Exhibit 3.2 to the Form 8-K filed by Rocket Lab USA, Inc. on August 30, 2021).
3.3	Certificate of Designations of Series A Convertible Participating Preferred Stock of the Registrant (incorporated by reference to Exhibit 3.1 to Rocket Lab USA, Inc.'s Current Report on Form 8-K filed on January 10, 2025).
4.1*	Description of Securities.
4.2	Indenture, dated February 6, 2024, between the Company and U.S. Bank Trust Company, National Association, as trustee (incorporated by reference to Exhibit 4.1 of the Company's Form 8-K filed on February 7, 2024).
4.3	Form of 4.250% Convertible Senior Note due 2029 (incorporated by reference as an exhibit to Exhibit 4.1 of the Company's Form 8-K filed on February 7, 2024).
10.1‡	Form of Indemnification Agreement (incorporated by reference to Exhibit 10.1 to the Registration Statement on Form S-4 filed by Vector Acquisition Corporation on June 25, 2021).
10.2	Second Amended and Restated Registration Rights Agreement, dated as of August 25, 2021, by and among Rocket Lab USA, Inc. (formerly known as Vector Acquisition Delaware Corporation), Vector Acquisition Partners, L.P. and certain other parties thereto (incorporated by reference to Exhibit 10.2 to the Form 8-K filed by Rocket Lab USA, Inc. on August 31, 2021).
10.3‡	Rocket Lab USA, Inc. 2021 Stock Option and Incentive Plan (incorporated by reference to Annex H to the proxy statement/prospectus filed by Vector Acquisition Corporation on July 21, 2021).
10.4‡	Rocket Lab USA, Inc. 2021 Employee Stock Purchase Plan (incorporated by reference to Annex I to the proxy statement/prospectus filed by Vector Acquisition Corporation on July 21, 2021).
10.5‡	Employment Agreement, dated August 12, 2014, between Rocket Lab Limited and Peter Beck (incorporated by reference to Exhibit 10.8 to the Registration Statement on Form S-4 filed by Vector Acquisition Corporation on June 25, 2021).
10.6‡	Employee Offer Letter, dated March 8, 2018, between Rocket Lab USA, Inc. and Adam Spice (incorporated by reference to Exhibit 10.9 to the Registration Statement on Form S-4 filed by Vector Acquisition Corporation on June 25, 2021).
10.7‡	Second Amended and Restated 2013 Stock Option and Grant Plan (incorporated by reference to Exhibit 10.10 to the Form 8-K filed by Rocket Lab USA, Inc. on August 31, 2021).

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10.8	<u>Deed of Lease between Rocket Lab Limited and Kawatiri Properties Ltd., dated March 8, 2018, for the premises located at 25 Levene Place, Mount Wellington, Auckland 1060, New Zealand (incorporated by reference to Exhibit 10.12 to the Registration Statement on Form S-4 filed by Vector Acquisition Corporation on June 25, 2021).</u>
10.9	<u>Standard Industrial Lease between Rocket Lab USA, Inc. and Douglas Park Associates III, LLC, dated October 4, 2019, for the premises located at 3881 McGowen Street, Long Beach, CA 90808 (incorporated by reference to Exhibit 10.13 to the Registration Statement on Form S-4 filed by Vector Acquisition Corporation on June 25, 2021).</u>
10.10	<u>Amended and Restated Deed of Lease of Rural Land between Rocket Lab Limited and the Proprietors of Tawapata South, dated November 15, 2019, for the premises located at Onenui Station, Mahia 4198, New Zealand (incorporated by reference to Exhibit 10.14 to the Registration Statement on Form S-4 filed by Vector Acquisition Corporation on June 25, 2021).</u>
10.11	<u>Launch Site Access and Operations Support Agreement for LC-2 between Rocket Lab USA, Inc. and the Virginia Commercial Space Flight Authority, dated September 28, 2018, for the premises located at Mid-Atlantic Regional Spaceport, NASA Wallops Flight Facility, Wallops Island, VA (incorporated by reference to Exhibit 10.15 to the Registration Statement on Form S-4 filed by Vector Acquisition Corporation on June 25, 2021).</u>
10.12	<u>Deed of Lease between Rocket Lab Limited and Class One Services Ltd., dated November 15, 2019, for the premises located at 387 Coalfields Road, Kopuku 2471, New Zealand (incorporated by reference to Exhibit 10.16 to the Registration Statement on Form S-4 filed by Vector Acquisition Corporation on June 25, 2021).</u>
10.13+	<u>Rocket Lab USA, Inc. Executive Severance Plan (incorporated by reference to Exhibit 10.1 of the Company's Form 8-K filed on November 9, 2021).</u>
10.14‡	<u>Form of Restricted Stock Unit Award Agreement for Employees (incorporated by reference to Exhibit 10.2 of the Company's Form 8-K filed on November 9, 2021).</u>
10.15‡	<u>Form of Restricted Stock Unit Award Agreement for Non-Employee Directors (incorporated by reference to Exhibit 10.3 of the Company's Form 8-K filed on November 9, 2021).</u>
10.16‡	<u>Form of Restricted Stock Award Agreement for Employees (incorporated by reference to Exhibit 10.4 of the Company's Form 8-K filed on November 9, 2021).</u>
10.17‡	<u>Form of Non-Qualified Stock Option Agreement for Non-Employee Directors (incorporated by reference to Exhibit 10.5 of the Company's Form 8-K filed on November 9, 2021).</u>
10.18‡	<u>Form of Non-Qualified Stock Option Agreement for Employees (incorporated by reference to Exhibit 10.6 of the Company's Form 8-K filed on November 9, 2021).</u>
10.19‡	<u>Form of Incentive Stock Option Agreement (incorporated by reference to Exhibit 10.7 of the Company's Form 8-K filed on November 9, 2021).</u>
10.20‡	<u>Rocket Lab USA, Inc. Amended and Restated Non-Employee Director Compensation Policy (incorporated by reference to Exhibit 10.2 of the Company's Form 10-Q filed on August 11, 2022).</u>
10.21‡	<u>Employment Agreement, dated April 11, 2022, between Rocket Lab USA, Inc. and Arjun Kampani (incorporated by reference to Exhibit 10.28 to the Post-Effective Amendment No. 1 to the Registration Statement on Form S-1 filed by Rocket Lab USA, Inc. on May 2, 2022).</u>
10.22	<u>Asset Purchase Agreement, dated May 23, 2023, by and among Virgin Orbit Holdings, Inc. (the "Seller"), each of the affiliates of the Seller listed on Schedule I thereto, and Rocket Lab USA, Inc., as the buyer (incorporated by reference to Exhibit 10.1 of the Company's Form 8-K filed on May 25, 2023).</u>

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10.23	<u>Master Equipment Financing Agreement, dated December 29, 2023, by and between Rocket Lab USA, Inc. and certain of its subsidiaries and Trinity Capital, Inc. (incorporated by reference to Exhibit 10.29 of the Company's Form 10-K filed on February 28, 2024).</u>
10.24	<u>Form of Capped Call Confirmation (incorporated by reference to Exhibit 10.1 of the Company's Form 8-K filed on February 7, 2024).</u>
10.25	<u>Employment Agreement, dated September 6, 2024, between Rocket Lab USA, Inc. and Frank Klein (incorporated by reference to Exhibit 10.1 of the Company's Form 8-K filed on September 10, 2024).</u>
10.26	<u>Amended and Restated Employment Agreement, dated December 3, 2024, between Rocket Lab Limited and Sir Peter Beck (incorporated by reference to Exhibit 10.2 to the Form 8-K filed by Rocket Lab USA, Inc. on December 5, 2024).</u>
10.27	<u>Exchange Agreement, dated December 3, 2024, between the Company and The Equatorial Trust (incorporated by reference to Exhibit 10.1 to the Form 8-K filed by Rocket Lab USA, Inc. on December 5, 2024).</u>
10.28*	<u>First Amendment to Master Equipment Financing Agreement, dated October 17, 2024, by and between Rocket Lab USA, Inc. and certain of its subsidiaries and Trinity Capital, Inc.</u>
10.29*	<u>Second Amendment to Master Equipment Financing Agreement, dated November 21, 2024, by and between Rocket Lab USA, Inc. and certain of its subsidiaries and Trinity Capital, Inc.</u>
19*	<u>Rocket Lab USA, Inc. Insider Trading and Disclosure Policy.</u>
21.1*	<u>Subsidiaries of the Registrant.</u>
23.1*	<u>Consent of Deloitte & Touche LLP.</u>
31.1*	<u>Certification of Principal Executive Officer pursuant to Exchange Act rules 13a-14 or 15d-14.</u>
31.2*	<u>Certification of Principal Financial Officer pursuant to Exchange Act rules 13a-14 or 15d-14.</u>
32.1*†	<u>Certification of Principal Executive Officer and Principal Financial Officer pursuant to Exchange Act rules 13a-14(b) or 15d-14(b) and 18 U.S.C. Section 1350.</u>
97	<u>Rocket Lab Compensation Recovery Policy (incorporated by reference to Exhibit 97 of the Company's Form 10-K filed on February 28, 2024).</u>
101.INS*	Inline XBRL Instance Document (the instance document does not appear in the Interactive Data File because its XBRL tags are embedded within the Inline XBRL document).
101.SCH*	Inline XBRL Taxonomy Extension Schema Document.
101.CAL*	Inline XBRL Taxonomy Extension Calculation Linkbase Document.
101.DEF*	Inline XBRL Taxonomy Extension Definition Linkbase Document.
101.LAB*	Inline XBRL Taxonomy Extension Label Linkbase Document.
101.PRE*	Inline XBRL Taxonomy Extension Presentation Linkbase Document.
104*	Cover Page Interactive Data File (formatted as Inline XBRL and contained in Exhibit 101).

* Filed herewith.

† The certification furnished in Exhibit 32.1 hereto is deemed to be furnished with this Annual Report on Form 10-K and will not be deemed to be "filed" for purposes of Section 18 of the Securities Exchange Act of 1934, as amended, except to the extent that the Registrant specifically incorporates it by reference.

+ Certain schedules, exhibits and similar attachments have been omitted pursuant to Item 601(a)(5) of Regulation S-K. A copy of any omitted schedule or exhibit will be furnished supplementally to the staff of the Securities and Exchange Commission upon request.

‡ Management contract or compensatory plan or arrangement.

Item 16. Form 10-K Summary

None.

ROCKET LAB USA., INC. AND SUBSIDIARIES
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REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

To the shareholders and the Board of Directors of Rocket Lab USA, Inc.

Opinion on the Financial Statements

We have audited the accompanying consolidated balance sheets of Rocket Lab USA, Inc. and subsidiaries (the “Company”) as of December 31, 2024 and 2023, and the related consolidated statements of operations and comprehensive loss, consolidated statements of changes in stockholders’ equity, and consolidated statements of cash flows, for each of the three years in the period ended December 31, 2024, and the related notes (collectively referred to as the “financial statements”). In our opinion, the financial statements present fairly, in all material respects, the financial position of the Company as of December 31, 2024 and 2023, and the results of its operations and its cash flows for each of the three years in the period ended December 31, 2024, in conformity with accounting principles generally accepted in the United States of America.

We have also audited, in accordance with the standards of the Public Company Accounting Oversight Board (United States) (PCAOB), the Company’s internal control over financial reporting as of December 31, 2024, based on criteria established in *Internal Control — Integrated Framework (2013)* issued by the Committee of Sponsoring Organizations of the Treadway Commission and our report dated February 27, 2025, expressed an unqualified opinion on the Company’s internal control over financial reporting.

Basis for Opinion

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

We conducted our audits in accordance with the standards of the PCAOB. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement, whether due to error or fraud. Our audits included performing procedures to assess the risks of material misstatement of the financial statements, whether due to error or fraud, and performing procedures that respond to those risks. Such procedures included examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements. Our audits also included evaluating the accounting principles used and significant estimates made by management, as well as evaluating the overall presentation of the financial statements. We believe that our audits provide a reasonable basis for our opinion.

Critical Audit Matters

The critical audit matters communicated below are matters arising from the current-period audit of the financial statements that were communicated or required to be communicated to the audit committee and that (1) relate to accounts or disclosures that are material to the financial statements and (2) involved our especially challenging, subjective, or complex judgments. The communication of critical audit matters does not alter in any way our opinion on the financial statements, taken as a whole, and we are not, by communicating the critical audit matters below, providing separate opinions on the critical audit matters or on the accounts or disclosures to which they relate.

Revenue Recognition – Contracts with products and services – Refer to Note 2 to the Financial Statements

The Company has \$436 million of total revenue for the year ended December 31, 2024, of which a portion is generated from contracts that include various combinations of products and services. These contracts may contain multiple performance obligations whereby the transaction price is allocated based on the standalone selling price of each performance obligation. Revenue is recognized when or as control transfers to the customer, either over time or at a point in time. Revenue recognition for these contracts requires management judgment to determine whether products and services qualify as separate performance obligations and whether control transfer to a customer over time.

We identified the application of revenue recognition guidance to revenue contracts with various products and services as a critical audit matter because of the judgment management uses to determine performance obligations and whether control transfers over time. This requires high degree of auditor judgment and an increased extent of effort by more experienced auditors when performing audit procedures to evaluate the reasonableness of management’s identified performance obligations and whether control transfers overtime.

How the Critical Audit Matter Was Addressed in the Audit

Our audit procedures related to identification of performance obligations and whether revenue is recognized overtime included the following, among others:

- We tested the effectiveness of controls over revenue recognition, including management’s controls over the identification of performance obligations and whether control transfers overtime.
- We assessed the reasonableness of management’s conclusions by examining contracts on a test basis and determining whether:
 - products and services are capable of being distinct and are distinct within the context of the contract
 - control of performance obligations are transferred over time

/s/ Deloitte & Touche LLP

Los Angeles, California
February 27, 2025

We have served as the Company’s auditor since 2018.

REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

To the shareholders and the Board of Directors of Rocket Lab USA, Inc.

Opinion on Internal Control over Financial Reporting

We have audited the internal control over financial reporting of Rocket Lab USA, Inc. and subsidiaries (the “Company”) as of December 31, 2024, based on criteria established in *Internal Control — Integrated Framework (2013)* issued by the Committee of Sponsoring Organizations of the Treadway Commission (COSO). In our opinion, the Company maintained, in all material respects, effective internal control over financial reporting as of December 31, 2024, based on criteria established in *Internal Control — Integrated Framework (2013)* issued by COSO.

We have also audited, in accordance with the standards of the Public Company Accounting Oversight Board (United States) (PCAOB), the consolidated financial statements as of and for the year ended December 31, 2024, of the Company and our report dated February 27, 2025, expressed an unqualified opinion on those financial statements.

Basis for Opinion

The Company's management is responsible for maintaining effective internal control over financial reporting and for its assessment of the effectiveness of internal control over financial reporting, included in the accompanying Management's Report on Internal Control over Financial Reporting. Our responsibility is to express an opinion on the Company's internal control over financial reporting based on our audit. We are a public accounting firm registered with the PCAOB and are required to be independent with respect to the Company in accordance with the U.S. federal securities laws and the applicable rules and regulations of the Securities and Exchange Commission and the PCAOB.

We conducted our audit in accordance with the standards of the PCAOB. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether effective internal control over financial reporting was maintained in all material respects. Our audit included obtaining an understanding of internal control over financial reporting, assessing the risk that a material weakness exists, testing and evaluating the design and operating effectiveness of internal control based on the assessed risk, and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion.

Definition and Limitations of Internal Control over Financial Reporting

A company's internal control over financial reporting is a process designed 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. A company's internal control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Because of its inherent limitations, internal control over financial reporting may not prevent or detect misstatements. Also, projections of any evaluation of effectiveness to future periods are subject to the risk that controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

/s/ Deloitte & Touche LLP

Los Angeles, California
February 27, 2025

ROCKET LAB USA, INC. AND SUBSIDIARIES
CONSOLIDATED BALANCE SHEETS
AS OF DECEMBER 31, 2024 AND 2023
(in thousands, except share and per share values)

	December 31,	
	2024	2023
Assets		
Current assets:		
Cash and cash equivalents	\$ 271,042	\$ 162,518
Marketable securities, current	147,948	82,255
Accounts receivable, net	36,440	35,176
Contract assets	63,108	12,951
Inventories	119,074	107,857
Prepays and other current assets	55,009	66,949
Assets held for sale	—	9,016
Total current assets	692,621	476,722
Non-current assets:		
Property, plant and equipment, net	194,838	145,409
Intangible assets, net	58,637	68,094
Goodwill	71,020	71,020
Right-of-use assets - operating leases	53,664	59,401
Right-of-use assets - finance leases	14,396	14,987
Marketable securities, non-current	60,686	79,247
Restricted cash	4,260	3,916
Deferred income tax assets, net	3,010	3,501
Other non-current assets	31,210	18,914
Total assets	\$ 1,184,342	\$ 941,211
Liabilities and Stockholders' Equity		
Current liabilities:		
Trade payables	\$ 53,059	\$ 29,303
Accrued expenses	19,460	5,590
Employee benefits payable	20,847	16,342
Contract liabilities	216,160	139,338
Current installments of long-term borrowings	12,045	17,764
Other current liabilities	17,954	15,036
Total current liabilities	339,525	223,373
Non-current liabilities:		
Convertible senior notes, net	345,392	—
Long-term borrowings, excluding current installments	44,049	87,587
Non-current operating lease liabilities	51,965	56,099
Non-current finance lease liabilities	14,970	15,238
Deferred tax liabilities	891	426
Other non-current liabilities	5,097	3,944
Total liabilities	801,889	386,667
COMMITMENTS AND CONTINGENCIES (Note 17)		
Stockholders' equity:		
Preferred stock, \$0.0001 par value; authorized shares: 100,000,000; no shares issued and outstanding at December 31, 2024 and December 31, 2023	—	—
Common stock, \$0.0001 par value; authorized shares: 2,500,000,000; issued and outstanding shares: 504,453,785 and 488,923,055 at December 31, 2024 and December 31, 2023, respectively	50	49
Additional paid-in capital	1,198,909	1,176,484
Accumulated deficit	(813,701)	(623,526)
Accumulated other comprehensive (loss) income	(2,805)	1,537
Total stockholders' equity	382,453	554,544
Total liabilities and stockholders' equity	\$ 1,184,342	\$ 941,211

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

ROCKET LAB USA, INC. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF OPERATIONS AND COMPREHENSIVE LOSS
FOR THE YEARS ENDED DECEMBER 31, 2024, 2023 AND 2022
(in thousands, except share and per share data)

	Years Ended December 31,		
	2024	2023	2022
Revenues:			
Product revenues	\$ 289,851	\$ 156,560	\$ 133,103
Service revenues	146,363	88,032	77,893
Total revenues	436,214	244,592	210,996
Cost of revenues:			
Cost of product revenues	213,835	115,342	104,994
Cost of service revenues	106,230	77,841	87,012
Total cost of revenues	320,065	193,183	192,006
Gross profit	116,149	51,409	18,990
Operating expenses:			
Research and development, net	174,394	119,054	65,168
Selling, general and administrative	131,556	110,273	89,026
Total operating expenses	305,950	229,327	154,194
Operating loss	(189,801)	(177,918)	(135,204)
Other income (expense):			
Interest expense, net	(3,954)	(4,248)	(7,799)
Loss on foreign exchange	(87)	(470)	(4,435)
Change in fair value of liability classified warrants	—	—	13,482
Other income, net	4,431	3,715	1,010
Total other income (expense), net	390	(1,003)	2,258
Loss before income taxes	(189,411)	(178,921)	(132,946)
Provision for income taxes	(764)	(3,650)	(2,998)
Net loss	\$ (190,175)	\$ (182,571)	\$ (135,944)
Other comprehensive income (loss), net of tax:			
Foreign currency translation (loss) gain	(4,797)	(93)	600
Unrealized gain (loss) on available-for-sale marketable securities	455	494	(772)
Comprehensive loss	\$ (194,517)	\$ (182,170)	\$ (136,116)
Net loss per share attributable to Rocket Lab USA, Inc.:			
Basic and diluted	\$ (0.38)	\$ (0.38)	\$ (0.29)
Weighted-average common shares outstanding:			
Basic and diluted	495,929,861	481,768,060	466,214,095

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

ROCKET LAB USA, INC. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CHANGES IN STOCKHOLDERS' EQUITY
FOR THE YEARS ENDED DECEMBER 31, 2024, 2023 AND 2022
(in thousands, except share and per share data)

	Common Stock		Additional Paid-In Capital	Accumulated Deficit	Other Comprehensive Income (Loss)	Total
	Shares	Amount				
December 31, 2021	450,180,479	\$ 45	\$ 1,002,106	\$ (305,011)	\$ 1,308	\$ 698,448
Net loss	—	—	—	(135,944)	—	(135,944)
Issuance of common stock under equity plans	18,210,116	3	7,624	—	—	7,627
Stock-based compensation	—	—	58,403	—	—	58,403
Common stock issued upon exercise of Public and Private Warrants	4,554,830	—	44,844	—	—	44,844
Issuance of common stock for acquisitions	2,411,092	—	—	—	—	—
Other comprehensive loss	—	—	—	—	(172)	(172)
December 31, 2022	475,356,517	48	1,112,977	(440,955)	1,136	673,206
Net loss	—	—	—	(182,571)	—	(182,571)
Issuance of common stock under equity plans	12,880,415	1	7,422	—	—	7,423
Stock-based compensation	—	—	51,403	—	—	51,403
Issuance of common stock warrants in connection with loan agreement	—	—	2,595	—	—	2,595
Issuance of common stock for acquisition	686,123	—	2,087	—	—	2,087
Other comprehensive income	—	—	—	—	401	401
December 31, 2023	488,923,055	49	1,176,484	(623,526)	1,537	554,544
Net loss	—	—	—	(190,175)	—	(190,175)
Issuance of common stock under equity plans	14,799,420	1	8,836	—	—	8,837
Stock-based compensation	—	—	55,919	—	—	55,919
Issuance of common stock for acquisition	190,974	—	838	—	—	838
Common stock issued upon exercise of common stock warrants	540,336	—	—	—	—	—
Purchase of capped calls	—	—	(43,168)	—	—	(43,168)
Other comprehensive loss	—	—	—	—	(4,342)	(4,342)
December 31, 2024	504,453,785	\$ 50	\$ 1,198,909	\$ (813,701)	\$ (2,805)	\$ 382,453

