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

FORM 10-Q

(Mark One)

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

For the quarterly period ended June 30, 2026
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 001-43238

AEVEX Corp.
(Exact name of registrant as specified in its charter)

Delaware	41-2460652
(State or other jurisdiction of incorporation or organization)	**(I.R.S. Employer Identification No.)**

440 Stevens Avenue, Suite 150 Solana Beach, CA	92075
(Address of principal executive offices)	**(Zip Code)**

(858) 704-4125
(Registrant's telephone number, including area code)

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

Title of each class	Trading Symbol(s)	Name of each exchange on which registered
Class A Common Stock, par value $0.0001 per share	AVEX	The New York Stock Exchange

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, a smaller reporting company, or an emerging growth company. See the definitions of "large accelerated filer," "accelerated filer," "smaller reporting company," and "emerging growth company" in Rule 12b-2 of the Exchange Act.

Large accelerated filer	☐	Accelerated filer	☐
Non-accelerated filer	☒	Smaller reporting company	☐
		Emerging growth company	☒

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

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

As of August 12, 2026, the registrant had 56,470,333 shares of Class A common stock, $0.0001 par value per share outstanding and 57,571,367 shares of Class B common stock, $0.0001 par value per share outstanding.

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FORWARD-LOOKING STATEMENTS

This Quarterly Report on Form 10-Q of AEVEX Corp. contains forward-looking statements that are subject to risks and uncertainties. All statements other than statements of historical fact included in this Quarterly Report on Form 10-Q are forward-looking statements. Forward-looking statements give our current expectations and projections relating to our financial condition, results of operations, plans, objectives, future performance and business. You can identify forward-looking statements by the fact that they do not relate strictly to historical or current facts. These statements may include words such as “anticipate,” “estimate,” “expect,” “project,” “plan,” “intend,” “believe,” “may,” “will,” “should,” “can have,” “likely” and other words and terms of similar meaning in connection with any discussion of the timing or nature of future operating or financial performance or other events. For example, all statements we make relating to the proposed acquisition (the “Transaction”) of Maritime Applied Physics Corporation (“BlackSea Technologies”) and its expected closing, integration and financial impact, BlackSea Technologies’ revenue and growth expectations, earnout targets related to the Acquisition, our backlog, our total addressable market opportunity, our estimated and projected costs, expenditures, cash flows, growth rates and financial results, our plans and objectives for future operations, capital allocation priorities, growth or initiatives or strategies are forward-looking statements. All forward-looking statements are subject to risks and uncertainties that may cause actual results to differ materially and adversely from those set forth in, or implied by, such forward-looking statements. These risks and uncertainties include, but are not limited to:

- the risk that the Transaction may not be completed in a timely manner or at all;
- the diversion of management time and attention from ongoing business operations and opportunities as a result of the Transaction;
- the effect of the Transaction and the public announcement of the Transaction on BlackSea Technologies’ operations and its relationships with its suppliers, business partners, management and employees, including its ability to attract and retain key personnel;
- the Company’s ability to successfully integrate BlackSea Technologies and execute on the continued development of its programs following the closing of the Transaction;
- a failure by BlackSea Technologies to meet its expected financial results;
- the effects of the announcement or pendency of the Transaction on the market price of the Company’s Class A common stock, business relationships, operating results and business generally;
- the risk that the issuance of the Company’s Class A common stock in connection with the Transaction will adversely affect the market price of the Company’s Class A common stock;
- our reliance on a limited number of major customers for a substantial portion of our revenue;
- the potential for reductions, delays, or changes in U.S. and foreign government budgets, spending priorities, procurement processes, or military transformation initiatives;
- our dependence on government contracts;
- increasing competitive pressures in our industry, including the risk that we are not able to expand our customer base, achieve broad market acceptance, or compete effectively against larger or better-resourced competitors;
- the markets into which we sell our products and services decline or do not grow as expected;
- our efforts to expand into new markets or introduce new offerings do not succeed;
- our inability to manage increasing technological complexity, scale manufacturing capacity, achieve cost reductions or realize projected economies of scale;
- claims that our complex products and services may contain unknown defects or errors;
- the scarcity, unavailability, or increased cost of critical components or raw materials;
- violations of export controls, sanctions and other regulations;
- political, economic and regulatory instability in foreign markets;
- our dependence on senior management and key employees;
- challenges in recruiting and retaining highly skilled personnel in a competitive labor market;
- challenges developing, commercializing or achieving market acceptance for new products, services or enhancements, particularly those involving artificial intelligence;
- changes in tax laws, trade policies, tariffs, inflation, recession and other macroeconomic or market conditions;
- difficulties executing, integrating or realizing expected benefits from acquisitions, and exposure to unexpected liabilities from such transactions, including with respect to the Transaction;
- pandemics, public health crises and other events that could disrupt our business, supply chain or customer demand;
- technological failures, cybersecurity breaches or unauthorized access to our, our customers’ or our suppliers’ information and systems;
- failure to protect, defend or enforce our intellectual property and proprietary rights;
- dependence on our facilities;
- the Company’s ability to remediate the material weaknesses with respect to the Company’s internal control over financial reporting and disclosure controls and procedures;

- the Company’s ability to implement and maintain effective internal control over financial reporting in the future;
- our inability to generate sufficient cash to service all of our indebtedness; and
- other factors set forth under the “Risk Factors” section in our most recent filings with the Securities and Exchange Commission.

We derive many of our forward-looking statements from our operating budgets and forecasts, which are based on many detailed assumptions. All written and oral forward-looking statements attributable to us, or persons acting on our behalf, are expressly qualified in their entirety by these cautionary statements as well as other cautionary statements that are made from time to time in our other filings with the Securities and Exchange Commission and public communications. You should evaluate all forward-looking statements made in this Quarterly Report on Form 10-Q in the context of these risks and uncertainties.

We caution you that the important factors referenced above may not contain all of the factors that are important to you. In addition, we cannot assure you that we will realize the results or developments we expect or anticipate or, even if substantially realized, that they will result in the consequences or affect us or our operations in the way we expect. The forward-looking statements included in this Quarterly Report on Form 10-Q are made only as of the date hereof. We undertake no obligation to update or revise any forward-looking statement as a result of new information, future events or otherwise, except as otherwise required by law.

GLOSSARY

As used in this Quarterly Report on Form 10-Q, unless the context otherwise requires, references to:

- “AEVEX,” the “Company,” “our company,” “we,” “us” and “our” means (i) prior to the consummation of the Organizational Transactions, Holdings LLC and its consolidated subsidiaries and (ii) after the Organizational Transactions, AEVEX Corp. and its consolidated subsidiaries.
- “Blocker Entity” refers to the entity that was the owner of membership interests in Holdings LLC prior to the Organizational Transactions that is taxable as a corporation for U.S. federal income tax purposes.
- “Class A common stock” means Class A common stock, par value $0.0001 per share, of AEVEX Corp.
- “Class B common stock” means Class B common stock, par value $0.0001 per share, of AEVEX Corp.
- “Exchange Agreement” means the exchange agreement, dated as of April 16, 2026, by and among AEVEX Corp. and ATS Investment Holdings, LLC (“ATS Investment Holdings”).
- “Holdings LLC” means Athena Technology Solutions Holdings, LLC, a Delaware limited liability company and, following the Organizational Transactions, a subsidiary of AEVEX Corp.
- “IPO” refers to our initial public offering completed on April 20, 2026, and through which we offered 18,400,000 shares of our Class A common stock, which included the exercise in full by the underwriters of their option to purchase an additional 2,400,000 shares of our Class A common stock, at a price to the public of $20.00 per share.
- “LLC Operating Agreement” means the Third Amended and Restated Limited Liability Company Agreement of Holdings LLC dated as of April 17, 2026.
- “LLC Units” means the Series A and Series B membership units of Holdings LLC that as a result of the Organizational Transactions replaced the membership interests in Holdings LLC (i.e., Class A units) that existed immediately prior to the consummation of the Organizational Transactions. The Series A units and Series B units each represents a substantially identical interest in Holdings LLC, except that Series A units are only held by AEVEX Corp. and Series B units are held by ATS Investment Holdings, who also holds a corresponding number of shares of Class B common stock. Each LLC Unit entitles the holder to a pro rata share of the net profits and net losses and distributions of Holdings LLC. Holders of LLC Units have no voting rights, except as expressly provided in the LLC Operating Agreement. Series B units are not entitled to any voting rights with respect to AEVEX Corp., as the holders of such units are entitled to exercise voting rights through their corresponding shares of Class B common stock.
- “LLC Unitholders” means collectively, the owners of membership interests in Holdings LLC immediately prior to the consummation of the Organizational Transactions, and following the Organizational Transactions, AEVEX Corp. and ATS Investment Holdings, which became holders of Series A units, or Series B units and shares of our Class B common stock, respectively. ATS Investment Holdings (or certain of its permitted transferees) is entitled to exchange, at its option, from time to time, its Series B units, together with an equal number of shares of Class B common stock, for shares of our Class A common stock on a one-for-one basis or, at our election, for cash, from a substantially concurrent public offering or private sale (based on the price of our Class A common stock in such public offering or private sale). In connection with an exchange of Series B units, a corresponding number of shares of Class B common stock, as applicable, shall be immediately and automatically transferred to AEVEX Corp. for no consideration and canceled.
- “New Credit Agreement” means the credit agreement, dated as of April 20, 2026, by and between AEVEX Holdings, LLC (the “Borrower”), an operating company of the Company, Athena Technology Solutions Purchaser, LLC, the lenders from time to time party thereto and Bank of America, N.A., as the administrative agent, collateral agent, an issuing bank and a swing line lender.
- “New Term Loan Facility” means the $100.0 million senior secured term loan facility under the New Credit Agreement.