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

ROCKET LAB USA, INC. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED DECEMBER 31, 2024, 2023 AND 2022
(in thousands)

	Years Ended December 31,		
	2024	2023	2022
CASH FLOWS FROM OPERATING ACTIVITIES:			
Net loss	\$ (190,175)	\$ (182,571)	\$ (135,944)
Adjustments to reconcile net loss to net cash used in operating activities:			
Depreciation and amortization	33,655	29,744	29,947
Stock-based compensation expense	56,816	53,461	55,649
(Gain) loss on disposal of assets	(2,828)	(111)	923
Loss on extinguishment of long-term debt	1,330	1,732	—
Amortization of debt issuance costs and discount	3,091	2,904	2,827
Noncash lease expense	5,951	5,787	3,199
Noncash income associated with liability-classified warrants	—	—	(13,482)
Change in the fair value of contingent consideration	(218)	1,343	—
Accretion of marketable securities purchased at a discount	(2,901)	(4,571)	(1,395)
Deferred income taxes	599	708	(576)
Changes in operating assets and liabilities:			
Accounts receivable, net	(1,428)	1,452	(9,430)
Contract assets	(50,161)	(3,501)	(7,545)
Inventories	(12,398)	(15,562)	(25,964)
Prepays and other current assets	7,591	(14,586)	(15,059)
Other non-current assets	(12,922)	(11,470)	(7,072)
Trade payables	24,800	15,585	(2,129)
Accrued expenses	9,086	(3,275)	(3,518)
Employee benefits payable	5,304	5,484	2,108
Contract liabilities	76,865	30,992	22,661
Other current liabilities	3,249	(7,563)	1,280
Non-current lease liabilities	(6,405)	(5,076)	(3,686)
Other non-current liabilities	2,209	227	668
Net cash used in operating activities	(48,890)	(98,867)	(106,538)
CASH FLOWS FROM INVESTING ACTIVITIES:			
Purchases of property, equipment and software	(67,093)	(54,707)	(42,412)
Proceeds on disposal of assets, net	12,542	3,660	—
Cash paid for business combinations and asset acquisitions, net of acquired cash and restricted cash	—	(18,966)	(65,824)
Purchases of marketable securities	(162,161)	(207,266)	(259,567)
Maturities of marketable securities	116,242	269,204	21,724
Sale of marketable securities	2,143	20,093	—
Net cash (used in) provided by investing activities	(98,327)	12,018	(346,079)
CASH FLOWS FROM FINANCING ACTIVITIES:			
Proceeds from the exercise of stock options and public warrants	3,507	2,444	3,874
Proceeds from Employee Stock Purchase Plan	5,683	4,988	4,380
Proceeds from sale of employees restricted stock units to cover taxes	35,254	15,995	31,166
Minimum tax withholding paid on behalf of employees for restricted stock units	(35,336)	(15,722)	(31,164)
Tax payment for net settled option shares	—	—	(444)
Payment of contingent consideration	—	(1,000)	(5,500)
Finance lease principal payments	(329)	(336)	(271)
Purchase of capped calls related to issuance of convertible senior notes	(43,168)	—	—
Proceeds from issuance of convertible senior notes	355,000	—	—
Proceeds from secured term loan	—	110,000	—
Repayments on secured term loans	(51,724)	(107,573)	—
Payment of debt issuance costs	(12,205)	(1,427)	—
Net cash provided by financing activities	256,682	7,369	2,041
Effect of exchange rate changes on cash and cash equivalents	(597)	43	4,372
Net increase (decrease) in cash and cash equivalents and restricted cash	108,868	(79,437)	(446,204)
Cash and cash equivalents, and restricted cash, beginning of period	166,434	245,871	692,075
Cash and cash equivalents, and restricted cash, end of period	\$ 275,302	\$ 166,434	\$ 245,871

ROCKET LAB USA, INC. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CASH FLOWS (CONTINUED)
FOR THE YEARS ENDED DECEMBER 31, 2024, 2023 AND 2022
(in thousands)

	Years Ended December 31,		
	2024	2023	2022
SUPPLEMENTAL DISCLOSURE OF CASH FLOW INFORMATION:			
Cash paid for interest	\$ 16,287	\$ 15,553	\$ 10,749
Cash paid for income taxes	269	769	2,666
SUPPLEMENTAL DISCLOSURE OF NONCASH INVESTING AND FINANCING ACTIVITIES:			
Unpaid purchases of property, equipment and software	8,321	2,796	1,865
Right-of-use assets obtained in exchange for new operating lease liabilities	2,871	30,396	9,140
Early termination of right-of-use assets	—	664	—
Net exercise of public and private warrants into common stock	—	—	44,739
Issuance of common stock for payment of accrued bonus	1,795	—	1,441
Issuance of common stock warrants in connection with Loan Agreement	—	2,595	—
Issuance of common stock in connection with acquisition, at fair value	838	2,087	—
Accrued issuance costs in connection with Loan Agreement	—	641	—

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

ROCKET LAB USA, INC. AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
(In thousands, except share and per share data)

1. DESCRIPTION OF THE BUSINESS

Rocket Lab USA, Inc. (“Rocket Lab” and, together with its consolidated subsidiaries, the “Company,” “we,” “us” or “our”) is an end-to-end space company with an established track record of mission success headquartered in Long Beach, California and is the parent company for several wholly owned operating subsidiaries located in the United States, New Zealand, Canada and Australia. We deliver reliable launch services, spacecraft design services, spacecraft components, spacecraft manufacturing and other spacecraft and on-orbit management solutions that make it faster, easier and more affordable to access space. We operate one of the only private orbital launch ranges in the world, located in Mahia, New Zealand, enabling a unique degree of operational flexibility and control of customer launch manifests and mission assurance. While our business has historically been centered on the development of small-class launch vehicles and related sale of launch services, we are currently innovating in the areas of medium-class launch vehicles and launch services, space systems design and manufacturing, on-orbit management solutions, and space data applications.

On August 25, 2021, the predecessor Rocket Lab USA, Inc. consummated the merger with Vector Acquisition Corporation (the “Business Combination”). In connection with the closing of the Business Combination, the Company changed its name from Vector Acquisition Corporation to Rocket Lab USA, Inc. The “Post Combination Company” following the Business Combination is Rocket Lab USA, Inc.

2. SIGNIFICANT ACCOUNTING POLICIES

Principals of Consolidation and Basis of Presentation

The consolidated financial statements are presented in conformity with accounting standards generally accepted in the United States of America (“U.S. GAAP”) and include the accounts of Rocket Lab USA, Inc. and its wholly owned subsidiaries after elimination of intercompany accounts and transactions. Certain amounts in the Company’s prior period consolidated financial statements have been reclassified to conform to the current period presentation.

Use of Estimates

The preparation of financial statements in conformity with U.S. GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the consolidated financial statements and the reported amounts of revenues and expenses during the reporting period.

On an ongoing basis, our management evaluates estimates and assumptions including those related to revenue recognition, contract costs, loss reserves, valuation of warrants and stock-based compensation and deferred tax valuation allowances. We based our estimates on historical data and experience, as well as various other factors that our management believes to be reasonable under the circumstances, the results of which form the basis for making judgments about the carrying value of assets and liabilities. Actual results could differ from these estimates and assumptions.

Operating Cycle

For classification of certain current assets and liabilities, we use the duration of the related contract or program as our operating cycle, which is generally longer than one year.

Cash and Cash Equivalents

The Company considers cash and cash equivalents to be only those investments which are highly liquid, readily convertible to cash and which have a maturity date within ninety days from the date of purchase. The carrying amounts for the Company’s cash equivalents approximate fair value due to their short maturities. Cash equivalents are recorded at fair value and consist primarily of money market funds.

Restricted Cash

The Company considers restricted cash to include any cash that is legally restricted as to withdrawal or usage. The Company had \$4,260 and \$3,916 as of December 31, 2024 and 2023, respectively. The balance relates to collateral for letters of credit and money market accounts and is presented in restricted cash in the consolidated balance sheets.

ROCKET LAB USA, INC. AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)
(In thousands, except share and per share data)

Marketable Securities

Marketable securities consist of investments in commercial paper, corporate debt securities, bank certificates of deposit, U.S. Treasury bills and notes and asset backed securities. The Company's investment policy requires the selection of high-quality issuers. The Company's marketable securities are classified as available-for-sale and are carried at fair value. The Company classifies all available-for-sale marketable securities with maturities greater than one year from the balance sheet date as non-current assets. Interest receivable on marketable securities is presented in prepaids and other current assets on the consolidated balance sheets.

Any unrealized holding gains or losses on debt securities, including their tax effect, are reported as components of other comprehensive income (loss) in the consolidated statements of operations and comprehensive loss. Realized gains and losses are included in other income, net in the consolidated statements of operations and comprehensive loss, are determined using the specific identification method for determining the cost of securities sold. Interest and dividend income is recorded when earned and included in interest expense, net on the consolidated statements of operations and comprehensive loss. Premiums and discounts on marketable securities are amortized and accreted, respectively, to earliest call date and maturity, respectively, and included in other income, net on the consolidated statements of operations and comprehensive loss.

At each balance sheet date, the Company assesses available-for-sale marketable securities in an unrealized loss position to determine whether it intends to sell or if it is more likely than not that the Company will be required to sell the security before recovery of its amortized cost basis. If either of the criteria regarding intent or requirement to sell is met, the available-for-sale security with a fair value below amortized cost is written down to fair value through current period earnings. The Company also reviews its available-for-sale securities in an unrealized loss position to determine whether the unrealized loss is the result of a change in creditworthiness or other factors. If declines in the value of available for-sale securities are determined to be credit-related, a loss is recorded in earnings in the current period.

Accounts Receivable, Net

Accounts receivables represent amounts billed and currently due from customers. The amounts are stated at their net estimated realizable value. The Company monitors collections and payments from its customers and maintains an allowance for doubtful accounts, which is based upon applying an expected credit loss rate to receivables based on the historical loss rate from similar high-risk customers adjusted for current conditions, including any specific customer collection issues identified, and forecasts of economic conditions. Delinquent account balances are written off after management has determined that the likelihood of collection is remote. The allowance for credit losses as of December 31, 2024 and 2023, and the activity in this account, including the current-period provision for expected credit losses for the years ended December 31, 2024, 2023 and 2022, were not material.

Inventories

Inventories consist of components and subassemblies, spare parts and consumable goods. Inventories are recorded at actual acquisition costs and adjusted to the lower of cost or estimated net realizable value. Costs include direct material, direct labor, applicable manufacturing and engineering overhead, and other direct costs.

Prepaids and Other Current Assets

Prepaids and other current assets include goods and services tax, prepaid expenses, deposits, government grant receivables and miscellaneous receivables.

Customer Financing

The Company records customer financing receivables net of any unamortized discounts and deferred incremental direct costs. Interest income and amortization of any discounts are recorded ratably over the related term of the note to interest income in the consolidated statements of operations and comprehensive loss.

Interest income recognition is generally suspended for customer financing receivables that are uncollectible. The Company measures and records expected credit losses related to its customer financing in accordance with the current expected credit losses ("CECL") standard. The CECL standard requires an entity to consider historical loss experience, current conditions, and a reasonable and supportable forecast of the economic environment.

ROCKET LAB USA, INC. AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)
(In thousands, except share and per share data)

Assets Held For Sale

The Company generally considers assets to be held for sale when the following criteria are met: (i) management commits to a plan to sell the property, (ii) the property is available for sale immediately, (iii) the property is actively being marketed for sale at a price that is reasonable in relation to its current fair value, (iv) the sale of the property within one year is considered probable and (v) significant changes to the plan to sell are not expected. Property classified as held for sale is no longer depreciated and is reported at the lower of its carrying value or its estimated fair value less estimated costs to sell.

Property, Plant and Equipment, Net

Property, plant and equipment, net are stated at cost, less accumulated depreciation. The Company has calculated depreciation on a straight-line method. The Company will depreciate over the useful lives as follows:

Asset Category	Estimated Useful Lives
Buildings and improvements	15 to 30 years
Machinery, equipment, vehicles and office furniture	2 to 12 years
Computer equipment, hardware and software	3 to 5 years
Launch site assets	3 to 15 years
Leasehold improvements	Shorter of remaining lease term or estimated useful life

Launch site assets include buildings, machinery and equipment at launch sites.

Repair and maintenance costs are expensed as incurred. Assets disposed of or retired are removed from cost and accumulated depreciation accounts and any resulting gain or loss is reflected in the Company's consolidated statements of operations and comprehensive loss.

Business Combination

The results of businesses acquired in a business combination are included in our consolidated financial statements from the date of the acquisition. The Company uses the acquisition method of accounting for business combinations and recognizes assets acquired and liabilities assumed measured at their fair values on the date acquired. Goodwill is measured as of the acquisition date as the excess of consideration transferred over the net acquisition date fair value of the assets acquired and the liabilities assumed.

The Company performs valuations of assets acquired and liabilities assumed and allocates the purchase price to its respective assets and liabilities. Determining the fair value of assets acquired and liabilities assumed requires us to use significant judgment and estimates, including the selection of valuation methodologies, estimates of future revenue, costs and cash flows, discount rates and selection of comparable companies. The Company engages the assistance of valuation specialists in concluding on fair value measurements in connection with determining fair values of assets acquired and liabilities assumed in a business combination.

Intangible Assets, Net

Intangible assets consist of purchased intangible assets including developed technology, in-process research and development, customer relationships, backlog, trademarks and tradenames, non-compete agreements, capitalized software and capitalized intellectual property and are amortized over their useful lives ranging from one to twenty years using the straight-line method of amortization. The Company evaluates the recoverability of intangible assets periodically by considering events or circumstances that may warrant revised estimates of useful lives or that indicate the asset may be impaired.

ROCKET LAB USA, INC. AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)
(In thousands, except share and per share data)

Impairment of Long-Lived Assets

Long-lived assets consist of property, plant and equipment and intangible assets with estimable useful lives subject to depreciation and amortization. The Company reviews long-lived assets for impairment whenever events or changes in circumstances indicate that the carrying amount of an asset or asset group may not be recoverable. Recoverability of an asset or asset group to be held and used is measured by a comparison of the carrying amount of an asset or asset group to the estimated undiscounted future cash flows expected to be generated by the asset or asset group. If the carrying amount of the asset or asset group exceeds its estimated future cash flows, an impairment charge is recognized in the amount by which the carrying amount of the asset or asset group exceeds the fair value of the asset or asset group. There was no impairment of long-lived assets during the years ended December 31, 2024, 2023 and 2022.

Goodwill

Goodwill represents the excess of the purchase price over the fair value of net assets acquired in business combination. We test goodwill for impairment at least annually during the fourth fiscal quarter, or more frequently if indicators of impairment exist during the fiscal year. Events or circumstances which could trigger an impairment review include a significant adverse change in legal factors or in the business climate, loss of key customers, an adverse action or assessment by a regulator, unanticipated competition, a loss of key personnel, significant changes in the manner of the Company's use of the acquired assets or the strategy for the Company's overall business, significant negative industry or economic trends or significant underperformance relative to expected historical or projected future results of operations.

When testing goodwill for impairment, the Company first performs a qualitative assessment. If the Company determines it is more likely than not that a reporting unit's fair value is less than its carrying amount, then a one-step impairment test is required. If the Company determines it is not more likely than not that a reporting unit's fair value is less than its carrying amount, then no further analysis is necessary. To identify whether a potential impairment exists, the Company compares the estimated fair value of the reporting unit with its carrying amount, including goodwill. If the estimated fair value of the reporting unit exceeds its carrying amount, goodwill is not considered to be impaired. If, however, the fair value of the reporting unit is less than its carrying amount, then such balance would be recorded as an impairment loss.

Any impairment loss is limited to the carrying amount of goodwill allocated to the reporting unit. There was no impairment of goodwill during the years ended December 31, 2024, 2023 and 2022.

Fair Value of Financial Instruments

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

- *Level 1*—Quoted prices in active markets for identical assets or liabilities.
- *Level 2*—Observable inputs other than quoted prices included in Level 1, such as quoted prices for similar assets and liabilities in active markets; quoted prices for identical or similar assets or liabilities in markets that are not active; or other inputs that are observable or can be corroborated by observable market data.
- *Level 3*—Unobservable inputs that are supported by little or no market activity and that are significant to the fair value of the assets or liabilities. This includes certain pricing models, discounted cash flow methodologies and similar techniques that use significant unobservable inputs. The inputs to the determination of fair value are based upon the best information in the circumstances and may require significant management judgment or estimation.

The Company considers the carrying values of cash, restricted cash, accounts receivable, accounts payable, and accrued expenses to approximate fair value for these financial instruments due to the short maturities of these instruments.

Assets and Liabilities Recorded at Fair Value on a Non-Recurring Basis

Certain assets and liabilities, including goodwill and intangible assets, are subject to measurement at fair value on a non-recurring basis upon initial acquisition in a business combination or if they are deemed to be impaired as a result of an impairment review.

ROCKET LAB USA, INC. AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)
(In thousands, except share and per share data)

Revenue Recognition

The Company generates revenue from launch services and space systems. Launch services may be provided as a mission dedicated to a single customer or as a rideshare arrangement with multiple spacecraft from multiple customers. Space systems revenue is comprised of space engineering, program management, spacecraft components, spacecraft manufacturing, space software and mission operations.

Revenue is recognized when control of the promised product or service is transferred to our customers at an amount that reflects the consideration the Company expects to be entitled to in exchange for those products or services. The Company's revenue contracts are generally fixed-price contracts or time and materials contracts depending upon the nature of the contract. In fixed-price contracts, to the extent actual costs vary from the cost upon which the price was negotiated, the Company will generate variable levels of profit or could incur a loss.

The Company enters into contracts that can include various combinations of products and services, including contracts that contain both launch services and space systems products and services. In general, each launch and space system product or service is capable of being distinct and accounted for as separate performance obligations. Where contracts contain a single performance obligation, the entirety of the transaction price is allocated to this one performance obligation. For contracts with multiple performance obligations, the transaction price is allocated to each performance obligation based on the estimated standalone selling price of the product or service underlying each performance obligation. The standalone selling price represents the amount the Company would sell the product or service to a customer on a standalone basis.

The transaction price represents the amount of consideration to which the Company expects to be entitled in exchange for transferring the promised services to its customers. The consideration promised within a contract may include fixed amounts and variable amounts. Variable consideration may consist of final milestone payments, mission success fees or liquidating damages that are earned or penalized if certain contractual milestones are achieved or are not achieved.

The Company estimates variable consideration at the most likely amount or expected value, which is included in the transaction price to the extent it is probable that a significant reversal of cumulative revenue recognized will not occur.

The Company recognizes revenue when or as control is transferred to the customer, either over-time or at a point-in-time.

Generally, launch services revenue is recognized at a point-in-time when control transfers upon intentional ignition of the launch or where successful delivery milestones are applicable, such as upon delivery of the spacecraft to the specified orbit.

Revenue for space systems is recognized at a point-in-time or over-time depending upon the nature of the contract with customer. For contracts to provide space engineering, program management and mission operations, the Company recognizes revenues over-time as the customer simultaneously receives and consumes the benefits as the Company performs. Similarly, spacecraft manufacturing is recognized over-time when it is determined that there is no alternative use for the spacecraft, due to contractual or practical limitations, and where the Company has an enforceable right to payment for the services performed to date including a reasonable profit. Contracts to provide components for spacecraft that do not qualify for over-time recognition are recognized at a point-in-time when control is transferred.

For revenue recognized over-time, the Company uses either an input method, based on costs incurred relative to total estimated costs at completion, to estimate the percentage of completion, or an output method, based upon days of service, depending upon the nature of the performance obligation. For revenues measured utilizing an input method, the costs incurred are determined by assessing the physical and technical progress on the performance obligation applied to the standard costs. Due to the nature of the work performed under spacecraft construction contracts, the estimation of physical and technical progress requires judgment and is subject to many variables including but not limited to actual progress and costs incurred, labor productivity, changes in cost and availability of materials.

Contracts for space software provide the customer with a right to use the software as it exists when made available to the customer. Customers may purchase perpetual entity-wide licenses or mission-based licenses, which provide customers with the same functionality and differ primarily in the number of spacecraft into which the software may be integrated. Revenue from space software is recognized upfront at the point-in-time when the software is made available to the customer. Revenue from software maintenance is recognized ratably over the maintenance period.

ROCKET LAB USA, INC. AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)
(In thousands, except share and per share data)

Due to their nature, time and materials contracts contain variable consideration; however, in general, the Company's performance obligations under time and materials contracts qualify for the "right to invoice" practical expedient. Under this practical expedient, the Company recognizes revenue, over time, in the amount to which the Company has a right to invoice. In addition, the Company is not required to estimate such variable consideration upon inception of the contract and reassess the estimate each reporting period. The Company determined that this method best represents the transfer of services as, upon billing, the Company has a right to consideration from a customer in an amount that directly corresponds with the value to the customer of the Company's performance completed to date.

Revenue is recognized net of any taxes collected from customers, which are subsequently remitted to governmental authorities.

Timing may differ between the satisfaction of performance obligations and the invoicing and collection of amounts related to our contracts with customers.