- "New Delayed Draw Term Loan Facility" means the $75.0 million senior secured delayed draw term loan facility under the New Credit Agreement.

- "New Revolving Credit Facility" means the $200.0 million senior secured revolving credit facility under the New Credit Agreement, which includes a sublimit for the issuance of letters of credit in an amount up to $40.0 million and a sublimit for swing line loans in an amount up to $30.0 million.

- "New Credit Facilities" means the New Revolving Credit Facility together with the New Term Loan Facility and the New Delayed Draw Term Loan Facility under the New Credit Agreement.

- "Organizational Transactions" refers to the organizational transactions completed by the Company in connection with the IPO, as described in Note 1, Organization, to the unaudited condensed consolidated financial statements included herein.

- "Principal Stockholder" means funds and investment vehicles managed or controlled by Madison Dearborn Partners, LLC.

- "Prior Credit Facilities" means our former term loan and revolving credit facilities that were governed by that certain Credit Agreement, dated as of March 18, 2020 (as amended) by and among the Borrower, a syndicate of lenders, Ankura Trust Company, LLC, as administrative agent and PNC Bank, National Association as revolving agent and collateral agent.

- "Secondary Offering" refers to the offering of 8,000,000 shares of our Class A common stock completed on June 5, 2026, which included 5,726,157 shares offered by us and 2,273,843 shares offered by the selling securityholders, in each case at a price to the public of $27.00 per share. We used the net proceeds from this offering to purchase 5,726,157 Series B units, together with an equivalent number of shares of Class B common stock, from certain direct and indirect members of ATS Investment Holdings, including entities controlled by the Principal Stockholder. We did not receive proceeds from the sale of the shares of Class A common stock offered by the selling securityholders. The Secondary Offering did not increase the Company's total shares outstanding and did not lead to shareholder dilution.

- "Tax Receivable Agreement" means the tax receivable agreement, dated April 16, 2026, by and among the Company, Holdings LLC and the TRA Rights Holders.

- "TRA Rights Holders" refers to, collectively, certain of the direct and indirect owners in Holdings LLC, including our Principal Stockholder.

PART I. FINANCIAL INFORMATION

ITEM 1. FINANCIAL STATEMENTS

AEVEX CORP.
CONDENSED CONSOLIDATED BALANCE SHEETS (UNAUDITED)
(in thousands, except share and unit data)

	June 30, 2026	December 31, 2025
Assets		
Current Assets:		
Cash and cash equivalents	$ 215,238	$ 27,908
Accounts receivable, net	69,050	55,215
Contract assets	119,561	79,680
Inventories	12,668	4,134
Prepaid expenses and other current assets	14,916	23,479
Total current assets	431,433	190,416
Goodwill	292,328	292,328
Customer relationships, net	102,167	110,250
Other intangible assets, net	1,658	1,864
Property and equipment, net	20,070	19,586
Operating lease right-of-use assets	8,590	7,697
Deferred income tax assets	84,277	-
Other assets	3,194	478
Asset held for sale	4,376	4,376
Total assets	$ 948,093	$ 626,995
Liabilities, Mezzanine Equity and (Deficit) Equity		
Current Liabilities:		
Accounts payable	$ 30,729	$ 23,700
Accrued expenses and other current liabilities	23,164	21,760
Deferred revenue	16,637	10,942
Current portion of long-term debt	2,500	2,720
Operating lease liabilities	3,146	3,426
Total current liabilities	76,176	62,548
Long-term debt, net of current portion	96,607	255,780
TRA liability	95,933	-
Operating lease liabilities, net of current portion	5,843	4,700
Series A preferred units derivative liability	-	19,999
Total liabilities	274,559	343,027
Commitments and contingencies (Note 8)		
Mezzanine Equity:		
Series A preferred units, no par value, 120,000 units authorized, 100,000 units issued and outstanding as of December 31, 2025	-	80,371
Redeemable noncontrolling interests	1,202,666	-
Stockholders'/Members' (Deficit) Equity:		
Class A units, no par value; 88,532,824 units authorized, 88,532,824 units issued and outstanding as of December 31, 2025	-	199,016
Class A common stock, $0.0001 par value per share; 1,000,000,000 shares authorized, 56,470,333 shares issued and outstanding as of June 30, 2026	6	-
Class B common stock, $0.0001 par value per share; 200,000,000 shares authorized, 57,571,367 shares issued and outstanding as of June 30, 2026	5	-
Retained (deficit) earnings	(533,722)	-
Total stockholders'/members’ (deficit) equity	(533,711)	199,016
Noncontrolling interest	4,579	4,581
Total (deficit) equity	(529,132)	203,597
Total liabilities, mezzanine equity, and (deficit) equity	$ 948,093	$ 626,995

See accompanying notes to the unaudited condensed consolidated financial statements.

AEVEX CORP.
CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS (UNAUDITED)
(In thousands, except share and per share amounts)

	Three Months Ended June 30,		Six Months Ended June 30,	
	2026	**2025**	**2026**	**2025**
Revenue:				
Products	$ 168,668	$ 70,836	$ 360,512	$ 97,323
Services	33,123	30,298	57,972	57,069
Total revenue	201,791	101,134	418,484	154,392
Cost of revenue:				
Products	130,319	58,634	270,477	82,875
Services	23,825	24,124	43,866	50,079
Total cost of revenue	154,144	82,758	314,343	132,954
Gross profit	47,647	18,376	104,141	21,438
Operating expenses:				
Selling, general, and administrative	22,469	9,383	41,881	17,971
Research and development	5,639	7,194	8,976	16,684
Amortization of intangible assets	4,168	4,125	8,290	8,205
Change in contingent consideration	—	1,214	—	2,435
Total operating expenses	32,276	21,916	59,147	45,295
Income (loss) from operations	15,371	(3,540)	44,994	(23,857)
Other income (expense), net:				
Interest expense	(3,977)	(8,378)	(10,521)	(15,557)
Interest income	1,106	130	1,212	344
Change in fair value of derivative liability	(3,295)	—	(5,695)	—
Other (expense) income, net	(57)	—	156	—
Total other expense, net	(6,223)	(8,248)	(14,848)	(15,213)
Income (loss) before income taxes	9,148	(11,788)	30,146	(39,070)
Provision for income taxes	2,454	42	2,454	82
Net income (loss)	6,694	(11,830)	27,692	(39,152)
Net income attributable to noncontrolling interest	76	14	148	21
Net income attributable to redeemable noncontrolling interests	4,290	—	4,290	$ —
Net income (loss) attributable to AEVEX Corp.	$ 2,328	$ (11,844)	$ 23,254	$ (39,173)
Earnings per share of Class A common stock:				
Basic(1)	$ 0.01	$ —	$ 0.01	$ —
Diluted(1)	$ 0.01	$ —	$ 0.01	$ —
Weighted average shares of Class A common stock outstanding:				
Basic(1)	52,805,593	—	52,805,593	—
Diluted(1)	52,805,593	—	52,805,593	—