Contract assets include unbilled amounts under contracts when revenue recognized exceeds the amount billed to the customer. Contract assets are transferred to accounts receivable when the right to invoice becomes unconditional and the invoice is issued. Contract assets are classified as current assets consistent with our operating cycle. These contract assets are not considered a significant financing component of the Company's contracts as the payment terms are intended to protect the customer in the event the Company does not perform on its obligations under the contract. Contract liabilities primarily consists of customer billings in advance of revenues being recognized. Contract liabilities are not a significant financing component as they are generally utilized to pay for contract costs within a one-year period or are used to ensure the customer meets contractual requirements.

If our actual costs exceed our estimates, our margins and profits are reduced and we could incur a provision for contract loss. A provision for contract loss is when estimates of total costs to be incurred on a contract exceed total estimates of the transaction price. When this occurs, a provision for the entire loss is determined at the contract level and is recorded in the period in which the loss is evident.

Cost of Revenues

Cost of revenues, for both products and services, consists primarily of direct material and labor costs, manufacturing overhead, freight expense, depreciation and amortization and other personnel-related expenses, which include salaries, bonuses, benefits and stock-based compensation expense, directly associated with generating revenues.

Research and Development, net

Research and development, net consists of labor, prototype, professional services, materials, facilities and depreciation expense related to the development of our Neutron launch vehicle, space system platforms and components. These costs are based on a cost model for research and development relating to internal product development programs not associated with customer contractual arrangements. These costs are presented net of government grants on the consolidated statements of operations and comprehensive loss.

Selling, General and Administrative

Selling, general and administrative expenses consist of indirect costs, including management and executive compensation, corporate costs related to finance, accounting, human resources, information technology, legal, administrative, safety, professional services, rent, advertising costs and other general expenses.

Government Assistance

The Company receives government assistance from various domestic and foreign governments in the form of cash grants or refundable tax credits. These arrangements incentivize us to continue growing our capital investments and research and development activities. Government incentives generally contain conditions that must be met in order for the assistance to be earned. We recognize the incentives when there is reasonable assurance that we will comply with all conditions specified in the incentive arrangement and the incentive will be received.

The Company records incentives related to operating activities as a reduction to expense in the same line item on the consolidated statements of operations and comprehensive loss as the expenditure for which the grant is intended to compensate. The Company records capital expenditure related incentives as an offset to the associated property, plant and equipment, net within our consolidated balance sheets and recognize a reduction to depreciation expense over the useful life of the corresponding acquired asset.

ROCKET LAB USA, INC. AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)
(In thousands, except share and per share data)

The Company has applied for tax credits related to a research and development tax incentive program with the New Zealand government effective from January 1, 2021. This tax incentive will reimburse up to 15% of the Company's qualifying research and development costs incurred. The Company has various research government assistance awards which includes the Air Force Research Laboratory and the U.S. Space Force's Space Systems Command. The Company applied for the employee retention credit under the CARES Act during the year ended December 31, 2023. On November 22, 2024, the Company entered into a direct funding agreement with the U.S. Department of Commerce to receive direct funding for the procurement, installation and qualification of new manufacturing equipment and will also receive funding by claiming the refundable Advanced Manufacturing Investment Credit under the United States CHIPS and Science Act of 2022.

The Company recorded \$2,130 of government assistance as a reduction of cost of revenues during the year ended December 31, 2023. The Company recorded \$12,983, \$27,385 and \$15,049 of government assistance as a reduction of research and development, net during the years ended December 31, 2024, 2023 and 2022, respectively. The Company recorded \$250 and \$1,080 of government assistance as a reduction of selling, general and administrative during the years ended December 31, 2024 and 2023, respectively. During the year ended December 31, 2024, the Company recorded capital expenditure incentive of \$2,186 as an offset to property, plant and equipment, net.

As of December 31, 2024 and 2023, prepaids and other current assets includes government assistance receivables of \$7,783 and \$9,940, respectively. As of December 31, 2024 and 2023, other non-current assets includes government assistance receivables of \$5,863 and \$4,739, respectively.

Stock-Based Compensation

The Company's stock compensation plan is classified as an equity plan which permits stock awards in the form of employee stock options and restricted stock awards. For awards that vest solely based on continued service, the fair value of an award is recognized as an expense over the requisite service period on a straight-line basis.

The fair value of stock options under the Company's employee equity incentive plan are estimated as of the grant date using the Black-Scholes option valuation model, which is affected by the fair value per share of common stock, the expected share price volatility of its common shares over the expected term, expected term, risk-free interest rate and expected dividend yield, which are estimated as follows:

- *Fair value per share of common stock.* The fair value of common stock is based on the market price of our common stock underlying the awards on the grant date.
- *Expected volatility.* The Company's shares have actively traded for a short period of time subsequent to the Business Combination, the volatility is based on the weighted average historical volatilities of the Company and a pool of public companies that are comparable to the Company. Expected volatility represents the estimated volatility of the shares over the expected life of the options.
- *Expected term.* The Company determines the expected term of the awards using the simplified method. The simplified method estimates the expected term based on the average of the vesting period and contractual term of the stock option.
- *Risk-free interest rate.* The risk-free interest rate for periods within the expected life of the option is derived from the U.S. treasury interest rates in effect at the date of grant.
- *Estimated dividend yield.* The Company uses an expected dividend yield of zero since no dividends are expected to be paid.

The fair value of restricted stock units granted under the Company's employee equity incentive plans are estimated as of the grant date in an amount equal to the estimated fair value per share of the Company's common stock.

Forfeitures are recognized as incurred. Unless otherwise approved, options must be exercised while the individual is an employee or within 90-days of termination when applicable. The expiration date of newly issued options is ten years after grant date unless earlier terminated as provided for in the Rocket Lab 2021 Stock Option and Incentive Plan.

The assumptions used in calculating the fair value of stock-based awards represent our best estimates, however, these estimates involve inherent uncertainties and the application of judgment. As a result, if factors change or we use different assumptions, stock-based compensation expense could be materially different in the future.

ROCKET LAB USA, INC. AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)
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Income Taxes

The Company uses the asset and liability method of accounting for income taxes. Under this method, deferred tax assets and liabilities are recognized by applying the statutory tax rates in effect in the years in which the differences between the financial reporting and tax filing bases of existing assets and liabilities are expected to reverse. Valuation allowances are established when necessary to reduce deferred tax assets to the amounts expected to be realized.

The Company utilizes a two-step approach to recognizing and measuring uncertain income tax positions (tax contingencies). The first step is to evaluate the tax position for recognition by determining if the weight of available evidence indicates it is more likely than not that the position will be sustained on audit, including resolution of related appeals or litigation processes. The second step is to measure the tax benefit as the largest amount which is more than 50% likely of being realized upon ultimate settlement. The Company makes estimates, assumptions and judgments to determine its provision for income taxes and also for deferred tax assets and liabilities and any valuation allowances recorded against deferred tax assets. Actual future operating results and the underlying amount and type of income could differ materially from the Company's estimates, assumptions and judgments thereby impacting its consolidated financial position and results of operations.

Segment Information

Operating segments are defined as components of an entity for which separate financial information is available and that is regularly reviewed by the Chief Operating Decision Maker ("CODM") in deciding how to allocate resources to an individual segment and in assessing performance. The Company's CODM is its Chief Executive Officer. The Company has determined that it operates in two reportable segments: launch services and space systems.

Foreign Currencies

The functional currency of certain of the Company's wholly owned subsidiaries is the currency of the primary economic environment in which they operate. Assets and liabilities denominated in currencies other than the functional currency are remeasured at the exchange rate in effect on the balance sheet date, with exchange differences or remeasurement included in other income, net on the consolidated statement of operations and comprehensive loss. Revenue and expenses are translated at average rates of exchange prevailing during the respective period. Translation adjustments resulting from this process are recorded as a component of accumulated other comprehensive income (loss) in the consolidated statements of changes in stockholders' equity.

Leases

The Company leases certain property, vehicles and equipment. At contract inception, the Company determines if a contract contains a lease and whether the lease should be classified as an operating or financing lease.

Right of use ("ROU") assets represent the right to use an underlying asset for the lease term and lease liabilities represent the obligation to make lease payments arising from the lease. ROU assets and lease liabilities are recognized at commencement date based on the present value of lease payments over the lease term. As the Company's leases do not provide an implicit rate, it uses the incremental borrowing rate based on the information available at commencement date in determining the present value of lease payments. The ROU asset also includes any lease prepayments made and excludes lease incentives. The Company's lease terms include options to extend or terminate the lease when it is reasonably certain that it will exercise that option. Lease expense for operating lease payments is recognized on a straight-line basis over the lease term. Finance leases result in the recognition of depreciation expense, which is recognized on a straight-line basis over the expected life of the leased asset, and interest expense, which is recognized following an effective interest rate method.

The Company excludes short-term leases (term of 12 months or less) from the balance sheet presentation and accounts for non-lease and lease components in a contract as a single lease component for certain asset classes.

Convertible Senior Notes

The Company accounts for convertible senior notes under Accounting Standards Codification ("ASC") ASC 470-20 - Debt with Conversion and Other Options and Derivatives and Hedging—Contracts in Entity's Own Equity ("ASU 2020-06"). The Company records the convertible senior notes as a long-term liability at face value net of debt issuance costs. If any of the conditions to the convertibility of the convertible senior notes is satisfied, or the convertible senior notes become due within one year, then the Company may be required under applicable accounting standards to reclassify the carrying value of the convertible senior notes as a current, rather than a long-term liability.

ROCKET LAB USA, INC. AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)
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Debt issuance costs related to the convertible senior notes were capitalized and recorded as a contra-liability and are presented net against the convertible senior notes balance on the consolidated balance sheets. Debt issuance costs consist of underwriting, legal and other direct costs related to the issuance of the convertible senior notes and are amortized to interest expense over the term of the convertible senior notes using the effective interest method.

Capped Call Transactions

Capped call transactions cover the aggregate number of shares of the Company's common stock that will initially underlie the convertible senior notes. The Company determined that the freestanding capped call option contracts qualify as equity under the accounting guidance on indexation and equity classification, and recognized the contract by recording an entry to Additional paid-in capital in stockholders' equity in the consolidated balance sheets and not remeasured.

Warrants

The Company accounts for warrants as either equity-classified or liability-classified instruments based on an assessment of the warrant's specific terms and applicable authoritative guidance in ASC 480, Distinguishing Liabilities from Equity, and ASC 815, Derivative and Hedging. For warrants that meet all the criteria for equity classification, the warrants are recorded as a component of additional paid-in capital at the time of issuance. Warrants classified as liabilities are recognized at fair value and remeasured at fair value at each reporting period with any change in fair value recognized in the consolidated statements of operations and comprehensive loss.

Recent Accounting Pronouncements

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

In November 2024, the FASB issued ASU No. 2024-03, Disaggregation of Income Statement Expenses (DISE) ("ASU 2024-03"), which 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. The new guidance is effective for annual reporting periods beginning after December 15, 2026, and interim reporting periods beginning after December 15, 2027. The amendments in ASU 2024-03 will be applied prospectively with the option for retrospective application and early adoption is permitted. The Company is assessing the potential impact of adopting ASU 2024-03 on its financial statements.

3. REVENUES

The Company disaggregates revenue by reportable segment and revenue recognition pattern, as it believes these categories best depicts how the nature, timing and uncertainty of revenue and cash flows are affected by economic factors. The following tables provide information about disaggregated revenue and a reconciliation of the disaggregated revenue during the years ended December 31, 2024, 2023 and 2022:

	Year Ended December 31, 2024		
	Launch Services	Space Systems	Total
Revenues by recognition model			
Point-in-time	\$ 125,338	\$ 74,636	\$ 199,974
Over-time	38	236,202	236,240
Total revenue by recognition model	<u>\$ 125,376</u>	<u>\$ 310,838</u>	<u>\$ 436,214</u>

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NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)
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	Year Ended December 31, 2023		
	Launch Services	Space Systems	Total
Revenues by recognition model			
Point-in-time	\$ 71,131	\$ 46,704	\$ 117,835
Over-time	763	125,994	126,757
Total revenue by recognition model	<u>\$ 71,894</u>	<u>\$ 172,698</u>	<u>\$ 244,592</u>
	Year Ended December 31, 2022		
	Launch Services	Space Systems	Total
Revenues by recognition model			
Point-in-time	\$ 60,200	\$ 61,141	\$ 121,341
Over-time	485	89,170	89,655
Total revenue by recognition model	<u>\$ 60,685</u>	<u>\$ 150,311</u>	<u>\$ 210,996</u>

The timing of revenue recognition, billings, and cash collections results in billed accounts receivable, unbilled receivables (presented within contract assets) and customer advances and deposits (presented within contract liabilities) on the consolidated balance sheets, where applicable. Amounts are generally billed as work progresses in accordance with agreed-upon milestones. These individual contract assets and liabilities are reported in a net position on a contract-by-contract basis on the consolidated balance sheets at the end of each reporting period.

The following table presents the balances related to enforceable contracts as of December 31, 2024 and 2023:

	December 31,	
	2024	2023
Contract balances		
Accounts receivable, net	\$ 36,440	\$ 35,176
Contract assets	63,108	12,951
Contract liabilities	(216,160)	(139,338)

Changes in contract liabilities were as follows:

	2024	2023	2022
Contract liabilities, beginning of year	\$ 139,338	\$ 108,344	\$ 59,749
Contract liabilities assumed at acquisition	—	—	26,014
Customer advances received or billed	176,763	137,158	96,206
Recognition of unearned revenue	(99,941)	(106,164)	(73,625)
Contract liabilities, end of year	<u>\$ 216,160</u>	<u>\$ 139,338</u>	<u>\$ 108,344</u>

The revenue recognized from the contract liabilities consisted of the Company satisfying performance obligations during the normal course of business.

The amount of revenue recognized from changes in the transaction price associated with performance obligations satisfied in prior years during the years ended December 31, 2024, 2023 and 2022 was not material.

Backlog

The Company's backlog represents the estimated transaction prices on performance obligations to the Company's customers for which work remains to be performed. The amount of backlog increases with new contracts or additions to existing contracts and decreases as revenue is recognized on existing contracts. Contracts are included in the amount of backlog when an enforceable agreement has been reached. Remaining backlog totaled \$1,067,037 as of December 31, 2024, of which approximately 50% is expected to be recognized within 12 months, with the remaining 50% to be recognized beyond 12 months.

ROCKET LAB USA, INC. AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)
(In thousands, except share and per share data)

Customer Financing

In connection with the signing of two separate multi-launch agreements with commercial customers, the Company entered into subordinated loan and security agreements. The commercial customers may choose to have certain milestone payments financed under the terms of the subordinated loan and security agreements. The receivables will bear no interest until the initial launch dates passes, after which interest will accrue at a fixed rate of 10.8% or 12.6%, based on the commercial customer. Principal and interest payments will be made over 12 quarterly payments from the launch date.

As of December 31, 2024 and 2023, the Company had \$4,200 and \$3,733 customer financing in prepaids and other current assets, respectively and \$15,567 and \$13,533 customer financing receivable in other non-current assets on the consolidated balance sheets, respectively. Customer financing interest income for the years ended December 31, 2024 and 2023 was \$1,213 and \$371, respectively.

4. BUSINESS COMBINATIONS AND ASSET ACQUISITIONS

SolAero

On January 18, 2022, the Company closed on the acquisition (the “SolAero Acquisition”) of SolAero Holdings, Inc. (“SolAero”) pursuant to an Agreement and Plan of Merger (the “SolAero Merger Agreement”), dated as of December 10, 2021, by and among the Company, Supernova Acquisition Corp. (“SolAero Merger Sub”), SolAero, and Fortis Advisors LLC as stockholder representative, which provides for, among other things, the merger of SolAero Merger Sub with and into SolAero, with SolAero being the surviving corporation of the merger and a direct, wholly owned subsidiary of the Company. Pursuant to the terms of the SolAero Merger Agreement, all of the issued and outstanding shares of SolAero were cancelled in exchange for aggregate consideration of \$80,000 in cash, subject to customary adjustments at closing for cash, working capital, transaction expenses and indebtedness, and amounts held back by the Company (the “SolAero Merger Consideration”). In addition, \$3,600 of the SolAero Merger Consideration was placed into escrow by the Company in order to secure recovery of any Adjustment Amount (as defined in the SolAero Merger Agreement) and as security against indemnity claims. In connection with the SolAero Acquisition, the Company entered into customary employment or consulting agreements with certain key employees of SolAero.

ROCKET LAB USA, INC. AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)
(In thousands, except share and per share data)

Acquisition Consideration

The acquisition-date consideration transferred consisted of cash of \$76,181. The following table presents estimates of the fair value of the assets acquired and the liabilities assumed by the Company in the acquisition:

Description	Amount
Cash and cash equivalents	\$ 7,815
Accounts receivable	12,322
Inventories	17,765
Prepays and other current assets	3,536
Property, plant and equipment	24,689
Intangible assets	33,600
Right-of-use assets - operating leases ⁽¹⁾	1,128
Right-of-use assets - finance leases ⁽¹⁾	16,174
Restricted cash	3,293
Trade payables	(9,795)
Accrued expenses	(6,883)
Contract liabilities ⁽²⁾	(26,014)
Other current liabilities	(10,145)
Non-current operating lease liabilities ⁽¹⁾	(1,128)
Non-current finance lease liabilities ⁽¹⁾	(15,874)
Other assets and liabilities, net	(204)
Identifiable net assets acquired	50,279
Goodwill	25,902
Total purchase price	\$ 76,181

⁽¹⁾ SolAero, as a private company, had not adopted ASC 842 prior to the acquisition. Upon acquisition, SolAero adopted ASC 842 to align accounting policies with the Company.

⁽²⁾ Contract liabilities was recorded under ASC 606 in accordance with ASU No. 2021-08; therefore a reduction in contract liabilities related to the estimated fair values of the acquired contract liabilities was not required.

The following is a summary of identifiable intangible assets acquired and the related expected lives for the finite-lived intangible assets:

Type	Estimated Life in Years	Fair Value
Developed technology	13	\$ 10,700
In-process technology	N/A	800
Capitalized software	3	5,400
Customer relationships	12	9,000
Trademark and tradenames	12	4,700
Backlog	2	3,000
Total identifiable intangible assets acquired		\$ 33,600

Goodwill of \$25,902 was recorded for the SolAero Acquisition, representing the excess of the purchase price over the fair value of the identifiable net assets. Goodwill recognized primarily represents the future revenue and earnings potential and certain other assets which were acquired, but that do not meet the recognition criteria, such as assembled workforce. The goodwill is expected to be deductible for income tax purposes as, prior to the merger, SolAero held tax deductible goodwill in excess of the amount recorded.

ROCKET LAB USA, INC. AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)
(In thousands, except share and per share data)

The Company recognized \$427 of acquisition and integration related costs that were expensed for the year ended December 31, 2022. These costs are included in selling, general and administrative in the consolidated statements of operations and comprehensive loss.

Measurement Period

During the measurement period, the Company continued to obtain information to assist in determining the fair value of net assets acquired, which could differ materially from those preliminary estimates. Measurement period adjustments, if applicable, were applied in the reporting period in which the adjustment amounts were determined. The Company made a SolAero measurement period adjustment in the fourth quarter of 2022 related to a provision for contract loss of \$9,446, which was recorded to other current liabilities and goodwill.

Unaudited Pro Forma Information

The Company's 2022 consolidated statement of operations includes revenues of \$81,188 and operating loss of \$12,533, related to the SolAero acquisition.

The unaudited consolidated financial information summarized in the following table gives effect to the SolAero Acquisition assuming it occurred on January 1, 2022. These unaudited consolidated pro forma operating results do not assume any impact from revenue, cost or other operating synergies that are expected as a result of the acquisition. These unaudited consolidated pro forma operating results are presented for illustrative purposes only and are not indicative of the operating results that would have been achieved had the acquisition occurred on January 1, 2022, nor does the information project results for any future period.

Year Ended December 31,	As Reported	Acquisition Pro-Forma (Unaudited)	Consolidated Pro-Forma (Unaudited)
2024			
Revenues	\$ 436,214	\$ —	\$ 436,214
Net loss	(190,175)	—	(190,175)
2023			
Revenues	\$ 244,592	\$ —	\$ 244,592
Net loss	(182,571)	—	(182,571)
2022			
Revenues	\$ 210,996	\$ 2,454	\$ 213,450
Net loss	(135,944)	(1,062)	(137,006)

Asset Purchase Agreement

On June 2, 2023, Company closed on the purchase of certain assets pursuant to an Asset Purchase Agreement (the "Virgin APA") with Virgin Orbit Holdings, Inc. to acquire certain assets, including a real property lease for a property located in Long Beach, California and certain production assets, machinery and equipment.