(1) Represents net income per share of Class A common stock and weighted-average shares of Class A common stock outstanding for the period following the Organizational Transactions. Earnings (loss) per share is presented for the period from after the Organizational Transactions, April 17, 2026, to June 30, 2026. All earnings and losses prior to the Organizational Transactions were entirely allocable to the redeemable noncontrolling interests. Refer to Note 13, Earnings per Share, in the accompanying notes for additional details.

See accompanying notes to the unaudited condensed consolidated financial statements.

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AEVEX CORP.
CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY AND REDEEMABLE NONCONTROLLING INTERESTS (UNAUDITED)
(In thousands, except share and unit data)

	Redeemable Noncontrolling Interests	Members' Equity Class A Units		Class A Common Stock		Class B Common Stock		Additional Paid-in Capital	Retained Earnings (Deficit)	Noncontrolling Interest	Total Equity
		Units	Amount	Shares	Amount	Shares	Amount				
Balances at December 31, 2025	$ —	88,532,824	$199,016	—	$ —	—	$ —	$ —	$ —	$ 4,581	$ 203,597
Distributions to noncontrolling interest	—	—	—	—	—	—	—	—	—	(75)	(75)
Accretion of Series A preferred units	—	—	(1,362)	—	—	—	—	—	—	—	(1,362)
Repurchase of Class A units	—	(100,000)	(1,048)	—	—	—	—	—	—	—	(1,048)
Stock compensation expense	—	—	39	—	—	—	—	—	—	—	39
Net income	—	—	20,926	—	—	—	—	—	—	72	20,998
Balances at March 31, 2026	—	88,432,824	217,571	—	—	—	—	—	—	4,578	222,149
Activity prior to Organizational and IPO transactions:											
Distributions to noncontrolling interest	—	—	—	—	—	—	—	—	—	(75)	(75)
Distributions to members	—	—	(3,000)	—	—	—	—	—	—	—	(3,000)
Accretion of Series A preferred units	—	—	(254)	—	—	—	—	—	—	—	(254)
Stock compensation expense	—	—	7	—	—	—	—	—	—	—	7
Net income	—	—	1,726	—	—	—	—	—	—	14	1,740
Effects of Organizational Transactions	188,184	(88,432,824)	(216,050)	32,344,176	3	63,297,524	6	136,371	—	—	(79,670)
Effects of IPO, net of underwriting discounts, commissions and deferred offering costs	184,348	—	—	18,400,000	2	—	—	147,786	—	—	147,788
Activity subsequent to Organizational and IPO transactions:											
Stock compensation expense	949	—	—	—	—	—	—	814	—	—	814
Net income	4,290	—	—	—	—	—	—	—	602	62	664
Effects of the Secondary Offering	(34,317)	—	—	5,726,157	1	(5,726,157)	(1)	39,917	—	—	39,917
Remeasurement of redeemable noncontrolling interests to redemption value	859,212	—	—	—	—	—	—	(324,888)	(534,324)	—	(859,212)
Balances at June 30, 2026	$ 1,202,666	—	$ —	56,470,333	$ 6	57,571,367	$ 5	$ —	$(533,722)	$ 4,579	$(529,132)

See accompanying notes to the unaudited condensed consolidated financial statements.