The acquisition was accounted for as an asset acquisition and the total purchase price consideration of \$16,934 (which includes \$815 of transaction costs) was allocated to the assets acquired on a relative fair value basis. The following table presents estimates of the relative fair value of the assets acquired and the liabilities assumed by the Company in the acquisition:

Description	Amount
Property, plant and equipment	\$ 15,658
Right-of-use assets - operating leases	13,939
Other non-current assets	189
Other current liabilities	(1,125)
Non-current operating lease liabilities	(10,375)
Other non-current liabilities	(1,352)
Total purchase price	\$ 16,934

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NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)
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5. CASH AND CASH EQUIVALENTS AND MARKETABLE SECURITIES

Cash and cash equivalents and marketable securities consisted of the following as of December 31, 2024 and 2023:

	December 31,	
	2024	2023
Cash and cash equivalents	\$ 271,042	\$ 162,518
Marketable securities, current	147,948	82,255
Marketable securities, non-current	60,686	79,247
Total cash and cash equivalents and marketable securities	<u>\$ 479,676</u>	<u>\$ 324,020</u>

As of December 31, 2024, cash equivalents and marketable securities consisted of the following:

	Amortized Cost	Gross Unrealized Gains	Gross Unrealized Losses	Fair Value	Cash Equivalents	Marketable Securities
Money market accounts	\$ 211,619	\$ —	\$ —	\$ 211,619	\$ 211,619	\$ —
Certificates of deposit	21,778	17	—	21,795	—	21,795
Commercial paper	10,103	6	—	10,109	—	10,109
Corporate debt securities	86,367	140	(31)	86,476	—	86,476
Yankee bonds	2,581	5	—	2,586	—	2,586
U.S. Treasury securities	66,192	—	(72)	66,120	—	66,120
Mortgage- and asset-backed securities	21,436	113	—	21,549	—	21,549
Total	<u>\$ 420,076</u>	<u>\$ 281</u>	<u>\$ (103)</u>	<u>\$ 420,254</u>	<u>\$ 211,619</u>	<u>\$ 208,635</u>

The following table presents the Company's cash equivalents and marketable securities with unrealized losses by investment category and the length of time the cash equivalents and marketable securities have been in a continuous loss position as of December 31, 2024:

	Less than 12 Months		In Loss Position for Greater than 12 Months		Total	
	Fair Value	Unrealized Losses	Fair Value	Unrealized Losses	Fair Value	Unrealized Losses
Corporate debt securities	\$ 11,192	\$ (31)	\$ —	\$ —	\$ 11,192	\$ (31)
U.S. Treasury securities	20,497	(57)	42,423	(15)	62,920	(72)
Total	<u>\$ 31,689</u>	<u>\$ (88)</u>	<u>\$ 42,423</u>	<u>\$ (15)</u>	<u>\$ 74,112</u>	<u>\$ (103)</u>

The Company has not observed a significant deterioration in credit quality of these securities, which are highly rated with moderate to low credit risk. Declines in value are largely attributable to current global economic conditions. The securities continue to make timely principal and interest payments, and the fair values are expected to recover as they approach maturity. The Company does not intend to sell the securities, and it is not more likely than not that the Company will be required to sell the securities, before the respective recoveries of their amortized cost bases, which may be maturity. As of December 31, 2024, the Company had not recognized an allowance for credit losses on any marketable securities in an unrealized loss position.

The following table summarizes the contractual maturities of the Company's cash equivalents and marketable securities as of December 31, 2024:

	Amortized Cost	Fair Value
Due within one year	\$ 359,492	\$ 359,568
Due within one to two years	60,584	60,686
Total	<u>\$ 420,076</u>	<u>\$ 420,254</u>

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6. FAIR VALUE OF FINANCIAL INSTRUMENTS

As of December 31, 2024 and 2023, the following financial assets and liabilities are measured at fair value on a recurring basis and are categorized using the fair value hierarchy as follows:

	December 31, 2024			
	Level 1	Level 2	Level 3	Total
Assets:				
Cash equivalents:				
Money market accounts	\$ 211,619	\$ —	\$ —	\$ 211,619
Marketable securities, current:				
Certificates of deposit	—	21,795	—	21,795
Commercial paper	—	10,109	—	10,109
Corporate debt securities	—	57,589	—	57,589
Yankee bonds	—	2,208	—	2,208
U.S. Treasury securities	55,568	—	—	55,568
Mortgage- and asset-backed securities	—	680	—	680
Marketable securities, non-current				
Corporate debt securities	—	28,887	—	28,887
Yankee bonds	—	378	—	378
U.S. Treasury securities	10,552	—	—	10,552
Mortgage- and asset-backed securities	—	20,869	—	20,869
Total	<u>\$ 277,739</u>	<u>\$ 142,515</u>	<u>\$ —</u>	<u>\$ 420,254</u>
	December 31, 2023			
	Level 1	Level 2	Level 3	Total
Assets:				
Cash equivalents:				
Money market accounts	\$ 121,491	\$ —	\$ —	\$ 121,491
Marketable securities, current:				
Certificates of deposit	—	24,590	—	24,590
Commercial paper	—	10,484	—	10,484
Corporate debt securities	—	41,871	—	41,871
Yankee bonds	—	2,676	—	2,676
U.S. Treasury securities	2,633	—	—	2,633
Marketable securities, non-current				
Corporate debt securities	—	10,968	—	10,968
U.S. Treasury securities	54,900	—	—	54,900
Mortgage- and asset-backed securities	—	13,380	—	13,380
Total	<u>\$ 179,024</u>	<u>\$ 103,969</u>	<u>\$ —</u>	<u>\$ 282,993</u>
Liabilities:				
Other non-current liabilities:				
Contingent consideration	\$ —	\$ —	\$ 1,056	\$ 1,056
Total	<u>\$ —</u>	<u>\$ —</u>	<u>\$ 1,056</u>	<u>\$ 1,056</u>

The estimated fair value amounts shown above are not necessarily indicative of the amounts that the Company would realize upon disposition, nor do they indicate the Company's intent or ability to dispose of the financial instrument.

ROCKET LAB USA, INC. AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)
(In thousands, except share and per share data)

There were no transfers between fair value measurement levels during the years ended December 31, 2024 and 2023.

Convertible Senior Notes

The Company measures the fair value of its convertible senior notes on a quarterly basis for disclosure purposes. The Company considers the fair value of its convertible senior notes as of December 31, 2024 to be a Level 2 measurement due to limited trading activity of the convertible senior notes. As of December 31, 2024, the net carrying amount of the convertible senior notes was \$345,392, with unamortized discount and debt issuance costs of \$9,608. As of December 31, 2024, the total estimated fair value (Level 2) of the convertible senior notes was \$1,799,544. The fair value was determined based on the closing trading price of the convertible senior notes as of the last day of trading for the period.

7. INVENTORIES

Inventories as of December 31, 2024 and 2023 consisted of the following:

	December 31,	
	2024	2023
Raw materials	\$ 50,650	\$ 45,062
Work in process	60,462	53,628
Finished goods	7,962	9,167
Total inventories	<u>\$ 119,074</u>	<u>\$ 107,857</u>

8. PREPAIDS AND OTHER CURRENT ASSETS

Prepays and other current assets as of December 31, 2024 and 2023 consisted of the following:

	December 31,	
	2024	2023
Prepaid expenses and deposits	\$ 38,041	\$ 48,031
Government grant receivables	7,783	9,940
Customer financing receivables	4,200	3,733
Other current assets	4,985	5,245
Total prepaids and other current assets	<u>\$ 55,009</u>	<u>\$ 66,949</u>

9. ASSETS HELD FOR SALE

In the first quarter of 2023, the Company updated its Electron recovery strategy by completing a marine recovery, which we believe will be a more effective and financially viable type of recovery. As a result, the Company has ceased mid-air rocket booster recovery and began the sale process of two helicopters. As of March 31, 2023, the Company's two helicopters met the held for sale criteria and the Company ceased depreciating these assets.

On June 6, 2024, the Company sold one of the Company's held for sale helicopters to a purchaser unaffiliated with the Company, for \$12,030 before closing costs and holdbacks. The Company recognized a gain on sale of assets related to the sale of the helicopter and spare parts of \$2,825 included in other income, net in the consolidated statements of operations and comprehensive loss during the year ended December 31, 2024.

On October 18, 2023, the Company sold one of the Company's held for sale helicopters to a purchaser unaffiliated with the Company, for \$3,900 before closing costs. The Company recognized a gain on sale of assets of \$1,094 included in other income, net in the consolidated statements of operations and comprehensive loss during the year ended December 31, 2023.

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(In thousands, except share and per share data)

10. PROPERTY, PLANT AND EQUIPMENT, NET

Property, plant and equipment, net, as of December 31, 2024 and 2023 consisted of the following:

	December 31,	
	2024	2023
Buildings and improvements	\$ 68,631	\$ 59,730
Machinery, equipment, vehicles and office furniture	127,577	82,973
Computer equipment, hardware and software	16,204	11,624
Launch site assets	20,726	14,193
Construction in process	27,285	25,999
Property, plant and equipment—gross	260,423	194,519
Less accumulated depreciation and amortization	(65,585)	(49,110)
Property, plant and equipment—net	\$ 194,838	\$ 145,409

Depreciation expense recorded in the consolidated statements of operations and comprehensive loss during the years ended December 31, 2024, 2023 and 2022 consisted of the following:

Depreciation expense	Years Ended December 31,		
	2024	2023	2022
Cost of revenues	\$ 11,088	\$ 8,481	\$ 12,867
Research and development	5,890	4,700	1,981
Selling, general and administrative	2,798	2,226	1,310
Total depreciation expense	\$ 19,776	\$ 15,407	\$ 16,158

11. GOODWILL AND INTANGIBLE ASSETS, NET

Goodwill

The carrying amount of goodwill for the space systems reportable segment was \$71,020 as of December 31, 2024 and 2023.

Intangible Assets

The components of intangible assets consisted of the following as of December 31, 2024 and 2023:

	December 31, 2024		
	Gross Carrying Amount	Accumulated Amortization	Net Carrying Amount
<i>Finite-Lived Intangible Assets</i>			
Developed Technology	\$ 57,865	\$ (23,512)	\$ 34,353
Capitalized software	13,757	(9,873)	3,884
Customer relationships	16,086	(4,472)	11,614
Trademarks and tradenames	10,098	(2,610)	7,488
Backlog	3,491	(3,491)	—
Other	1,320	(522)	798
<i>Indefinite-Lived Intangible Assets</i>			
In-process Technology	500	—	500
Total	\$ 103,117	\$ (44,480)	\$ 58,637

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	December 31, 2023		
	Gross Carrying Amount	Accumulated Amortization	Net Carrying Amount
<i>Finite-Lived Intangible Assets</i>			
Developed Technology	\$ 56,065	\$ (16,649)	\$ 39,416
Capitalized software	11,690	(7,454)	4,236
Customer relationships	16,135	(3,234)	12,901
Trademarks and tradenames	10,106	(1,789)	8,317
Backlog	3,491	(3,366)	125
Other	1,222	(423)	799
<i>Indefinite-Lived Intangible Assets</i>			
In-process Technology	2,300	—	2,300
Total	\$ 101,009	\$ (32,915)	\$ 68,094

Amortization expense recorded in the consolidated statements of operations and comprehensive loss during the years ended December 31, 2024, 2023 and 2022, respectively consisted of the following:

	Years Ended December 31,		
	2024	2023	2022
Cost of revenues	\$ 7,110	\$ 7,106	\$ 5,144
Research and development	45	90	3,449
Selling, general and administrative	4,913	5,904	4,634
Total amortization expense	\$ 12,068	\$ 13,100	\$ 13,227

The following table outlines the estimated future amortization expense related to finite-lived intangible assets held as of December 31, 2024:

2025	\$ 10,304
2026	10,147
2027	9,171
2028	8,138
2029	5,999
Thereafter	14,378
Total	\$ 58,137

12. LOAN AGREEMENTS

Indenture and Notes

On February 6, 2024, the Company issued \$355,000 aggregate principal amount of its 4.250% Convertible Senior Notes due 2029 (the “Notes”). The Notes were issued pursuant to, and are governed by, an indenture (the “Indenture”), dated as of February 6, 2024, between the Company and U.S. Bank Trust Company, National Association, as trustee (the “Trustee”).

The Notes are the Company’s senior, unsecured obligations and are (i) equal in right of payment with the Company’s existing and future senior, unsecured indebtedness; (ii) senior in right of payment to the Company’s future indebtedness that is expressly subordinated to the Notes in right of payment; (iii) effectively subordinated to the Company’s existing and future secured indebtedness, including borrowings under its equipment financing agreement, to the extent of the value of the collateral securing that indebtedness; and (iv) structurally subordinated to all existing and future indebtedness and other liabilities, including trade payables, and (to the extent the Company is not a holder thereof) preferred equity, if any, of the Company’s subsidiaries.

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The Notes accrue interest at a rate of 4.250% per annum, payable semi-annually in arrears on February 1 and August 1 of each year, beginning on August 1, 2024. The Notes mature on February 1, 2029, unless earlier converted, redeemed or repurchased. Before November 1, 2028, noteholders have the right to convert their Notes only during the following circumstances: (i) during any calendar quarter (and only during such calendar quarter) if the last reported sale price of the Company's common stock exceeds 130% of the conversion price for each of at least 20 trading days (whether or not consecutive) during a period of 30 consecutive trading days ending on, and including, the last trading day of the immediately preceding calendar quarter, (ii) during the five consecutive business day period after any 10 consecutive trading day period, or the measurement period, in which the trading price per \$1 principal amount of Notes for each trading day of the measurement period was less than 98% of the product of the last reported sale price of the Company's common stock and the applicable conversion rate on each such trading day, (iii) upon the occurrence of certain corporate events or distributions specified in the Indenture or (iv) if the Company calls such Notes for redemption. From and after November 1, 2028, noteholders may convert their Notes at any time at their election until the close of business on the second scheduled trading day immediately before the maturity date. The Company will settle conversions by paying or delivering, as applicable, cash, shares of its common stock or a combination of cash and shares of its common stock, at the Company's election. The initial conversion rate is 195.1029 shares of common stock per \$1 principal amount of Notes, which represents an initial conversion price of approximately \$5.13 per share of common stock. The conversion rate and conversion price are subject to customary adjustments upon the occurrence of certain events. In addition, if certain corporate events that constitute a "Make-Whole Fundamental Change" (as defined in the Indenture) occur, then the conversion rate will, in certain circumstances, be increased for a specified period of time. As of December 31, 2024, the holder of the Notes have the right to convert between January 1, 2025 and March 31, 2025 because the Company's common stock price exceeded the applicable conversion price by 130% for the specified period of time during the quarter ended December 31, 2024.

When a conversion notice is received, the Company has the option to pay or deliver cash, shares of the Company's common stock, or a combination thereof. Since the issuance of the Notes, the Company has not received a notice from the holders. As of December 31, 2024, the Company cannot be required to settle the Notes in cash and has the intent and ability to settle in common stock, therefore, the Notes were classified as non-current liabilities on the Company's consolidated balance sheet.

As of December 31, 2024, there was \$355,000 outstanding under the Notes, before unamortized discount and debt issuance costs of \$9,608. As of December 31, 2024, the effective interest rate under the Notes was 5.0%.

Capped Call Transactions

In connection with the pricing of the Notes, on February 1, 2024 and February 2, 2024, the Company entered into privately negotiated capped call transactions (the "Capped Call Transactions") with certain financial institutions. Collectively, the Capped Call Transactions cover, subject to customary adjustments, the number of shares of common stock initially underlying the Notes. The cost of the Capped Call Transactions was \$43,168. The Capped Call Transactions are expected generally to reduce or offset the potential dilution to the Company's common stock upon exercise of the Notes and/or the Company's election to offset the cash payments the Company is required to make in excess of the principal amount of the Notes upon conversion of the Notes in the event that the market price per share of the Company's common stock is greater than the strike price of the Capped Call Transactions (which initially corresponds to the initial conversion price of the Notes and is subject to certain adjustments under the terms of the Capped Call Transactions), with such reduction and/or offset subject to a cap based on the cap price of the Capped Call Transactions. The Capped Call Transactions have an initial cap price of \$8.04 per share of the Company's common stock, which represents a premium of 100% over the last reported sale price of the Company's common stock on February 1, 2024.

The Capped Call Transactions do not meet the criteria for separate accounting as a derivative as they are indexed to the Company's stock. The premiums paid for the Capped Call Transactions have been included as a net reduction to additional paid-in capital within shareholders' equity.

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Trinity Master Equipment Financing Agreement

On December 29, 2023 (the “Effective Date”), the Company and certain of its subsidiaries (the “Subsidiaries”, together with the Company, the “Borrowers”), entered into a Master Equipment Financing Agreement (the “Loan Agreement”) with Trinity Capital, Inc., a Maryland corporation (the “Lender”) to provide financing for certain equipment and other property (the “Equipment”). The Loan Agreement provides that the Lender shall provide equipment financing in the aggregate of up to \$120,000 (the “Conditional Commitment”), with advances (“Draws”) to be made as follows: (i) \$70,000 on the Effective Date (the “Effective Date Draw”); and (ii) \$40,000 to be drawn on the Effective Date (the “Blanket Lien Draw”), with each of the Effective Date Draw and Blanket Lien Draw payable over sixty (60) months beginning January 2024, with the final payments due in January 2029. After the Blanket Lien Draw is repaid in full, Borrowers may make Draws as follows: (x) \$30,000 to be drawn in not more than three advances of at least \$10,000 each at the Borrowers’ option no later than the date that is 18 months after the Effective Date; and (y) \$20,000 to be drawn at Borrower’s option between January 1, 2025 and June 30, 2025 (such date, the “Termination Date”), subject to customary conditions.

The monthly payment factors under the Loan Agreement and Blanket Lien Draw have a term of sixty (60) months and a rate factor of 0.022266. In connection with the Loan Agreement, the Company issued warrants to Lender to acquire 728,835 shares of the Company’s common stock at an exercise price of \$4.87 per share (see Note 13). The proceeds from the Loan Agreement were allocated to the loan and warrants based on the relative fair value at inception, resulting in a reduction to the loan amount and amortized to interest expense over the term of the loan.

As of December 31, 2024, there was \$58,281 outstanding under the Loan Agreement, before unamortized discount and debt issuance costs of \$2,187, of which \$12,045 is classified as current in the Company’s consolidated balance sheets, with the remainder classified as long-term borrowing. As of December 31, 2024 the effective interest rate under the Loan Agreement was 14.9%. The Company is required to pay an end of term charge of \$700 upon repayment of the Effective Date Draw.

The future principal payments under the Loan Agreement as of December 31, 2024 were as follows:

2025	\$	12,045
2026		13,652
2027		15,474
2028		17,110
Total	\$	58,281

Hercules Capital Secured Term Loan

On June 10, 2021, the Company entered into a \$100,000 secured term loan agreement with Hercules Capital, Inc. (the “Hercules Capital Secured Term Loan”) and borrowed the full amount under the secured term loan agreement. The term loan had a maturity date of June 1, 2024 and was secured by substantially all of the assets of the Company. Payments due for the term loan were interest-only until the maturity date with interest payable monthly in arrears. The outstanding principal bore (i) cash interest at the greater of (a) 8.15% or (b) 8.15% plus the prime rate minus 3.25% and (ii) payment-in-kind interest of 1.25% which was accrued and added to the outstanding principal balance. Prepayment of the outstanding principal was permitted under the loan agreement and subject to certain prepayment fees. On June 10, 2021, in connection with the secured term loan, the Company paid an initial facility charge of \$1,000. On December 29, 2023, the Company was required to pay an end of term charge of \$3,250 upon repayment of the loan.

On December 29, 2023, a portion of the proceeds from the Effective Date Draw and the Blanket Lien Draw were used to pay off all obligations owing pursuant to the Hercules Capital Secured Term Loan, resulting in a loss on extinguishment of debt of \$1,732 for the year ended December 31, 2023. The Hercules Capital Secured Term Loan was terminated.

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13. WARRANTS

Equity Classified Common Stock Warrants

The Company has issued equity classified warrants which are settled through issuance of common stock. Upon settlement, the warrants are recognized as additional paid-in capital, a component of equity in the consolidated balance sheets.

In connection with the Loan Agreement, the Company issued a warrant ("Warrant"), dated December 29, 2023, to purchase up to 728,835 shares of the Company's common stock, at an exercise price of \$4.87 per share, payable in cash or on a cashless basis according to the formula set forth in the Warrant. The exercise price of the Warrant and the number of shares issuable upon exercise of the Warrant were subject to adjustments for stock splits, combinations, stock dividends or similar events. On November 14, 2024, all 728,835 common stock warrants were exercised on a cashless basis, which resulted in the holder of the warrants receiving 540,336 shares of common stock.

The following assumptions were used in the Black-Sholes pricing model calculation for the Warrant issued:

Share price	\$	5.53
Strike price	\$	4.87
Expected volatility		82.0 %
Risk-free interest rate		3.85 %
Expected life (years)		4.0
Dividend rate		None

Public and Private Warrants

As part of the closing of the Business Combination, the Company assumed Public Warrants and Private Warrants to purchase up to 10,666,666 shares and 5,600,000 shares of common stock of the Post Combination Company, respectively, which were exercisable at \$11.50 per share.

During the year ended December 31, 2022, an aggregate of 10,383,077 Public Warrants were exercised on a cashless basis in exchange for the issuance of 2,951,781 shares and 10,969 Public Warrants were exercised for an aggregate of 10,969 shares of Company common stock at an exercise price of \$11.50 per share, for aggregate cash proceeds to the Company of \$126. At the conclusion of the redemption notice period on January 31, 2022, the remaining 270,470 Public Warrants issued and outstanding were redeemed at a price of \$0.10 per warrant for aggregate cash payment from the Company of \$27. On January 31, 2022, the Public Warrants were delisted from Nasdaq. In addition, during the year ended December 31, 2022, the 5,600,000 Private Warrants were exercised on a cashless basis for an aggregate of 1,592,080 shares of the Company's common stock.

The Public Warrants and Private Warrants were remeasured to fair value as of the exercise or redemption date, resulting in a gain of \$13,482 for the year ended December 31, 2022.

14. STOCK-BASED COMPENSATION

Equity Incentive Plans

The Company has a single active equity incentive plan, the Rocket Lab 2021 Stock Option and Incentive Plan (the "2021 Plan"), with the objective of attracting and retaining available employees and directors by providing stock-based and other performance-based compensation. The Rocket Lab 2013 Stock Option and Grant Plan was terminated, but outstanding awards granted thereunder remain governed by it. The 2021 Plan provides for the grant of equity awards to officers, employees, directors and other key employees as well as service providers which include incentive stock options, non-qualified stock options, restricted stock awards, unrestricted stock awards, restricted stock units or any combination of the foregoing any of which may be performance based, as determined by the Company's Compensation Committee. An aggregate of 59,875,000 shares were initially reserved for the issuance of awards under the 2021 Plan. The number of shares reserved for issuance under the 2021 Plan automatically increases each January 1, beginning on January 1, 2022, by 5% of the outstanding number of shares of common stock on the immediately preceding December 31, or such lesser amount as determined by the plan administrator. The Company was authorized to issue up to 113,756,881 shares of common stock as equity awards to participants under the 2021 Plan as of December 31, 2024. There were 92,127,861 shares of common stock available for grant as of December 31, 2024.