AEVEX CORP.
CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY AND REDEEMABLE NONCONTROLLING INTERESTS (UNAUDITED) (Continued)
(In thousands, except share and unit data)

	Redeemable Noncontrolling Interests	Members' Equity Class A Units		Class A Common Stock		Class B Common Stock		Additional Paid-in Capital	Retained Earnings (Deficit)	Noncontrolling Interest	Total Equity
		Units	Amount	Shares	Amount	Shares	Amount				
Balances at December 31, 2024	$ —	80,745,873	$159,529	—	$ —	—	—	$ —	$ —	$ 4,745	$ 164,274
Distributions to noncontrolling interest	—	—	–	—	—	—	—	—	—	(68)	(68)
Stock compensation expense	—	—	44	—	—	—	—	—	—	—	44
Net (loss) income	—	—	(27,329)	—	—	—	—	—	—	7	(27,322)
Balances at March 31, 2025	—	80,745,873	132,244	—	—	—	—	—	—	4,684	136,928
Distributions to noncontrolling interest	—	—	–	—	—	—	—	—	—	(67)	(67)
Stock compensation expense	—	—	44	—	—	—	—	—	—	—	44
Issuance of equity in settlement of contingent consideration payment	—	7,786,951	61,650	—	—	—	—	—	—	—	61,650
Net (loss) income	—	—	(11,844)	—	—	—	—	—	—	14	(11,830)
Balances at June 30, 2025	$ —	88,532,824	$182,094	—	$ —	—	$ —	$ –	$ —	$ 4,631	$ 186,725

See accompanying notes to the unaudited condensed consolidated financial statements.

AEVEX CORP.
CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS (UNAUDITED)
(In thousands)

	Six Months Ended June 30,	
	2026	**2025**
Operating activities		
Net income (loss)	$ 27,692	$ (39,152)
Adjustments to reconcile net income (loss) to net cash used in operating activities:		
Depreciation and amortization	10,787	10,671
Amortization of debt issuance costs	292	611
Noncash stock compensation expense	1,809	88
Change in contingent consideration	-	2,435
Deferred income taxes	1,729	67
Noncash operating lease expense	1,671	1,550
Provision for inventory obsolescence	85	662
Change in fair value of derivative liability	5,695	—
Loss on debt extinguishment	919	—
Loss on sale of equipment	9	—
Changes in operating assets and liabilities:		
Accounts receivable, net	(13,835)	(47,948)
Contract assets	(39,881)	13,608
Inventories	(8,619)	1,383
Prepaid expenses and other current assets	7,917	230
Other assets	(122)	340
Accounts payable	6,851	8,382
Accrued expenses and other current liabilities	1,623	17,164
Deferred revenue	5,695	3,589
Operating lease liabilities	(1,701)	(1,545)
Net cash provided by (used in) operating activities	8,616	(27,865)
Investing activities		
Business acquisition, net of cash acquired	(500)	(2,077)
Proceeds from sale of property and equipment	235	—
Purchases of property and equipment	(3,268)	(4,203)
Net cash used in investing activities	(3,533)	(6,280)
Financing activities		
Proceeds from Series A preferred units, net of issuance costs	15,317	—
Repurchase of Class A units	(1,048)	—
Distributions to members	(3,000)	—
Distributions to noncontrolling interest	(150)	(136)
Proceeds from issuance of Class B common stock	1,000	—
Proceeds from notes payable	98,120	—
Payments of debt issuance costs	(1,453)	—
Repayment of notes payable	(259,135)	(1,360)
Payment of debt extinguishment costs	(176)	—
Proceeds from IPO, net of underwriting discounts and commissions	345,920	—
Payments of offering costs	(12,253)	—
Proceeds from secondary offering, net of underwriting discounts and commissions	148,809	—
Purchase of Series B units	(148,809)	—
Proceeds from revolving credit facility	—	10,000
Net cash provided by financing activities	183,142	8,504
Net increase (decrease) in cash, cash equivalents and restricted cash	188,225	(25,641)
Cash, cash equivalents and restricted cash:		
Beginning of period	27,908	45,603
End of period[(1)]	$ 216,133	$ 19,962

(1) As of June 30, 2026, prepaid expenses and other current assets, and other assets, include $0.5 million and $0.4 million, respectively, of restricted cash related to a standby letter of credit as security for a customer contract.

AEVEX CORP.
CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS (UNAUDITED) (Continued)
(In thousands)

Supplemental disclosures of cash flow information:		
Cash paid for interest	$ 9,003	$ 14,838
Cash paid for income taxes	1,128	54

Supplemental disclosures of noncash financing and investing activities:		
Purchase of property and equipment in accounts payable	$ 211	$ 77
Series A preferred units accretion	1,616	—
Deferred offering costs in accrued expenses	400	—
Deferred financing costs in accrued expenses	144	—
Equity issued in settlement of contingent consideration	—	61,650
Right-of-use assets obtained in exchange for new lease liabilities	2,564	573

See accompanying notes to the unaudited condensed consolidated financial statements.

AEVEX CORP.
Notes to Condensed Consolidated Financial Statements (Unaudited)

NOTE 1. ORGANIZATION

Nature of Operations

AEVEX Corp. (the "Company") was formed as a Delaware corporation on October 27, 2025. The Company was formed for the purpose of completing a public offering and related transactions in order to carry on the business of Athena Technology Solutions Holdings, LLC ("Holdings LLC") and its subsidiaries. As the manager of Holdings LLC, the Company operates and controls all of the business and affairs of Holdings LLC and, through Holdings LLC, continues to conduct the business historically conducted by its subsidiaries. Holdings LLC was formed as a Delaware limited liability company on February 13, 2020. The Company is a leading provider of full-spectrum airborne intelligence solutions for the global intelligence community.

Organizational Transactions and IPO

In connection with the consummation of the Company's IPO on April 20, 2026, the Company and Holdings LLC undertook certain Organizational Transactions, including:

- The Company and Holdings LLC amended and restated the LLC Operating Agreement to, among other things, (i) modify the capital structure of Holdings LLC by replacing the historical membership interests (i.e., Class A units) with a new class of common membership interests consisting of Series A units and Series B units (referred to collectively as "LLC Units") and (ii) appoint the Company as the sole managing member of Holdings LLC. The Series A units and Series B units each represent a substantially identical interest in Holdings LLC, except that Series A units are only held by AEVEX Corp. and Series B units are held by ATS Investment Holdings, who also holds a corresponding number of shares of Class B common stock. Each LLC Unit entitles the holder to a pro rata share of the net profits and net losses and distributions of Holdings LLC. Holders of LLC Units have no voting rights, except as expressly provided in the LLC Operating Agreement. Series B units are not entitled to any voting rights, as the holders of such units are entitled to exercise voting rights through their corresponding shares of Class B common stock.

- The Company's Principal Stockholder and certain other holders of indirect interests in Holdings LLC engaged in a series of transactions, which included one or more contributions, mergers or otherwise, including the merger of the Blocker Entity, that resulted in certain LLC Unitholders contributing their direct or indirect membership interests in Holdings LLC to the Company in exchange for 25,135,300 shares of Class A common stock.

- The Company amended and restated its certificate of incorporation to, among other things, provide (i) for Class A common stock, with each share of Class A common stock entitling its holder to one vote per share on all matters presented to the shareholders generally and (ii) for Class B common stock, with each share of Class B common stock entitling its holder to one vote per share on all matters presented to the shareholders generally. Shares of Class A common stock and Class B common stock vote as a single class. The shares of Class B common stock do not have any right to receive dividends or distributions upon the liquidation or winding up of AEVEX Corp.

- The Company issued 63,297,524 shares of Class B common stock to ATS Investment Holdings, on a one-to-one basis with the number of Series B units it owns, for $1.0 million.

- The Company entered into the Exchange Agreement pursuant to which ATS Investment Holdings (or certain permitted transferees thereof) is entitled to exchange its Series B units, together with an equal number of shares of Class B common stock, for shares of the Company's Class A common stock on a one-for-one basis or, at the Company's election, for cash, from a substantially concurrent public offering or private sale (based on the price of the Company's Class A common stock in such public offering or private sale).

- The Company entered into the Tax Receivable Agreement (“TRA”) with the TRA Rights Holders that requires the payment by the Company to such persons collectively of 85% of certain tax savings, if any, in U.S. federal, state and local income taxes the Company actually realizes (or, under certain circumstances are deemed to realize) as a result of (i) certain increases in the tax basis of assets of Holdings LLC and its subsidiaries resulting from purchases or exchanges of LLC Units, (ii) certain other tax attributes of Holdings LLC and its subsidiaries and the Blocker Entity that existed prior to the IPO, including existing tax basis and the Company’s allocable share of existing tax basis acquired in connection with the IPO and increases to such allocable share of existing tax basis and (iii) certain other tax benefits related to entering into the TRA, including tax benefits attributable to payments that the Company is required to make under the TRA.