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Total stock-based compensation recorded in the consolidated statements of operations and comprehensive loss during the years ended December 31, 2024, 2023 and 2022 consisted of the following:

Stock-based compensation	Years Ended December 31,		
	2024	2023	2022
Cost of revenues	\$ 16,657	\$ 12,521	\$ 17,948
Research and development	15,626	21,721	21,127
Selling, general and administrative	24,533	19,219	16,574
Total stock-based compensation expense	\$ 56,816	\$ 53,461	\$ 55,649

Options

The following summarizes the stock option activity of the 2013 Plan for the years ended December 31, 2024, 2023 and 2022:

	Options to Purchase Common Stock	Weighted- Average Exercise Price per Share	Weighted- Average Grant Date Fair Value per Share	Weighted- Average Remaining Contract Life (In Years)	Aggregate Intrinsic Value
Outstanding — at January 1, 2022	17,345,328	\$ 1.03	\$ 0.54	6.03	\$ 195,111
Exercised	(3,887,435)	1.02	0.51	1.93	10,687
Forfeited	(200,173)	1.22	0.71	—	510
Outstanding — at December 31, 2022	13,257,720	\$ 1.03	\$ 0.53	5.18	\$ 36,306
Exercised	(2,623,282)	0.93	0.47	0.86	12,072
Forfeited	(7,556)	1.42	0.78	—	31
Expired	(75,596)	1.22	0.72	—	326
Outstanding — at December 31, 2023	10,551,286	\$ 1.06	\$ 0.53	4.32	\$ 47,210
Exercised	(3,396,050)	1.01	0.52	2.61	84,916
Outstanding — at December 31, 2024	7,155,236	\$ 1.08	\$ 0.53	3.46	174,521
Options vested and exercisable — at December 31, 2024	7,155,236	\$ 1.08	\$ 0.53	3.46	\$ 174,521
Options vested and exercisable — at December 31, 2023	10,551,286	\$ 1.06	\$ 0.53	4.32	\$ 47,210
Options vested and exercisable — at December 31, 2022	13,185,026	\$ 1.03	\$ 0.53	5.18	\$ 36,134

Restricted Stock Units

The time-based service vesting condition is generally satisfied over periods of approximately four years as the employees provide service. As of December 31, 2024, the total unrecognized compensation expense related to unvested restricted stock units granted under the 2013 Plan and 2021 Plan was \$128,689 and will be recognized upon vesting.

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The following summarizes the restricted stock unit activity of the Plan for the years ended December 31, 2024, 2023 and 2022:

	Number of Units	Weighted- Average Grant Date Fair Value
Outstanding — at January 1, 2022	16,946,922	\$ 4.49
Granted	14,455,901	5.97
Released	(13,264,758)	
Forfeited	(1,451,848)	6.33
Outstanding — at December 31, 2022	16,686,217	5.94
Granted	11,269,200	4.76
Released	(8,887,903)	
Forfeited	(2,729,675)	6.01
Outstanding — at December 31, 2023	16,337,839	5.48
Granted	18,206,230	6.54
Released	(9,854,054)	5.45
Forfeited	(2,931,413)	5.15
Outstanding — at December 31, 2024	21,758,602	\$ 6.43
Units expected to vest — at December 31, 2024	21,758,602	\$ 6.43
Units expected to vest — at December 31, 2023	16,337,839	\$ 5.48
Units expected to vest — at December 31, 2022	16,686,217	\$ 5.94

2021 Employee Stock Purchase Plan

In August 2021, the 2021 Employee Stock Purchase Plan (the “2021 ESPP”) was approved to reserve 9,980,000 shares of common stock for issuance for awards in accordance with the terms of the 2021 ESPP. In addition, the number of shares reserved for issuance will ultimately increase on January 1 of each year from 2022 to 2031 by the lesser of (i) 9,980,000 shares of common stock, (ii) 1% of the number of shares of common stock outstanding as of the close of business on the immediately preceding December 31 or (iii) the number of common stock shares as determined by the Company’s board of directors. The purpose of the 2021 ESPP is to enable eligible employees to use payroll deductions to purchase shares of common stock and thereby acquire an interest in the Company. Eligible employees are offered shares through a 12-month offering period, which consists of two consecutive 6-month purchase periods. Employees may purchase a limited amount of shares of our stock at a discount of up to 15% of the lesser of the fair market value at the beginning of the offering period or the end of each 6-month purchase period.

During the years ended December 31, 2024, 2023 and 2022, 1,473,720, 1,369,604 and 1,106,958 shares of common stock were issued under the 2021 ESPP. As of December 31, 2024, 20,183,297 shares remain available for issuance under the 2021 ESPP. Total ESPP stock-based compensation recorded in the consolidated statements of operations and comprehensive loss for the years ended December 31, 2024, 2023 and 2022 was \$3,016, \$2,399 and \$3,693, respectively. As of December 31, 2024, the total unrecognized compensation expense related to the 2021 ESPP was \$3,712 and will be recognized over the remaining offering period.

15. EMPLOYEE BENEFITS

Defined Contribution Plans

The Company’s 401(k) Savings and Retirement Plan covers any eligible employee on the active payroll of the Company. The Company’s contributions were approximately \$2,858, \$2,427 and \$1,520 during the years ended December 31, 2024, 2023 and 2022, respectively. The Company’s contributions consist of matching contributions, and non-elective contributions on behalf of employees.

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16. LEASES

The Company has operating and finance leases for properties, vehicles and equipment. The Company's operating and finance leases have remaining lease terms of less than one year to twenty-six years, some of which include options to extend the lease term, and some of which include options to terminate the lease prior to the end of the agreed upon lease term. For purposes of calculating lease liabilities, lease terms include options to extend or terminate the lease when it is reasonably certain that the Company will exercise such options.

Supplemental balance sheet information related to leases as of December 31, 2024 and 2023 were as follows:

Liabilities	Presentation	December 31,	
		2024	2023
Current:			
Operating lease liabilities	Other current liabilities	\$ 6,170	\$ 5,276
Finance lease liabilities	Other current liabilities	268	329
Total lease liabilities, current		6,438	5,605
Non-current:			
Operating lease liabilities	Non-current operating lease liabilities	51,965	56,099
Finance lease liabilities	Non-current finance lease liabilities	14,970	15,238
Total lease liabilities, non-current		66,935	71,337
Total lease liabilities		\$ 73,373	\$ 76,942

The Company does not separate non-lease components for the purposes of measuring our lease liabilities and assets. The components of lease expense were as follows during the years ended December 31, 2024, 2023 and 2022:

	Years Ended December 31,		
	2024	2023	2022
Operating lease costs:			
Operating lease costs	\$ 9,762	\$ 7,164	\$ 5,107
Amortization of favorable lease	1,220	610	—
Total operating lease costs:	\$ 10,982	\$ 7,774	\$ 5,107
Finance lease costs:			
Depreciation of right-of-use assets	\$ 591	\$ 627	\$ 562
Interest on lease liabilities	949	967	900
Total finance lease costs	\$ 1,540	\$ 1,594	\$ 1,462

Cash paid for amounts included in the measurement of lease liabilities:

	Years Ended December 31,		
	2024	2023	2022
Cash paid for amounts included in the measurement of lease liabilities:			
Operating cash flows from operating leases	\$ 8,672	\$ 6,581	\$ 4,558
Operating cash flows from finance leases	949	967	900
Finance cash flows from finance leases	329	336	271
Right-of-use assets obtained in exchange for lease obligations:			
Operating leases	\$ 2,871	\$ 30,396	\$ 9,140

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The weighted average remaining lease term related to operating leases was 9.0 years and 9.8 years as of December 31, 2024 and 2023, respectively. The weighted average discount rate related to operating leases was 6.4% as of December 31, 2024 and 2023. The weighted average remaining lease term related to finance leases was 17.4 years and 18.3 years as of December 31, 2024 and 2023. The weighted average discount rate related to finance leases was 6.2% as of December 31, 2024 and 2023.

The following is a schedule of the future minimum operating and finance lease payments by year as of December 31, 2024:

	Operating Leases	Finance Leases
2025	\$ 9,680	\$ 1,201
2026	9,774	1,231
2027	9,555	1,262
2028	8,842	1,293
2029	8,399	1,326
Thereafter	30,286	19,498
Total lease payments	76,536	25,811
Less imputed interest	(18,401)	(10,573)
Total	\$ 58,135	\$ 15,238

17. COMMITMENTS AND CONTINGENCIES

Litigation and Claims

The Company is, and from time to time may be, a party to claims and legal proceedings generally incidental to its business that are principally covered under contracts with its customers and insurance policies. In the opinion of management, there are no legal matters or claims likely to have a material adverse effect on the Company's financial position, results of operations or cash flows.

Other Commitments

The Company has commitments under its lease obligations (Note 16).

Contingencies

The Company records a contingent liability when it is both probable that a loss has been incurred, and the amount can be reasonably estimated. If these estimates and assumptions change or prove to be incorrect, it could have a material impact on the Company's consolidated financial statements. Contingencies are inherently unpredictable, and the assessments of the value can involve a series of complex judgments about future events and can rely heavily on estimates and assumptions.

On May 23, 2016, the Company entered into a launch services agreement with a customer to provide three commercial dedicated launches which would deliver the customer's payloads over the period of 2017 through 2021. Per the terms of the agreement, each dedicated launch shall have a firm fixed price below current launch vehicle costs. During the year ended December 31, 2018, the Company determined that it was probable that the costs to provide the services as stipulated by the launch services agreement would exceed the fixed firm price of each launch. As such, the Company recorded a provision for contract loss for these three dedicated launches. During the year ended December 31, 2021, one of the three launches occurred. On April 21, 2021, the launch services agreement was amended, resulting in one additional launch and the potential for price increases on the second and third launches dependent on the customer's desired payload configuration. On March 29, 2023 and April 29, 2023, the launch services agreement was amended, to change the date by which the launch window election is to occur from March 31, 2023 to on or before May 31, 2023. In June 2023, the launch services agreement was terminated and as a result, the Company released a \$4,066 provision for contract losses.

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In connection with the SolAero acquisition, the Company assumed a contract with a customer to provide solar panel module at a fixed price. The Company determined that it was probable that the costs to complete the solar panel modules as stipulated by the contract would exceed the fixed firm price of the solar panel modules. As such, the Company recorded a provision for contract loss for this contract, of which \$9,446 was recorded to other current liabilities in order to recognize the contract at fair value at acquisition.

The provision for contract losses outstanding as of December 31, 2024, which primarily is related to the solar panel module agreement, was \$6,462 included in other current liabilities in the Company's consolidated balance sheets.

18. INCOME TAXES

The components of the pretax loss for the years ended December 31, 2024, 2023 and 2022 were as follows:

	Years Ended December 31,		
	2024	2023	2022
Domestic	\$ (257,752)	\$ (205,334)	\$ (186,121)
Foreign	68,341	26,413	53,175
Loss before provision for income taxes	<u>\$ (189,411)</u>	<u>\$ (178,921)</u>	<u>\$ (132,946)</u>

The provision (benefit) for income taxes for the years ended December 31, 2024, 2023 and 2022 were as follows:

	Years Ended December 31,		
	2024	2023	2022
Current:			
Federal	\$ —	\$ —	\$ —
State	14	(18)	(39)
Foreign	(299)	3,270	3,802
Total current provision	<u>(285)</u>	<u>3,252</u>	<u>3,763</u>
Deferred:			
Federal	166	114	(2,073)
State	280	452	(173)
Foreign	603	(168)	1,481
Total deferred provision	<u>1,049</u>	<u>398</u>	<u>(765)</u>
Provision for income taxes	<u>\$ 764</u>	<u>\$ 3,650</u>	<u>\$ 2,998</u>

The following is a reconciliation of the U.S. federal statutory federal income tax rate to our effective tax rate (in percentages):

	Years Ended December 31,		
	2024	2023	2022
Federal statutory rate	21.0 %	21.0 %	21.0 %
Adjustments for tax effects of:			
State taxes, net of federal benefit	6.0 %	3.2 %	8.3 %
Transaction costs	— %	— %	1.4 %
Permanent differences and other	(2.6 %)	0.4 %	(0.3) %
Uncertain tax positions	1.0 %	(0.7) %	(2.1) %
Warrants	— %	— %	2.1 %
Stock-based compensation	6.7 %	(0.5) %	6.5 %
Other adjustments to deferred taxes	0.1 %	1.7 %	— %
Increase in valuation allowance	(32.6) %	(27.1) %	(39.2) %
Provision for income taxes	<u>(0.4) %</u>	<u>(2.0) %</u>	<u>(2.3) %</u>

ROCKET LAB USA, INC. AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)
(In thousands, except share and per share data)

The significant components of the Company's deferred tax assets and liabilities as of December 31, 2024 and 2023 were as follows :

	December 31,	
	2024	2023
Deferred tax assets:		
Accrued expenses	\$ 2,751	\$ 2,434
Inventories	2,612	1,536
Deferred revenue	13,681	22,293
Lease liability	19,181	20,394
Stock compensation	2,662	4,428
Interest expense	3,798	4,291
Net operating losses	129,601	87,946
Tax credits	4,768	4,768
Reserves	1,893	2,298
Capitalized research	81,261	52,019
Other	2,364	462
Total deferred tax assets	264,572	202,869
Valuation allowance	(236,113)	(173,441)
Total deferred tax assets, net	28,459	29,428
Deferred tax liabilities:		
Right of use asset	(17,929)	(19,232)
Depreciation and amortization	(8,411)	(6,402)
Other	—	(719)
Total deferred tax liabilities	(26,340)	(26,353)
Net deferred tax assets	\$ 2,119	\$ 3,075

A valuation allowance is recognized against deferred tax assets if it is more-likely-than-not that the deferred tax asset will not be realized. Because of the Company's recent history of operating losses in the U.S., we have recorded a full valuation allowance against our U.S. deferred tax assets. As of December 31, 2024 and 2023, we recorded valuation allowances of \$236,113 and \$173,441, respectively. In 2024, the net increase in our valuation allowance primarily resulted from losses from operations.

The 2017 Tax Act amended the Internal Revenue Code (the "Code"), effective for amounts paid or incurred in tax years beginning after December 31, 2021, to eliminate the immediate expensing of research and experimental expenditures ("R&E") and require taxpayers to capitalize their R&E expenditures and software development costs. Capitalized costs are required to be amortized over five years (15 years for expenditures attributable to foreign research). Starting in 2022, we recorded a tax adjustment to capitalize and amortize R&E and software development costs. Due to the full valuation allowance against our U.S. deferred tax assets, the impact of this adjustment was immaterial.

ROCKET LAB USA, INC. AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)
(In thousands, except share and per share data)

The reconciliation of the beginning and ending balances of the total amounts of gross unrecognized tax benefits for the years ended December 31, 2024 and 2023 is as follows:

	2024	2023
Balance at beginning of year	\$ 4,887	\$ 3,560
Increase related to prior year tax positions	—	—
Decrease related to prior year tax positions	(1,974)	—
Increase related to current year tax position	—	1,327
Settlements	(1,974)	—
Balance at end of year	\$ 939	\$ 4,887

As of December 31, 2024 and 2023, the Company has unrecognized tax benefits totaling \$140 and \$4,087, respectively, which, if recognized, would impact the effective tax rate in future periods.

As of December 31, 2024, the Company anticipates that \$0 of uncertain tax positions will be settled in the next twelve months.

The Company recognizes interest and penalties related to uncertain tax positions as a component of the income tax provision. As of December 31, 2024 and 2023, there were no accrued interest and penalties.

Due to net operating loss (“NOL”) carryforwards, the U.S. federal and state returns are open to examination by the Internal Revenue Service and state jurisdictions for all years beginning with the year ended March 31, 2016. Our foreign subsidiaries are generally subject to examination within four years from the end of the tax year during which the tax return was filed. The years subject to audit may be extended if the entity substantially understates corporate income tax. The Company is not currently under examination in the United States by the Internal Revenue Service or state and local tax authorities. The Company is not currently under examination in New Zealand. We are under audit by the Canada Revenue Agency (“CRA”) for the years ended December 31, 2021 and December 31, 2022. The audit is in the early information request stage and the Company is engaged in discussions with the CRA on the matter. Given the early stage of these discussions, we will continue to monitor for any developments and their impact, if any, to our provision for income taxes.

At December 31, 2024 and 2023, the Company had federal NOL carryforwards of \$492,496 and \$352,000, respectively, which is comprised of definite and indefinite NOLs. The Company had definite federal NOL carryforwards of \$57,135 as of December 31, 2024 and 2023, which begin to expire in varying amounts beginning in 2034. Federal NOLs generated after 2017 of \$435,361 and \$294,865 as of December 31, 2024 and 2023, respectively will carryforward indefinitely and are available to offset up to 80% of future taxable income each year. The Company also had state NOL carryforwards of \$428,696 and \$238,951 as of December 31, 2024 and 2023, respectively, available to reduce future taxable income, if any. If not realized, the state NOLs will begin to expire in varying amounts beginning in 2035.

Utilization of the net operating loss carryforwards may become subject to annual limitations due to ownership changes that could occur in the future as provided by Section 382 of the Internal Revenue Code of 1986, as amended, as well as similar state and foreign provisions. These ownership changes may limit the amount of the net operating loss and tax credit carryforwards that can be utilized annually to offset future taxable income. The Company has completed a Section 382 analysis through December 31, 2021 and determined that an ownership change occurred on August 23, 2013. No further ownership changes occurred through December 31, 2021. However, future ownership changes under Section 382 may limit the Company’s ability to fully utilize any remaining tax benefits.

As of December 31, 2024 and 2023, we have undistributed earnings of our foreign subsidiaries of \$43,266 and \$24,586, respectively, which we have indefinitely reinvested and for which we have not recognized deferred taxes. The amount of unrecognized deferred taxes associated with these unremitted earnings would not be significant at December 31, 2024 and 2023.

19. NET LOSS PER SHARE

Basic net loss per share is computed by dividing net loss attributable to common stockholders by the weighted average number of common shares outstanding during each period.

The holder of each share of common stock has the right to one vote for each share and is entitled to notice of any stockholders’ meeting and to vote upon certain events.

ROCKET LAB USA, INC. AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)
(In thousands, except share and per share data)

Diluted net loss per share is computed by dividing net loss attributable to common stockholders by the weighted average number of common and dilutive common equivalent shares outstanding for the period using the treasury-stock method or the as-converted method, or two-class method for participating securities, whichever is more dilutive. Potentially dilutive shares are comprised of common stock warrants, restricted stock units and stock options. For the years ended December 31, 2024, 2023 and 2022, there is no difference in the number of shares used to calculate basic and diluted shares outstanding due to the Company's net loss and potentially dilutive shares being anti-dilutive.

The following table summarizes the computation of basic and diluted net loss per share attributable to common stockholders of the Company for the years ended December 31, 2024, 2023 and 2022:

	Years Ended December 31,		
	2024	2023	2022
<u>Numerator</u>			
Net loss attributable to common stockholders-basic and diluted	\$ (190,175)	\$ (182,571)	\$ (135,944)
<u>Denominator</u>			
Weighted average common shares outstanding-basic and diluted	495,929,861	481,768,060	466,214,095
Net loss per share attributable to common stockholders-basic and diluted	\$ (0.38)	\$ (0.38)	\$ (0.29)

The following equity shares were excluded from the calculation of diluted net loss per share attributable to common stockholders because their effect would have been anti-dilutive for the years ended December 31, 2024, 2023 and 2022:

	December 31,		
	2024	2023	2022
Stock options and restricted stock units	28,913,838	26,889,125	29,943,937
Common stock warrants	—	728,835	—
Shares underlying our convertible senior notes	69,261,530	—	—

20. SEGMENTS

The Company's CODM reviews financial information presented based on a management approach for the purposes of making operating decisions, assessing financial performance and allocating resources. The Company manages its business primarily based upon two operating segments, launch services and space systems. Each of these operating segments represents a reportable segment. Launch Services provides launch and launch related services to customers on a dedicated mission or ride share basis. Space systems is predominately comprised of spacecraft components and spacecraft manufacturing. Although some of the Company's contracts with customers contain elements of space systems and launch services, each reporting segment is managed separately to better align with customer's needs and the Company's growth plans. The accounting policies of the various segments are the same as those described in Note 2. For contracts with customers that contain both space systems and launch services elements, revenues for each reporting segment are generally allocated based upon the overall costs incurred for each of the reporting segments in comparison to total overall costs of the contract. The following table shows information by reportable segment for the years ended December 31, 2024, 2023 and 2022:

	Years Ended December 31,					
	2024		2023		2022	
	Launch Services	Space Systems	Launch Services	Space Systems	Launch Services	Space Systems
Revenues	\$ 125,376	\$ 310,838	\$ 71,894	\$ 172,698	\$ 60,686	\$ 150,310
Cost of revenues	90,786	229,279	63,827	129,356	67,640	124,366
Gross profit (loss)	\$ 34,590	\$ 81,559	\$ 8,067	\$ 43,342	\$ (6,954)	\$ 25,944

ROCKET LAB USA, INC. AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)
(In thousands, except share and per share data)

The following table shows information by reportable segment by products and services for the years ended December 31, 2024, 2023 and 2022:

	Years Ended December 31,					
	2024		2023		2022	
	Launch Services	Space Systems	Launch Services	Space Systems	Launch Services	Space Systems
Products:						
Revenues	\$ —	\$ 289,851	\$ —	\$ 156,560	\$ —	\$ 133,103
Cost of revenues	—	213,835	—	115,342	—	104,994
Gross profit	<u>\$ —</u>	<u>\$ 76,016</u>	<u>\$ —</u>	<u>\$ 41,218</u>	<u>\$ —</u>	<u>\$ 28,109</u>
Services:						
Revenues	\$ 125,376	\$ 20,987	\$ 71,894	\$ 16,138	\$ 60,686	\$ 17,207
Cost of revenues	90,786	15,444	63,827	14,014	67,640	19,372
Gross profit (loss)	<u>\$ 34,590</u>	<u>\$ 5,543</u>	<u>\$ 8,067</u>	<u>\$ 2,124</u>	<u>\$ (6,954)</u>	<u>\$ (2,165)</u>

Management does not regularly review either reporting segment's total assets or operating expenses. This is because in general, the Company's long-lived assets, facilities, and equipment are shared by each reporting segment.

21. CONCENTRATION OF CREDIT RISK, SIGNIFICANT CUSTOMERS AND GEOGRAPHIC INFORMATION

Concentration of Credit Risk and Significant Customers

The Company is subject to concentration of credit risk with respect to its cash, cash equivalents and accounts receivable. The Company maintains bank accounts in the United States, New Zealand and Canada and attempts to minimize by maintaining its cash, cash equivalents with major high credit quality financial institutions. From time to time cash balances held may exceed limits federally insured by the Federal Deposit Insurance Corporation. The Company has not experienced losses in such accounts and believes it is not exposed to any significant credit risk associated with these accounts.

The services provided by Rocket Lab are to U.S. Government and commercial customers. The Company has a significant concentration of credit risk associated with its accounts receivables that is solely based on the good faith and credit of the U.S. Government. We extend differing levels of credit to commercial customers, do not require collateral deposits, and, when necessary, maintain reserves for potential credit losses based upon the expected collectability of accounts receivable. We manage credit risk related to our customers by following credit approval processes, establishing credit limits, performing periodic evaluations of credit worthiness and applying other credit risk monitoring procedures.

As of December 31, 2024 and 2023, the Company's customers that accounted for 10% or more of the total accounts receivable, net, were as follows:

	December 31,	
	2024	2023
Lockheed Martin Corporation	15 %	*
Dynetics Inc.	15 %	*
MDA Corporation	*	21 %
Northrop Grumman Space Systems	*	20 %

* Accounts receivable, net was less than 10%

ROCKET LAB USA, INC. AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)
(In thousands, except share and per share data)

For the years ended December 31, 2024, 2023 and 2022, the Company's customers that accounted for 10% or more of the total revenue were as follows:

	December 31,		
	2024	2023	2022
MDA Corporation	23 %	13 %	*
Government Customer	11 %	*	*
Northrop Grumman Space Systems	*	13 %	*

* Revenue was less than 10%

Geographic Information

The Company's consolidated revenues by geographic area based on customer billing location are as follows for the years ended December 31, 2024, 2023 and 2022:

	Years Ended December 31,					
	2024		2023		2022	
	Amount	% of Total Revenues	Amount	% of Total Revenues	Amount	% of Total Revenues
United States	\$ 268,326	61 %	\$ 184,748	76 %	\$ 164,593	78 %
Canada	104,388	24 %	36,116	15 %	4,562	2 %
Japan	30,684	7 %	10,457	4 %	15,306	7 %
Rest of world	32,816	8 %	13,271	5 %	26,535	13 %
Total	\$ 436,214	100 %	\$ 244,592	100 %	\$ 210,996	100 %

Long-lived assets, which consists of property, plant and equipment, net, leased right-of-use assets, intangible assets, net and goodwill, by geographic area are as follows as of December 31, 2024 and 2023:

	December 31,			
	2024		2023	
	Amount	% of Long-Lived Assets	Amount	% of Long-Lived Assets
United States	\$ 346,383	88 %	\$ 308,718	86 %
New Zealand	42,090	11 %	45,575	13 %
Canada	4,082	1 %	4,618	1 %
Total	\$ 392,555	100 %	\$ 358,911	100 %

22. RELATED PARTY TRANSACTIONS

As of December 31, 2024 and 2023, there are no amounts due to or from related parties.

ROCKET LAB USA, INC. AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)
(In thousands, except share and per share data)

23. SUBSEQUENT EVENTS

Preferred Stock Exchange

The Company entered into an exchange agreement dated December 3, 2024 with The Equatorial Trust (the “Trust”), a family trust established by Sir Peter Beck (“Sir Peter”), the Company’s Founder, President, Chief Executive Officer and Chairman, to exchange (the “Preferred Stock Exchange”) 50,951,250 shares of the Company’s common stock into 50,951,250 shares of the Company’s Series A Convertible Participating Preferred Stock, \$0.0001 par value per share (the “Preferred Stock”). On January 7, 2025, the Preferred Stock Exchange was consummated (the “Closing”) and the Company filed the Certificate of Designation for the Preferred Stock (the “Certificate of Designation”) with the Secretary of State of the State of Delaware, which became effective upon filing. At the Closing, the Company issued 50,951,250 shares of Preferred Stock to the Trust.

The Preferred Stock has the rights and restrictions set forth in a Certificate of Designation. Each share of Preferred Stock is convertible at any time at the option of the holder of the Preferred Stock (a “Holder”) into a number of shares of Common Stock at the then-applicable conversion rate (the “Conversion Rate”). In addition, each share of Preferred Stock automatically converts into a number of shares of Common Stock at the Conversion Rate upon the earliest to occur of (a) a transfer of such share (other than to a Permitted Transferee), (b) the first date on which Sir Peter no longer serves as (i) the Chief Executive Officer of the Company or (ii) such other executive officer position of the Company as approved by the Board, (c) Sir Peter’s death or permanent disability, or (d) the first date on which the outstanding shares of Preferred Stock no longer represent a minimum beneficial ownership by Sir Peter of five percent. A “Permitted Transferee” is defined in the Certificate of Designation and includes Sir Peter and his controlled affiliates. The Preferred Stock is not redeemable by the Company at any time.

The Certificate of Designation also provides that for so long as any shares of Preferred Stock are outstanding, the Holders, voting exclusively and as a separate class, will be entitled to designate and elect at least one individual to serve on the Board as a director (a “Preferred Stock Director”). In the event the Board increases its size to more than ten members, the Holders are entitled to designate and elect, voting exclusively and as a separate class, one or more additional Preferred Stock Directors in order to maintain the right to elect ten percent of the total number of authorized directorships, rounded up to the nearest whole number. The right to designate a Preferred Stock Director is nontransferable.

Upon any liquidation, dissolution or winding-up of the Company, whether voluntary or involuntary, after the satisfaction in full of the Company’s debts and the payment of any liquidation preference ranking senior to the Preferred Stock, Holders are entitled to receive an amount equal to \$0.0001 per share of Preferred Stock. Following the payment of the full amount of the liquidation preference in respect of all outstanding shares of Preferred Stock, Holders participate pari passu with the holders of the Common Stock (on an as-if-converted-to-Common-Stock basis) in the net assets of the Company.

SIGNATURES

Pursuant to the requirements of Section 13 or 15(d) of the Securities Exchange Act of 1934, as amended, the Registrant has duly caused this Report to be signed on its behalf by the undersigned, thereunto duly authorized.

Rocket Lab USA, Inc.

Date: February 27, 2025

By: /s/ Peter Beck
Peter Beck
President, Chief Executive Officer and Chairman

Pursuant to the requirements of the Securities Exchange Act of 1934, as amended, this Report has been signed below by the following persons on behalf of the Registrant in the capacities and on the dates indicated.

<u>Name</u>	<u>Position</u>	<u>Date</u>
<u>/s/ Peter Beck</u> Peter Beck	President, Chief Executive Officer and Chairman (Principal Executive Officer)	February 27, 2025
<u>/s/ Adam Spice</u> Adam Spice	Chief Financial Officer (Principal Financial Officer and Principal Accounting Officer)	February 27, 2025
<u>/s/ Nina Armagno</u> Nina Armagno	Director	February 27, 2025
<u>/s/ Edward Frank</u> Edward Frank	Director	February 27, 2025
<u>/s/ Matthew Ocko</u> Matthew Ocko	Director	February 27, 2025
<u>/s/ Jon Olson</u> Jon Olson	Director	February 27, 2025
<u>/s/ Kenneth Possenriede</u> Kenneth Possenriede	Director	February 27, 2025
<u>/s/ Merline Saintil</u> Merline Saintil	Director	February 27, 2025
<u>/s/ Alex Slusky</u> Alex Slusky	Director	February 27, 2025

DESCRIPTION OF ROCKET LAB USA, INC.'S SECURITIES
REGISTERED PURSUANT TO SECTION 12 OF THE
SECURITIES EXCHANGE ACT OF 1934

As of December 31, 2024, Rocket Lab USA, Inc. had one class of securities registered under Section 12 of the Securities Exchange Act of 1934, as amended (the “Exchange Act”): common stock, \$0.0001 par value per share (“common stock”).

Unless the context otherwise requires, all references to “we”, “us”, the “Company”, or “Rocket Lab” in this Exhibit 4.1 refer to Rocket Lab USA, Inc.

Authorized Capital Stock

The Company’s amended and restated certificate of incorporation authorizes the issuance of 2,500,000,000 shares of Common Stock, \$0.0001 par value per share and 100,000,000 shares of preferred stock, \$0.0001 par value.

The following description of our Common Stock does not purport to be complete and is subject to, and qualified in its entirety by, our amended and restated certificate of incorporation (the “Certificate of Incorporation”) and amended and restated bylaws (the “Bylaws”), each of which is incorporated by reference as an exhibit to our Annual Report on Form 10-K for the year ended December 31, 2021.

Common Stock

Voting rights. Each share of our Common Stock entitles the holder thereof to one vote on all matters submitted to a vote of the shareholders, including the election of directors, and does not have cumulative voting rights. Accordingly, the holders of a majority of the shares of Common Stock entitled to vote in any election of directors can elect all of the directors standing for election.

Dividend rights. Subject to preferences that may be applicable to any then outstanding preferred stock, the holders of our Common Stock are entitled to receive dividends, if any, as may be declared from time to time by our Board of Directors (the “Board”) out of legally available funds.

Rights upon liquidation. In the event of our liquidation, dissolution or winding up, holders of our Common Stock will be entitled to share ratably in the net assets legally available for distribution to shareholders after the payment of all of our debts and other liabilities, subject to the satisfaction of any liquidation preference granted to the holders of any outstanding shares of preferred stock.

Other rights. No holders of our Common Stock will be entitled to preemptive, conversion, or subscription rights contained in the Certificate of Incorporation or Bylaws. There are no redemption or sinking fund provisions applicable to the Common Stock. The rights, preferences, and privileges of the holders of our Common Stock are subject to, and may be adversely affected by, the rights of the holders of shares of any series of preferred stock that may be designated and issued in the future.

Preferred Stock

General

Under the Certificate of Incorporation, the Board has the authority, without further action by the stockholders, to issue up to 100,000,000 shares of preferred stock in one or more series, to establish from time to time the number of shares to be included in each such series, to fix the rights, preferences, and privileges of the shares of each

wholly unissued series and any qualifications, limitations, or restrictions thereon and to increase or decrease the number of shares of any such series, but not below the number of shares of such series then outstanding.

The Board may authorize the issuance of preferred stock with voting or conversion rights that could adversely affect the voting power or other rights of the holders of common stock. The issuance of preferred stock, while providing flexibility in connection with possible acquisitions and other corporate purposes, could, among other things, have the effect of delaying, deferring or preventing a change in our control that may otherwise benefit holders of our common stock and may adversely affect the market price of our common stock and the voting and other rights of the holders of our common stock.

Series A Preferred Stock

On January 7, 2025, we filed a Certificate of Designation (the “Certificate of Designation”) with the Secretary of State of the State of Delaware, which became effective upon filing. The Certificate of Designation designates 50,951,250 shares of our previously undesignated preferred stock as Series A Convertible Participating Preferred Stock (the “Series A Preferred Stock”). The terms of the Series A Preferred Stock are described in further detail below.

Conversion Rights; Conversion Rate Adjustments

Pursuant to the terms of the Certificate of Designation, each share of Series A Preferred Stock will be convertible at any time at the option of the holder of the Series A Preferred Stock (a “Holder”) into a number of shares of common stock at the then-applicable conversion rate (the “Conversion Rate”). In addition, each share of Series A Preferred Stock will automatically convert into a number of shares of common stock at the Conversion Rate upon the earliest to occur of (a) a transfer of such share (other than to a Permitted Transferee), (b) the first date on which Sir Peter no longer serves as (i) our Chief Executive Officer or (ii) such other executive officer position of us as approved by the Board, (c) Sir Peter’s death or permanent disability, or (d) the first date on which the outstanding shares of Series A Preferred Stock no longer represent a minimum beneficial ownership by Sir Peter of five percent. A “Permitted Transferee” is defined in the Certificate of Designation and includes Sir Peter and his controlled affiliates. The Series A Series A Preferred Stock is not redeemable by us at any time.

The initial Conversion Rate for each share of Series A Preferred Stock is one share of common stock, and is subject to adjustment, including for stock dividends, distributions, stock splits and stock combinations. In addition, if we (a) issue securities entitling the holder thereof to acquire common stock or (b) declare or make any dividend or other distribution of our assets, a Holder will be entitled to participate to the same extent if the Holder had held the number of shares of common stock acquirable upon conversion of such Holder’s Series A Preferred Stock. The Certificate of Designation also contains customary protections in the event of changes in common stock as a result of certain fundamental change transactions.

Director Designation Right

The Certificate of Designation provides that, so long as any shares of Series A Preferred Stock are outstanding, the Holders, voting exclusively and as a separate class, will be entitled to designate and elect at least one individual to serve on the Board as a director (a “Series A Preferred Stock Director”). The initial Series A Preferred Stock Director is Sir Peter. Sir Peter will serve an initial term that expires at our annual meeting of stockholders in 2027.

In the event the Board increases its size to more than ten members, the Holders will be entitled to designate and elect, voting exclusively and as a separate class, one or more additional Series A Preferred Stock Directors in order to maintain the right to elect ten percent of the total number of authorized directorships, rounded up to the nearest whole number. Additional Series A Preferred Stock Directors will serve for an initial term fixed by the Board. After the initial term of a Series A Preferred Stock Director has expired, his or her successor shall be elected for a term expiring at the third annual meeting following his or her election, unless such term expires sooner. A Series A Preferred Stock Director will serve until the earlier of: (a) his or her successor being elected

and qualified, (b) his or her earlier death, disability, retirement, resignation or removal or (c) such time as the size of the Board is automatically reduced.

To be eligible for election as a Series A Preferred Stock Director, a nominee (other than Sir Peter) must: (a) satisfy all requirements regarding service as a director of us under applicable law and regulation and our bylaws, (b) not be an immediate family member of Sir Peter or any Holder, (c) be independent of each Holder, and (d) have served on the board of directors of at least one publicly traded corporation, in the United States or elsewhere, within the last five years, or is otherwise well qualified in the reasonable judgment of the Board. The Series A Preferred Stock Director may be removed at any time as a director on the Board (without cause) upon the written request of the Holders by the affirmative vote of the holders of at least a majority of the outstanding shares of Series A Preferred Stock at the time and with each share of Series A Preferred Stock entitled to one vote. At the first annual meeting of our stockholders held after such time as there are no shares of Series A Preferred Stock outstanding, the director designation and election rights will terminate.

Dividends

The Series A Preferred Stock is not entitled to any scheduled dividend payments. Holders are entitled to receive dividends on shares of Series A Preferred Stock equal (on an as-if-converted-to-Common-Stock basis) to, and in the same form as dividends actually paid on, all or substantially all of the shares of common stock when, as and if such dividends (other than dividends in the form of common stock) are paid on shares of the common stock, subject to certain exceptions specified in the Certificate of Designation.

Liquidation Preference

Upon any liquidation, dissolution or winding-up of us, whether voluntary or involuntary, after the satisfaction in full of our debts and the payment of any liquidation preference ranking senior to the Series A Preferred Stock, Holders will be entitled to receive an amount equal to \$0.0001 per share of Series A Preferred Stock. Following the payment of the full amount of the liquidation preference in respect of all outstanding shares of Series A Preferred Stock, Holders participate pari passu with the holders of the common stock (on an as-if-converted-to-common-stock basis) in our net assets.

Voting and Consent Rights

The Series A Preferred Stock has the right to vote on all matters submitted for a vote of the holders of the common stock, voting together as a single class with the common stock. Each Holder is entitled to cast a number of votes per share equal to the number of shares of common stock into which a share of Series A Preferred Stock is convertible. In addition, we may not, without the affirmative vote of the Holders of a majority of the then outstanding shares of Series A Preferred Stock: (a) alter, amend or repeal any provision of our Certificate of Incorporation if it would alter or change the powers, preferences or special rights of the Series A Preferred Stock so as to affect them adversely, (b) alter, amend, or repeal the Certificate of Designation, or (c) increase the authorized number of shares of Series A Preferred Stock or authorize the issuance of additional shares of Series A Preferred Stock.

Election of Directors and Vacancies

Subject to the rights of any series of preferred stock then outstanding to elect additional directors under specified circumstances, the directors on the Board will be divided, with respect to the time for which they severally hold office, into three classes designated as Class I, Class II and Class III, respectively. The term of office of the existing Class I directors will expire at our annual meeting of stockholders to be held in 2025, the term of office of the existing Class II directors shall expire at our annual meeting of stockholders to be held in 2026, and the term of office of the existing Class III directors shall expire at our annual meeting of stockholders to be held in 2027. At each annual meeting of stockholders, directors elected to succeed those directors whose terms expire shall be elected for a term of office to expire at the third succeeding annual meeting of stockholders after their election.

Under the Bylaws, except as may be required in the Certificate of Incorporation, directors shall be elected by a plurality of the votes cast by the holders of the shares present in person or represented by proxy at the meeting and entitled to vote on the election of directors.

Each director shall hold office until the annual meeting at which such director's term expires and until such director's successor is elected and qualified or until such director's earlier death, resignation, or removal. Subject to the rights of holders of any series of preferred stock to elect directors, directors may be removed only as provided by the Certificate of Incorporation and applicable law. All vacancies occurring on the Board and any newly created directorships resulting from any increase in the authorized number of directors shall be filled in the manner set forth below.

Subject to the rights, if any, of the holders of any series of preferred stock then outstanding to elect directors and to fill vacancies in the Board relating thereto, any and all vacancies in the Board, however occurring, including, without limitation, by reason of an increase in the size of the Board, or the death, resignation, disqualification or removal of a director, shall be filled solely and exclusively by the affirmative vote of a majority of the remaining directors then in office, even if less than a quorum of the Board, and not by the stockholders. Any director appointed in accordance with the preceding sentence shall hold office for the remainder of the full term of the class of directors in which the new directorship was created or the vacancy occurred and until such director's successor shall have been duly elected and qualified or until his or her earlier resignation, death or removal. Subject to the rights, if any, of the holders of any series of preferred stock then outstanding to elect directors, when the number of directors is increased or decreased, the Board shall, subject to the Certificate of Incorporation, determine the class or classes to which the increased or decreased number of directors shall be apportioned; provided, however, that no decrease in the number of directors shall shorten the term of any incumbent director. In the event of a vacancy in the Board, the remaining directors, except as otherwise provided by law, shall exercise the powers of the full Board until the vacancy is filled.

Quorum

Except as otherwise provided by applicable law, the Certificate of Incorporation or the Bylaws, at each meeting of stockholders the holders of a majority of the voting power of the shares of stock issued and outstanding and entitled to vote at the meeting, present in person or represented by proxy, shall constitute a quorum for the transaction of business. If less than a quorum is present at a meeting, the stockholders representing a majority of the voting power present at the meeting or the presiding officer may adjourn the meeting from time to time, and the meeting may be held as adjourned without further notice. At such adjourned meeting at which a quorum is present, any business may be transacted which might have been transacted at the original meeting. The stockholders present at a duly constituted meeting may continue to transact business until adjournment, notwithstanding the withdrawal of enough stockholders to leave less than a quorum.

Listing of Securities

The Company's Common Stock is currently listed on The Nasdaq Stock Market LLC ("Nasdaq") under the symbol "RKL.B."

Transfer Agent and Registrar

The transfer agent and registrar for the Company's Common Stock is Equiniti Trust Company, LLC.

Anti-takeover Effects of the Certificate of Incorporation and the Bylaws

The Certificate of Incorporation and the Bylaws contain provisions that may delay, defer or discourage another party from acquiring control of our Company. We expect that these provisions, which are summarized below, will discourage coercive takeover practices or inadequate takeover bids. These provisions are also designed to encourage persons seeking to acquire control of our Company to first negotiate with our Board, which we believe may result in an improvement of the terms of any such acquisition in favor of our stockholders. However, they also give the board of directors the power to discourage acquisitions that some stockholders may favor.

Authorized but Unissued Capital Stock

Delaware law does not require stockholder approval for any issuance of authorized shares. However, the listing requirements of Nasdaq, which would apply so long as our Common Stock remains listed on Nasdaq, require stockholder approval of certain issuances equal to or exceeding 20% of the then outstanding voting power or then outstanding number of shares of our Common Stock. Additional shares that may be issued in the future may be used for a variety of corporate purposes, including future public offerings, to raise additional capital or to facilitate acquisitions.

One of the effects of the existence of unissued and unreserved Common Stock may be to enable our Board to issue shares to persons friendly to current management, which issuance could render more difficult or discourage an attempt to obtain control of our Company by means of a merger, tender offer, proxy contest or otherwise and thereby protect the continuity of management and possibly deprive stockholders of opportunities to sell their shares of Common Stock at prices higher than prevailing market prices.

Special Meeting, Action by Written Consent and Advance Notice Requirements for Stockholder Proposals

The Certificate of Incorporation provides that holders of our capital stock may not take action by written consent, but may only take action at annual or special meetings of our stockholders. As a result, a holder controlling a majority of our capital stock would not be able to amend the Bylaws or remove directors without holding a meeting of our stockholders called in accordance with the Bylaws. The Bylaws further provide that special meetings of our stockholders may be called only by a majority of our Board, thus prohibiting a stockholder from calling a special meeting. These provisions might delay the ability of our stockholders to force consideration of a proposal or for stockholders controlling a majority of our capital stock to take any action, including the removal of directors.

The Bylaws provide for advance notice procedures for stockholders seeking to bring business before an annual meeting of stockholders or to nominate candidates for election as directors at an annual meeting of stockholders. The Bylaws also specify certain requirements regarding the form and content of a stockholder's notice. These provisions might preclude stockholders from bringing matters before our annual meeting of stockholders or from making nominations for directors at the annual meeting of stockholders if the proper procedures are not followed. We expect that these provisions may also discourage or deter a potential acquirer from conducting a solicitation of proxies to elect the acquirer's own slate of directors or otherwise attempting to obtain control of our company.

Amendment to Certificate of Incorporation and Bylaws

We may amend or repeal any provision contained in the Certificate of Incorporation in the manner prescribed by the laws of the State of Delaware, and all rights conferred upon stockholders are granted subject to this reservation. Notwithstanding any provision of the Certificate of Incorporation or any provision of law that might otherwise permit a lesser vote or no vote, subject to the rights of any outstanding series of preferred stock, but in addition to any vote of the holders of any class or series of our stock required by law, (i) the affirmative vote of the holders of at least sixty-six and two-thirds percent (66-2/3%) of the voting power of all of the then-outstanding shares of our capital stock entitled to vote on such amendment, voting together as a single class, and (ii) the affirmative vote of not less than sixty-six and two-thirds percent (66-2/3%) of the voting power of the outstanding shares of each class entitled to vote thereon as a class will be required to amend or repeal certain provisions of the Certificate of Incorporation.

Our Board shall have the power to adopt, amend or repeal the Bylaws. Any adoption, amendment or repeal of the Bylaws by our Board shall require the approval of a majority of the directors on our Board. The stockholders shall also have power to adopt, amend or repeal the Bylaws. Notwithstanding any other provision of the Certificate of Incorporation or any provision of law that might otherwise permit a lesser or no vote, but in addition to any vote of the holders of any class or series of our stock required by applicable law or by the Certificate of Incorporation, the affirmative vote of the holders of at least sixty-six and two-thirds percent (66-2/3%) of the voting power of all of the then-outstanding shares of our capital stock entitled to vote on such amendment, voting together as a single class, shall be required for the stockholders to adopt, amend or repeal any provision of the Bylaws, provided that, if our Board recommends that the holders of our capital stock approve any amendment or repeal of the Bylaws at

a meeting of stockholders, such amendment or repeal shall only require the affirmative vote of the majority of the outstanding shares of our capital stock entitled to vote on such amendment or repeal, voting together as a single class.

Delaware Anti-Takeover Statute

Section 203 of the Delaware General Corporation Law (the “DGCL”) provides that if a person acquires 15% or more of the voting stock of a Delaware corporation, such person becomes an “interested stockholder” and may not engage in certain “business combinations” with the corporation for a period of three years from the time such person acquired 15% or more of the corporation’s voting stock, unless:

- (1) the board of directors approves the acquisition of stock resulting in such person becoming an interested stockholder or the business combination before the time that the person becomes an interested stockholder;
- (2) upon consummation of the transaction resulting in such person becoming an interested stockholder, the interested stockholder owns at least 85% of the outstanding voting stock of the corporation at the time the business combination commences (excluding voting stock owned by directors who are also officers and certain employee stock plans); or
- (3) the business combination is approved by the board of directors and at a meeting of stockholders, not by written consent, by the affirmative vote of 2/3 of the outstanding voting stock which is not owned by the interested stockholder.

Limitations on Liability and Indemnification of Officers and Directors

Section 145 of the DGCL authorizes a court to award, or a corporation’s board of directors to grant, indemnity to directors and officers under certain circumstances and subject to certain limitations. The terms of Section 145 of the DGCL are sufficiently broad to permit indemnification under certain circumstances for liabilities, including reimbursement of expenses incurred, arising under the Securities Act. As permitted by the DGCL, our Certificate of Incorporation contains provisions that eliminate the personal liability of directors for monetary damages for any breach of fiduciary duties as a director, except liability for the following (i) any breach of a director’s duty of loyalty to us or our stockholders; (ii) acts or omissions not in good faith or that involve intentional misconduct or a knowing violation of law; (iii) under Section 174 of the DGCL; or (iv) any transaction from which the director derived an improper personal benefit. As permitted by the DGCL, the Bylaws provide that: (i) we are required to indemnify its directors and executive officers to the fullest extent permitted by the DGCL, subject to very limited exceptions; (ii) we may indemnify our other employees and agents as set forth in the DGCL; (iii) we are required to advance expenses, as incurred, to its directors and executive officers in connection with a legal proceeding to the fullest extent permitted by the DGCL, subject to very limited exceptions; and (iv) the rights conferred in the Bylaws are not exclusive.

We have entered into indemnification agreements with each director and executive officer to provide these individuals additional contractual assurances regarding the scope of the indemnification set forth in the Certificate of Incorporation and Bylaws and to provide additional procedural protections. There is no pending litigation or proceeding involving one of our directors or executive officers for which indemnification is sought.

The indemnification provisions in the Certificate of Incorporation, Bylaws, and the indemnification agreements entered into or to be entered into between us and each of its directors and executive officers may be sufficiently broad to permit indemnification of our directors and executive officers for liabilities arising under the Securities Act. We currently carries liability insurance for our directors and officers. Certain of our directors are also indemnified by their employers with regard to service on our Board.

Insofar as indemnification for liabilities arising under the Securities Act may be permitted to the Company’s directors, officers and controlling persons pursuant to the foregoing provisions, or otherwise, we have been advised that in the opinion of the SEC such indemnification is against public policy as expressed in the Securities Act and is, therefore, unenforceable.

Exclusive Jurisdiction of Certain Actions

The Certificate of Incorporation requires, to the fullest extent permitted by law, unless we consent in writing to the selection of an alternative forum, that the Court of Chancery of the State of Delaware shall be the sole and exclusive forum for any state law claims for: (i) any derivative action or proceeding brought on behalf of us; (ii) any action asserting a claim of breach of a fiduciary duty owed by any current or former director, officer, or other employee of ours to us or our stockholders; (iii) any action asserting a claim against us or any current or former director, officer or other employee or stockholder of ours arising pursuant to any provision of the DGCL or the Certificate of Incorporation or the Bylaws; or (iv) any action asserting a claim against us or any current or former director, officer or other employee or stockholder of ours governed by the internal affairs doctrine.

In addition, the Certificate of Incorporation require that, unless we consent in writing to the selection of an alternative forum, the federal district courts of United States shall be the sole and exclusive forum for resolving any action asserting a claim arising under the Securities Act of 1933, as amended.

*Execution***FIRST AMENDMENT TO MASTER EQUIPMENT FINANCING AGREEMENT****This FIRST AMENDMENT TO MASTER EQUIPMENT FINANCING AGREEMENT**

dated as of October 17, 2024 (this “First Amendment”) is made by and among **ROCKET LAB USA, INC.**, a Delaware corporation (“Parent”), and the other borrowers listed on the signature pages hereto (collectively, the “Borrowers” and each, individually, a “Borrower”), and **TRINITY CAPITAL INC.**, a Maryland corporation (“Lender” or “Trinity”). This Amendment shall have an effective date of October 17, 2024 (the “Effective Date”).

WHEREAS, Borrowers and Lender are parties to that certain Master Equipment Financing Agreement dated December 29, 2023 (the “MEFA”), and certain Equipment Financing Schedules executed from time-to-time pursuant thereto, including Equipment Financing Schedule No. 1 dated December 29, 2023 (“Schedule 1” and collectively with all other Equipment Financing Schedules, the “Schedules”).

WHEREAS, Borrowers and Lender desire that certain provisions of the MEFA and certain Schedules be amended to accommodate the modifications described herein.

NOW, THEREFORE, in consideration of the premises and for other good and valuable consideration, Borrowers and Lender agree as follows:

1. **New Definitions**. The following definitions are hereby added to Section 18 of the MEFA in their proper alphabetical order.
 - a. “CHIPS Equipment” means Equipment that has been funded entirely or in part by funding provided for in the Creating Helpful Incentives to Produce Semiconductors (CHIPS) Act of 2022 or rules or regulations promulgated thereunder and that is identified as “CHIPS Equipment” on part (c) of Annex A to the First Amendment.
 - b. “First Amendment” means the First Amendment to the Equipment Financing Documents entered into to be effective as of the First Amendment Effective Date, by and between Lender and Borrower.
 - c. “First Amendment Effective Date” means September [-], 2024.
2. **Section 2.1**. The second sentence of Section 2 is hereby amended and restated as follows:
 - a. “This Agreement, the Schedules, the First Amendment and any other agreements executed in connection herewith are, collectively, “Equipment Financing Documents”.
3. **Section 11(b)**. The definition of “Excluded Collateral” in Section 11(b) is hereby amended and restated as follows:
 - a. ““**Excluded Collateral**” means (A) any real property, and any motor vehicles, airplanes, vessels and other assets to the extent, in each case, subject to certificates of title and that have an aggregate value of less than \$300,000, (B) letter of credit rights with a value individually of less than \$1,500,000 (other than to the extent consisting of a supporting obligation or that can be perfected by the filing of a UCC financing statement), intercompany notes with a value individually of less than \$1,500,000 (other than to the extent a security interest therein can be perfected by the filing of a UCC financing statement) and commercial tort claims with a claim value individually of less than \$1,500,000, (C) any governmental licenses or state or local franchises, charters

and authorizations to the extent the grant of a security interest is prohibited or restricted thereby (except to the extent such prohibition or restriction is ineffective under the UCC or other applicable law) other than proceeds and receivables thereof the assignment of which is expressly deemed effective under the UCC or other applicable law notwithstanding such prohibition, (D) any property or assets as to which pledges thereof or security interests therein are prohibited or restricted by applicable law or the organizational documents of any non-wholly owned subsidiary (including any requirement to obtain the consent of any (x) governmental authority, (y) similar regulatory third party or (z) any other person which is not an affiliate of a Borrower, in each case, except to the extent such consent has been obtained) after giving effect to the applicable anti-assignment provisions of the UCC and other applicable law, (E) any lease, license or other contract or agreement (including, for the avoidance of doubt, any investment management agreement) or any property or assets subject to an agreement binding on and relating to such property at the time of acquisition thereof (and not entered into in contemplation of such acquisition), to the extent that a grant of a Lien therein would violate or invalidate, such lease, license or other contract or agreement or create a right of termination or right of acceleration in favor of any party (other than a Borrower) thereto or otherwise require consent thereunder (after giving effect to the applicable anti-assignment provisions of the UCC or other applicable law) and other than proceeds and receivables thereof; (F) Excluded Accounts; (G) any intent-to-use trademark application prior to the filing of a "Statement of Use" or "Amendment to Allege Use" with respect thereto, (H) equity interests in captive insurance subsidiaries, not-for-profit subsidiaries, and special purpose entities used for permitted securitization facilities, (I) any property subject to a purchase money arrangement or capital lease obligation permitted hereunder to the extent that a grant of a security interest therein would violate or invalidate such purchase money arrangement or capital lease obligation or create a right of termination in favor of any other party thereto (other than a Borrower) after giving effect to the applicable anti-assignment provisions of the UCC and other applicable law, other than proceeds and receivables thereof the assignment of which is expressly deemed effective under the UCC or other applicable Law notwithstanding such prohibition and (J) CHIPS Equipment."

4. Amendment to Collateral. The Collateral on Schedule 1 is hereby amended by amending and restating Exhibit A to Schedule 1 in its entirety as set forth in part (a) of Annex A to this First Amendment.

5. Conditions of Effectiveness. The effectiveness of this First Amendment shall be subject to the satisfaction of each of the following conditions precedent:

- a. Fees and Expenses. Borrower shall have paid (i) all invoiced costs and expenses when due in accordance with 66(d) and (ii) all other fees, costs and expenses, if any, due and payable as of the First Amendment Effective Date under the Equipment Financing Documents.
- b. This Amendment. Lender shall have received this First Amendment, dated as of the date hereof, executed by Lender and Borrower.
- c. Representations and Warranties; No Default. On the First Amendment Effective Date, after giving effect to the amendments of the Equipment Financing Documents contemplated hereby:

- a. The representations and warranties contained in Section 4 of the MEFA shall be materially true and correct (without duplication of any materiality qualifiers in the representation) on and as of the First Amendment Effective Date as though made on and as of such date (except in the case of any representation and warranty which expressly relates to a given date, such representation and warranty shall be true and correct in all material respects (without duplication of any materiality qualifiers contained therein) as of such specified date, if earlier); and
 - b. No Event of Default shall have occurred and be continuing.
6. Representations and Warranties. To induce Lender to enter into this Amendment, Borrower hereby confirms, as of the First Amendment Effective Date, that the representations and warranties contained in Section 4 of the MEFA are materially true and correct (without duplication of any materiality qualifiers in the representation) on and as of the First Amendment Effective Date as though made on and as of such date (except in the case of any representation and warranty which expressly relates to a given date, such representation and warranty shall be true and correct in all material respects (without duplication of any materiality qualifiers contained therein) as of such specified date, if earlier). For the purposes of this Section 6,
 - (i) each reference in Section 4 of the MEFA to “this Agreement,” and the words “hereof,” “herein,” “hereunder,” or words of like import in such Section, shall mean and be a reference to the MEFA as amended by this Amendment, and
 - (ii) any representations and warranties which relate solely to an earlier date shall not be deemed confirmed and restated as of the date hereof (provided that such representations and warranties shall be true, correct and complete as of such earlier date).
7. Post-Closing Covenant. The Equipment identified as “Collateral Due By Final Collateral Deadline Date” on part (b) of Annex A to this First Amendment (the “New Equipment”) must be delivered and accepted by Borrower, and Lender must have a perfected security interest in such New Equipment, no later than December 31, 2024 (or such later date as agreed by Lender in its sole discretion) (the “Final Collateral Deadline Date”). If Lender does not have a perfected security interest in such New Equipment by the Final Collateral Deadline Date, Lender shall calculate the difference between (x) the outstanding obligations (including, but not limited to Payments) owed by Borrower to Lender under the Equipment Financing Documents and (y) the orderly liquidation value of the Equipment then securing such obligations and notify the Borrower of such amount (the “Overadvance Prepayment Amount”). If the Borrower does not receive the New Equipment by the Final Collateral Deadline Date and does not pay the Overadvance Prepayment Amount within one Business Day of receiving notice of such amount from the Lender, an Event of Default shall occur. The Overadvance Prepayment Amount shall not be subject to the Prepayment Premium or any other fees.
8. Miscellaneous.
 - (a) Equipment Financing Documents Otherwise Not Affected; Reaffirmation. Except as expressly amended pursuant hereto or referenced herein, the MEFA and the other Equipment Financing Documents shall remain unchanged and in full force and effect and are hereby ratified and confirmed in all respects. Lender’s execution and delivery of, or acceptance of, this Amendment shall not be deemed to create a course of dealing or otherwise create any express or implied duty by any of them to provide any other or further amendments, consents or waivers in the future. Borrower hereby reaffirms the grant of security under Section 11 of the MEFA and hereby reaffirms that such grant of security in the Collateral

secures all Obligations under the Equipment Financing Documents, including without limitation any Schedules funded on or after the First Amendment Effective Date, as of the date hereof.

(b) [Reserved]

(c) No Reliance. Borrower hereby acknowledges and confirms to Lender that Borrower is executing this First Amendment on the basis of its own investigation and for its own reasons without reliance upon any agreement, representation, understanding or communication by or on behalf of any other person.

(d) Costs and Expenses. Borrower agrees to pay to Lender within ten (10) days of its receipt of an invoice (or on the First Amendment Effective Date to the extent invoiced on or prior to the First Amendment Effective Date), the out-of-pocket costs and expenses of Lender, and the fees and disbursements of counsel to Lender (including allocated costs of internal counsel), in connection with the negotiation, preparation, execution and delivery of this First Amendment and any other documents to be delivered in connection herewith on the First Amendment Effective Date or after such date.

(e) Binding Effect. This First Amendment binds and is for the benefit of the successors and permitted assigns of each party.

(f) Governing Law. THIS AMENDMENT AND THE RIGHTS AND OBLIGATIONS OF THE PARTIES HEREUNDER SHALL IN ALL RESPECTS BE GOVERNED BY AND CONSTRUED IN ACCORDANCE WITH, THE INTERNAL LAWS OF THE STATE OF NEW YORK (WITHOUT REGARD TO THE CONFLICT OF LAWS PRINCIPLES THAT WOULD RESULT IN THE APPLICATION OF ANY LAWS OTHER THAN THE LAWS OF THE STATE OF NEW YORK), INCLUDING ALL MATTERS OF CONSTRUCTION, VALIDITY AND PERFORMANCE, REGARDLESS OF THE LOCATION OF THE COLLATERAL.

(g) Complete Agreement; Amendments. This First Amendment and the Equipment Financing Documents represent the entire agreement about this subject matter and supersede prior negotiations or agreements with respect to such subject matter. All prior agreements, understandings, representations, warranties, and negotiations between the parties about the subject matter of this First Amendment and the Equipment Financing Documents merge into this First Amendment and the Equipment Financing Documents.

(h) Severability of Provisions. Each provision of this Amendment is severable from every other provision in determining the enforceability of any provision.

(i) Counterparts. This Amendment may be executed in any number of counterparts and by different parties on separate counterparts, each of which, when executed and delivered, is an original, and all taken together, constitute one Amendment. Delivery of an executed counterpart of a signature page of this Amendment by facsimile, portable document format (.pdf) or other electronic transmission will be as effective as delivery of a manually executed counterpart hereof.

(j) Equipment Financing Documents. This Amendment and the documents related hereto shall constitute Equipment Documents.

9. UCC Amendments. Borrowers agrees that Trinity may file UCC-3 amendments to the UCC- 1 form on file to reflect the changes to collateral described in this Amendment.

IN WITNESS WHEREOF, Borrowers and Lender have caused this Amendment to be duly executed as of the Date first set forth above.

TRINITY CAPITAL INC., a Maryland corporation

By: /s/ Sarah Stanton

Name: Sarah Stanton

Title: General Counsel and Chief Compliance Officer

“Borrowers”

ROCKET LAB USA, INC., a Delaware corporation

Rocket Lab Global Services, LLC, a Delaware limited liability company

ASI Aerospace LLC, a Delaware limited liability company

Planetary Systems Corporation, a District of Columbia corporation

SolAero Holdings, Inc., a Delaware corporation SolAero, LLC, a Delaware limited liability company

SolAero Technologies Corp.,

SolAero Solar Power LLC, a Delaware limited liability company

SolAero IRB Company LLC, a New Mexico limited liability company

Rocket Lab National Security LLC, a Delaware limited liability company

Rocket Lab Composites, LLC, a Delaware limited liability company

By: /s/ Adam Spice

Name: Adam Spice

Title: Chief Financial Officer

3881 McGowen Street

Long Beach, California 90808

Phone: (714) 655 2936

[SIGNATURE PAGE TO FIRST AMENDMENT TO MEFA]

ANNEX A

(a) Amended and Restated Exhibit A to Schedule:

Ref#	Qty	Qty 2	Asset #	Manufacturer	Model	Capacity	Asset Type	Serial No.	Year	Description	Condition	Asset Class	Orderly Liquidation	Location/Descri	Locations	Collateral	Date
											Codes		Value (\$OLV)	ption Summary			
New	2			SLM NXG X8		SLM NXG X8-600	SLM		2024				7,700,000	SLM	Long Beach CA Rocket Lab USA, 3881 McGowen Street, Long Beach, CA-90808	New - Delivered	Delivered
								60.23.0111 and		Metal 3DPrinter							
New	1			SLM Depowder Station		DPS	SLM		2024				275,000	SLM	Long Beach CA Rocket Lab USA, 3881 McGowen Street, Long Beach, CA-90808	New - Delivered	Delivered
								60300002		Depowdering Station							
New	1			SLM Funnel		SLM Funnel	SLM		2024				33,240	SLM	Long Beach CA Rocket Lab USA, 3881 McGowen Street, Long Beach, CA-90808	New - Delivered	Delivered
								22384605		Material Transfer Funnel							
New	1			SLM Exchangeable Fresh powder tank with interface for DPS		SLM Universal Tank	SLM		2024				47,700	SLM	Long Beach CA Rocket Lab USA, 3881 McGowen Street, Long Beach, CA-90808	New - Delivered	Delivered
								166613-10520		Powder Loading/ Unloading Tank							
New	1			LC3 UPS System - Rexel			Rexel	ET143JBAD 3 ET142JBAD 1 ET143JBAD 2 ET134KAA0 7 ET131HX00 4 ET132LX00 6 ET152GAA0 6 ET152GAA0 7 ET143GAA0 4 ET141K0XX 06 ET143GAA 03 ET143GAA 02 ET152GAA 05	2024				268,000	Rexel	Wallops Island, VA	New - Delivered	Delivered
394,000	1-	1		Aixtron		Fully Automated MOCVDMulti-Reaction Chamber Ring-Shaped Planetary	Reactor		2023		N	P	5,251,435	R&DLab	SolAero Rocket Lab USA, 10400 Research Road SE, Albuquerque, NM-87123	Reactor received - Aixtron	Current
					G10-A&P			703220		with Fully Autom							

(b) Collateral Due By Final Collateral Deadline Date:

All Locations															
Ref#	Qty.	Qty. 2	Asset #	Manufac- turer	Model	Capacity	Asset Type	Serial No.	Year	Descripti- on	Conditio- n Codes	Asset Class	Cost	Location /Descript- ion Summary Location s	Collateral Date
New	2			ZT275A2.P. 8.6-60 Atlas Copro Model ZT275			Compressors		2024				339,699	Compressors Wallops Island, VA	New Q4 2024
New	1			ZT200A2.P. 8.6-60 Atlas Copro Model ZT200			Compressors		2024				149,750	Compressors Wallops Island, VA	New Q4 2024
New	2			C06-60- 520GLX LX- SERIES Low- Pressure Gas Compressor			Compressors		2024				199,600	Compressors Wallops Island, VA	New Q4 2024
New	2			C06-60- 520GLX LX- SERIES			Compressors		2024				199,600	Compressors Wallops Island, VA	New Q4 2024
New	2			AC-30 44db13 Centrifugal Pump			Pump		2024				304,970	Pump Wallops Island, VA	New Q3 2024
New	2			AC-30 44db13 Centrifugal Pump			Pump		2024				304,970	Pump Wallops Island, VA	New Q3 2024
New	1			Tempest Chilling System			Chiller		2024				405,000	Chiller Wallops Island, VA	New Q4 2024
New	2			Inoxova Tanks			Tank		2024				378,000	Tank Wallops Island, VA	New Q4 2024
New	1			Calvary Robotics	SPM	Fully Automated MICVD Multi- Reaction Chamber Ring-Shaped Planetary	Automation line for SPM		2024		N	P	5,942,000	New Machinery & Equipment SoAero Rocket Lab USA, 11420 Research Road SE, Albuquerque, NM-87123	New Q4 2024
									Telesat co						

(c) CHIPS Equipment:

All Locations															
Model Capacity Asset															
Ref#	Qty.	Qty. 2	Asset #	Manufac turer	Type	Serial No.	Year	Descripti on	Conditio n Codes	Asset Class	Orderly Liquidati	Location /Descript	Location s	Collater al	Date
525.000	1-	1		Aixtron	Fully Automated MOCVD Multi- Reaction Chamber Ring-Shaped Planetary	Reactor	2024		N	P	3,675,000	R&D Lab	SolAero Rocket Lab USA, 10420 Research Road SE, Albuquerque, NM-87123	Reactor Axitron - Order in Q4 FY24 with 12- 18 monthly delivery.	FY25 H2
					G10-AsP			with Fully							
526.000	1-	1		Aixtron	Fully Automated MOCVD Multi- Reaction Chamber Ring-Shaped Planetary	Reactor	2024		N	P	3,675,000	R&D Lab	SolAero Rocket Lab USA, 10420 Research Road SE, Albuquerque, NM-87123	Reactor Axitron timing unknown FY26	FY26
					G10-AsP			with Fully							
527.000	1-	1		Aixtron	Fully Automated MOCVD Multi- Reaction Chamber Ring-Shaped Planetary	Reactor	2024		N	P	3,675,000	R&D Lab	SolAero Rocket Lab USA, 10420 Research Road SE, Albuquerque, NM-87123	Reactor Axitron timing unknown FY26	FY26
					G10-AsP			with Fully							
528.000	1-	1		Aixtron	Fully Automated MOCVD Multi- Reaction Chamber Ring-Shaped Planetary	Reactor	2024		N	P	3,675,000	R&D Lab	SolAero Rocket Lab USA, 10420 Research Road SE, Albuquerque, NM-87123	Reactor Axitron timing unknown FY26	FY26
					G10-AsP			with Fully							
529.000	1-	1		Aixtron	Fully Automated MOCVD Multi- Reaction Chamber Ring-Shaped Planetary	Reactor	2024		N	P	3,675,000	R&D Lab	SolAero Rocket Lab USA, 10420 Research Road SE, Albuquerque, NM-87123	Reactor Axitron timing unknown FY26	FY26
					G10-AsP			with Fully							

SECOND AMENDMENT TO MASTER EQUIPMENT FINANCING AGREEMENT

This **SECOND AMENDMENT TO MASTER EQUIPMENT FINANCING AGREEMENT** dated as of November 21, 2024 (this “Second Amendment”) is made by and among **ROCKET LAB USA, INC.**, a Delaware corporation (“Parent”), and the other borrowers listed on Annex 1 hereto (collectively, the “Borrowers” and each, individually, a “Borrower”) and **TRINITY CAPITAL INC.**, a Maryland corporation (“Lender” or “Trinity”).

WHEREAS, Borrowers and Lender are parties to that certain Master Equipment Financing Agreement dated December 29, 2023 (the “MEFA”), and the First Amendment thereto executed on October 17, 2024.

WHEREAS, Borrowers and Lender desire that the MEFA be amended to accommodate the modifications described herein.

NOW, THEREFORE, in consideration of the premises and for other good and valuable consideration, Borrowers and Lender agree as follows:

1. **Modification of Definition:** The following definition of CHIPS Equipment added to Section 18 of the MEFA through the First Amendment is further modified as follows:

“CHIPS Equipment” means equipment that does not constitute Equipment under any Schedules financed by Trinity, which has been acquired or improved, in whole or in part, with proceeds of funding under CHIPS Incentives Program—Commercial Fabrication Facilities Notice of Funding Opportunity No. 2023-NIST-CHIPS-CFF-01 (as amended, supplemented, or otherwise modified from time to time), whether such CHIPS Equipment is existing or hereafter acquired (including all contracts, agreements and warranties with respect to such CHIPS Equipment), which shall include, but not be limited to, the “CHIPS Equipment” in part (c) of Annex A to the First Amendment.

Except as modified by this Amendment, all other terms of the MEFA continue in full force and effect.

In witness whereof, the parties have caused this Second Amendment to be executed below by their duly authorized signatories.

TRINITY CAPITAL INC., a Maryland corporation

By: /s/ Sarah Stanton

Name: Sarah Stanton

Title: General Counsel and Chief Compliance Officer

“Borrowers”

ROCKET LAB USA, INC., a Delaware corporation

Rocket Lab Global Services, LLC, a Delaware limited liability company ASI Aerospace LLC, a Delaware limited liability company

Planetary Systems Corporation, a District of Colombia corporation SolAero Holdings, Inc., a Delaware corporation

SolAero, LLC, a Delaware limited liability company SolAero Technologies Corp.,

SolAero Solar Power LLC, a Delaware limited liability company SolAero IRB Company LLC, a New

Mexico limited liability company Rocket Lab National Security LLC, a Delaware limited liability company

Rocket Lab Composites, LLC, a Delaware limited liability company

By: /s/ Adam Spice

Name: Adam Spice

Title: Chief Financial Officer

3881 McGowen Street

Long Beach, California 90808 Phone: (714) 655 2936

ROCKET LAB USA, INC.

INSIDER TRADING AND DISCLOSURE POLICY

[Date]

This Insider Trading and Disclosure Policy (the “Insider Trading Policy”) describes the standards of Rocket Lab USA, Inc. and its subsidiaries (collectively, the “Company”) regarding trading in the Company’s securities as described below and the disclosure of information concerning the Company. This Insider Trading Policy is designed to prevent insider trading or the appearance of impropriety, to satisfy the Company’s obligation to reasonably supervise the activities of Company personnel, and to help Company personnel avoid the severe consequences associated with violations of insider trading laws. **It is your obligation to understand and comply with this Insider Trading Policy.** You should refer all inquiries regarding this Insider Trading Policy to the officer, employee or consultant designated from time to time by the Company to serve as its insider trading compliance officer (the “Compliance Officer”). The Company has initially designated the General Counsel as the Compliance Officer, and the Chief Financial Officer as the alternate Compliance Officer. The Compliance Officer can be reached by telephone at 714-465-5737, by email to compliance@rocketlabusa.com, by U.S. mail to Office of the General Counsel at Rocket Lab USA, Inc., 3881 McGowen Street, Long Beach, CA 90808 USA, or through such other means as are identified by the Company in the future.

A. To Whom does this Insider Trading Policy Apply?

This Insider Trading Policy is applicable to the Company’s directors, officers and employees and references in this Insider Trading Policy to “you” refer to persons to whom this Insider Trading Policy is applicable. This Insider Trading Policy applies to you while you are serving as a director, officer or employee of the Company and thereafter until any material, nonpublic information about the Company possessed by you has become public or is no longer material.

As a precaution and in order to avoid the appearance of impropriety, the Company strongly recommends that each of the following persons or entities complies with this Insider Trading Policy to the same extent as you are required to comply (e.g., only trades in the Company’s securities at times when you would not be prohibited from trading in the Company’s securities for your own account) and that you establish procedures to ensure such compliance:

- your spouse, partner, and minor children;
 - any family members living in your household;
 - any trust, family partnership or other type of entity formed primarily for the benefit of you or your family members over which you or any other person or entity listed in the bullets above or below has the authority, or is a member of a board of directors, committee or other formalized group of individuals or entities
-

that has the authority, to approve or direct investment decisions concerning securities; and

- any other investment fund, trust, retirement plan, partnership, corporation or other entity with which you or any other person or entity listed in the bullets above is affiliated or otherwise has the authority, or is a member of a board of directors, committee or other formalized group of individuals or entities that has the authority, to approve or direct investment decisions concerning securities, unless such entity has established and follows appropriate procedures designed to prevent you and others listed in the bullets above from influencing, approving or directing its investment decisions with respect to the Company's securities.

For purposes of determining your compliance with this Insider Trading Policy, any actions taken by any of the foregoing persons or entities (e.g., trading in the Company's securities) may be attributed to you, at the Company's discretion, unless the Company is satisfied, in its sole discretion, that you did not influence or direct such actions. You are encouraged to consult with the Compliance Officer regarding arrangements that exist with affiliated persons and entities and compliance with this Insider Trading Policy.

All members of the Board of Directors of Rocket Lab USA, Inc. and certain designated officers and employees also must comply with the Company's Special Trading Procedures for Insiders (the "Trading Procedures"), which supplement and shall be deemed a part of this Insider Trading Policy. Generally, the Trading Procedures establish trading windows outside of which the persons covered by the Trading Procedures will be restricted from trading in the Company's securities and also require the pre-clearance of all transactions in the Company's securities by such persons. You will be notified if you are required to comply with the Trading Procedures.

B. What is Prohibited by this Insider Trading Policy?

It is generally illegal for you to trade in the securities of the Company, whether for your own account or for the account of another, while in the possession of material, nonpublic information about the Company. It is also generally illegal for you to disclose material, nonpublic information about the Company to others who may trade on the basis of that information. These illegal activities are commonly referred to as "insider trading."

Prohibited Activities

When you know or are in possession of material, nonpublic information about the Company, whether positive or negative, you are prohibited from the following activities:

- trading (whether for your own account or for the account of another) in the Company's securities, which includes common stock, options to purchase common stock, any other type of securities that the Company may issue (such as preferred stock, convertible debentures, warrants, exchange-traded options or other derivative securities) and any derivative securities that provide the economic equivalent of ownership of any of the Company's securities or an opportunity,

direct or indirect, to profit from any change in the value of the Company's securities, except for trades made in compliance with the affirmative defense of Rule 10b5-1 under the Securities Exchange Act of 1934, as amended (the "Exchange Act"), such as when the trades are made pursuant to a written plan that was adopted or trading instructions that were given before you knew or had possession of such material, nonpublic information and certain other conditions are satisfied;

- giving trading advice of any kind about the Company; and
- disclosing such material, nonpublic information about the Company, whether positive or negative, to anyone else ("tipping").

These prohibitions continue whenever and for as long as you know or are in possession of material, nonpublic information. Remember, anyone scrutinizing your transactions will be doing so after the fact, with the benefit of hindsight. As a practical matter, before engaging in any transaction, you should carefully consider how enforcement authorities and others might view the transaction in hindsight.

Exemptions

Transactions made pursuant to an approved Rule 10b5-1 Plan (as defined below) will not be subject to our trading windows, retirement plan blackout periods or pre-clearance procedures, and insiders are not required to pre-clear such transactions as provided for in the Trading Procedures, if applicable. Rule 10b5-1 of the Exchange Act provides an affirmative defense from insider trading liability under the federal securities laws for trading plans, arrangements or instructions that meet specified requirements. A trading plan, arrangement or instruction that meets the requirements of the SEC's Rule 10b5-1 (a "Rule 10b5-1 Plan") enables insiders to trade in Company securities outside of our trading windows, even when in possession of material nonpublic information. The Company has adopted a separate Rule 10b5-1 Trading Plan Policy that sets forth the requirements for putting in place a Rule 10b5-1 Plan with respect to Company securities.

This Insider Trading Policy does not apply to an exercise of an employee stock option when payment of the exercise price is made in cash. The policy does apply, however, to the use of outstanding Company securities to constitute part or all of the exercise price of an option, any sale of stock as part of a broker-assisted cashless exercise of an option, or any other market sale for the purpose of generating the cash needed to pay the exercise price of an option.

Definition of Material, Nonpublic Information

This Insider Trading Policy prohibits you from trading in the Company's securities if you are in possession of information about the Company that is both "material" and "nonpublic." If you have a question whether certain information you are aware of is material or has been made public, you are encouraged to consult with the Compliance Officer.

What is “Material” Information?

Information about the Company is “material” if it could reasonably be expected to affect the investment or voting decisions of a stockholder or investor, or if the disclosure of the information could reasonably be expected to significantly alter the total mix of information in the marketplace about the Company. In simple terms, material information is any type of information that could reasonably be expected to affect the market price of the Company’s securities. Both positive and negative information may be material. While it is not possible to identify all information that would be deemed “material,” the following items are types of information that should be considered carefully to determine whether they are material:

- projections of future revenue, earnings or losses or other financial metrics, including any reaffirmation or revision of such projections, or other financial guidance;
- assumptions used to generate projections of future revenue, earnings or losses or other financial metrics or other financial guidance;
- earnings or revenue that are inconsistent with the consensus expectations of the investment community;
- potential restatements of the Company’s financial statements, changes in auditors or auditor notification that the Company may no longer rely on an auditor’s audit report;
- pending or proposed corporate mergers, acquisitions, tender offers, joint ventures or dispositions of significant assets;
- changes in control, management or the Board of Directors;
- significant actual or threatened litigation or governmental investigations or major developments in such matters;
- significant developments regarding contracts or financing sources, or relationships with customers or suppliers (e.g., the acquisition or loss of a contract);
- significant new initiatives such as the Company’s entry into new lines of business and the related impact on the Company;
- significant new orders or changes to backlog or expected timing of revenue recognition;
- events regarding the Company’s securities, such as defaults on senior securities, calls of securities for redemption, repurchase plans, stock splits or changes in dividends, changes to the rights of securityholders, public or private sales of additional securities, or information related to any additional funding;

- potential defaults under the Company’s debt instruments or the existence of material liquidity deficiencies;
- bankruptcies or receiverships;
- cybersecurity risks and incidents, including vulnerabilities and breaches; and
- regulatory approvals or changes in regulations and any analysis of how they affect the Company.

The Securities and Exchange Commission (the “SEC”) has stated that there is no fixed quantitative threshold amount for determining materiality, and that even very small quantitative changes can be qualitatively material if they would result in a movement in the price of the Company’s securities.

What is “Nonpublic” Information?

Material information is “nonpublic” if it has not been disseminated in a manner making it available to investors generally. To show that information is public, it is necessary to point to some fact that establishes that the information has become publicly available, such as the filing of a report with the SEC, the distribution of a press release through a widely disseminated news or wire service, or by other means that are reasonably designed to provide broad public access. Before a person who possesses material, nonpublic information can trade, there also must be adequate time for the market as a whole to absorb the information that has been disclosed. For the purposes of this Insider Trading Policy, information will be considered public after the close of trading on the first full trading day following the Company’s public release of the information.

For example, if the Company announces material nonpublic information of which you are aware before trading begins on a Tuesday, the first time you can buy or sell Company securities is the opening of the market on Wednesday. However, if the Company announces this material information after trading begins on that Tuesday, the first time that you can buy or sell Company securities is the opening of the market on Thursday.

C. What are the Penalties for Insider Trading and Noncompliance with this Insider Trading Policy?

Both the SEC and the national securities exchanges, through the Financial Industry Regulatory Authority (“FINRA”), investigate and are very effective at detecting insider trading. The SEC, together with the U.S. Attorneys, pursue insider trading violations vigorously. For instance, cases have been successfully prosecuted against trading by employees in foreign accounts, trading by family members and friends, and trading involving only a small number of shares.

The penalties for violating insider trading or tipping rules can be severe and include:

- disgorgement of the profit gained or loss avoided by the trading;

- payment of the loss suffered by the persons who, contemporaneously with the purchase or sale of securities that are subject of such violation, have purchased or sold, as applicable, securities of the same class;
- payment of substantial criminal penalties;
- payment of civil penalties of multiple times the profit made or loss avoided; and
- imprisonment for a substantial number of years.

The Company and/or the supervisors of the person engaged in insider trading may also be required to pay substantial civil and criminal penalties, and could under certain circumstances be subject to private lawsuits.

Violation of this Insider Trading Policy or any federal or state insider trading laws may subject the person violating such policy or laws to disciplinary action by the Company up to and including termination. The Company reserves the right to determine, in its own discretion and on the basis of the information available to it, whether this Insider Trading Policy has been violated. The Company may determine that specific conduct violates this Insider Trading Policy, whether or not the conduct also violates the law. It is not necessary for the Company to await the filing or conclusion of a civil or criminal action against the alleged violator before taking disciplinary action.

D. Who Should You Contact to Report a Violation of this Insider Trading Policy or if You Have a Question About this Insider Trading Policy?

If you have a question about this Insider Trading Policy, including whether certain information you are aware of is material or has been made public, you are encouraged to consult with the Compliance Officer. In addition, if you violate this Insider Trading Policy or any federal or state laws governing insider trading, or know of any such violation by any director, officer or employee of the Company, you must report the violation immediately to the Compliance Officer.

However, if the conduct in question involves the Compliance Officer, if you have reported such conduct to the Compliance Officer and do not believe that the Compliance Officer has dealt with it properly, or if you do not feel that you can discuss the matter with the Compliance Officer, you may raise the matter with the Nominating and Corporate Governance Committee of the Board of Directors of Rocket Lab USA, Inc. by writing to Nominating and Corporate Governance Committee, Rocket Lab USA, Inc., 3881 McGowen Street, Long Beach, CA 90808 USA or contacting the Nominating and Corporate Governance Committee through such other means as are identified by the Company in the future.

E. Is This Insider Trading Policy Subject to Modification?

The Company may at any time change this Insider Trading Policy or adopt such other policies or procedures which it considers appropriate to carry out the purposes of its policies regarding insider trading and the disclosure of Company information. Notice of any such change

will be delivered to you by U.S. mail or email (or other delivery option used by the Company). You will be deemed to have received, be bound by and agree to revisions of this Insider Trading Policy when such revisions have been delivered to you.

Your failure to observe this Insider Trading Policy could lead to significant legal problems, including fines and/or imprisonment, and could have other serious consequences, including the termination of your employment or service relationship with the Company.

LIST OF SUBSIDIARIES

Company Name	Jurisdiction
Rocket Lab Global Services, LLC	Delaware
Rocket Lab Limited	New Zealand
Rocket Lab Space Systems Inc.	British Columbia, Canada
ASI Aerospace LLC	Delaware
Planetary Systems Corporation	District of Columbia
SolAero Holdings, Inc.	Delaware
SolAero, LLC	Delaware
SolAero Technologies Corp.	Delaware
SolAero Solar Power LLC	Delaware
SolAero IRB Company, LLC	New Mexico
Rocket Lab Australia Pty Ltd.	Australia
Rocket Lab National Security LLC	Delaware
Rocket Lab Composites LLC	Delaware

CONSENT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

We consent to the incorporation by reference in the Registration Statements on Form S-3 (Nos. 333-259797, 333-257440 and 333-264781) and on Form S-8 (Nos. 333-260671, 333-264780, 333-270831 and 333-279326) of our reports dated February 27, 2024, relating to the financial statements of Rocket Lab USA, Inc and the effectiveness of Rocket Lab USA, Inc.'s internal control over financial reporting appearing in this Annual Report on Form 10-K for the year ended December 31, 2024.

/s/ Deloitte & Touche LLP

Los Angeles, CA

February 27, 2025

**CERTIFICATION PURSUANT TO SECURITIES AND EXCHANGE ACT OF 1934
RULE 13A-14 AS ADOPTED PURSUANT TO SECTION 302 OF SARBANES-OXLEY ACT OF 2002**

CERTIFICATION

I, Peter Beck, certify that:

1. I have reviewed this Annual Report on Form 10-K of Rocket Lab USA, 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(s) 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 on Form 10-K) 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(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):
 - a. All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
 - b. Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: February 27, 2025

By: /s/ Peter Beck

Peter Beck
President and Chief Executive Officer
(Principal Executive Officer)

**CERTIFICATION PURSUANT TO SECURITIES AND EXCHANGE ACT OF 1934
RULE 13A-14 AS ADOPTED PURSUANT TO SECTION 302 OF SARBANES-OXLEY ACT OF 2002**

CERTIFICATION

I, Adam Spice, certify that:

1. I have reviewed this Annual Report on Form 10-K of Rocket Lab USA, 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(s) 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 on Form 10-K) 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(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):
 - a. All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
 - b. Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: February 27, 2025

By: /s/ Adam Spice

Adam Spice
Chief Financial Officer
(Principal 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 Annual Report on Form 10-K of Rocket Lab USA, Inc. (the “Company”) for the period ended December 31, 2024, as filed with the Securities and Exchange Commission on the date hereof (the “Report”), each of the undersigned officers hereby certify, pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, 18 U.S.C. Section 1350, that to their knowledge:

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

Date: February 27, 2025

By: /s/ Peter Beck

Peter Beck
President and Chief Executive Officer
(Principal Executive Officer)

Date: February 27, 2025

By: /s/ Adam Spice

Adam Spice
Chief Financial Officer
(Principal Financial Officer)