- The 115,342 of Holdings LLC’s Series A preferred units outstanding prior to the Organizational Transactions were, in accordance with their terms, converted into 7,208,876 shares of the Company’s Class A common stock at a conversion price based on 80% of the IPO price.

- The Company issued 18,400,000 shares of its Class A common stock, which included the exercise in full by the underwriters of their option to purchase an additional 2,400,000 shares of Class A common stock, in exchange for net proceeds of approximately $345.9 million, at the IPO price of $20.00 per share, less $22.1 million of underwriting discounts and commissions.
- The Company used such net proceeds of approximately $345.9 million to acquire 18,400,000 newly-issued Series A units in Holdings LLC.
- On April 20, 2026, subsidiaries of Holdings LLC refinanced the Prior Credit Facilities and entered into the New Credit Facilities. Holdings LLC used the $100.0 million proceeds from the New Term Loan Facility and the proceeds it received from the Company for the purchase of the newly issued Series A units (i) to repay approximately $258.5 million of outstanding borrowings under the Prior Credit Facilities, (ii) to pay $3.3 million of expenses incurred in connection with the refinancing, (iii) to pay $8.3 million of expenses incurred in connection with the IPO and Organizational Transactions and (iv) for general corporate purposes.

Following the IPO, the Company has a minority economic interest in Holdings LLC but controls the management of Holdings LLC as its sole managing member. As a result, the Company consolidates Holdings LLC and has recorded significant redeemable noncontrolling interests in a consolidated entity in its consolidated financial statements for the economic interest in Holdings LLC held by ATS Investment Holdings.

Secondary Offering

On June 5, 2026, the Company completed the Secondary Offering of 8,000,000 shares of its Class A common stock, of which 5,726,157 shares were offered by the Company and 2,273,843 shares were offered by the selling securityholders, in each case at a price to the public of $27.00 per share. The Company used the net proceeds from the Secondary Offering to purchase 5,726,157 Series B units, together with an equivalent number of shares of Class B common stock from certain direct and indirect members of ATS Investment Holdings, including entities controlled by the Principal Stockholder. The Company did not receive proceeds from the sale of the shares of Class A common stock offered by the selling securityholders. The Secondary Offering did not increase the Company’s total shares outstanding and did not lead to shareholder dilution.

Basis of Presentation

The accompanying condensed consolidated financial statements present the financial position, results of operations, and cash flows of AEVEX Corp. and its subsidiaries, including a variable interest entity (“VIE”) for which the Company is the primary beneficiary. All intercompany transactions and balances have been eliminated in consolidation. The condensed consolidated financial statements have been prepared in conformity with accounting principles generally accepted in the United States of America (“U.S. GAAP”) and the rules and regulations of the United States Securities and Exchange Commission (“SEC”) for interim financial information. Accordingly, they do not include all of the information and notes to the financial statements required by U.S. GAAP for complete financial statements. The functional currency of the Company and its subsidiaries is the U.S. dollar.

These condensed consolidated financial statements should be read in conjunction with Holdings LLC’s audited consolidated financial statements and notes thereto, as of and for the years ended December 31, 2025 and 2024, and the Company’s audited balance sheet and notes thereto as of December 31, 2025 included in the prospectus dated April 16, 2026, as filed with the SEC pursuant to Rule 424(b)(4) under the Securities Act of 1933, as amended. In the opinion of management, the accompanying condensed consolidated financial statements contain all adjustments, consisting of only normal recurring adjustments, necessary for a fair statement of its financial position, results of operations, and cash flows for the periods presented. The operating results for the interim periods presented are not necessarily indicative of the results expected for the full year. The condensed consolidated balance sheet as of December 31, 2025 was derived from Holdings LLC’s audited annual consolidated financial statements but does not contain all of the accompanying disclosures from the annual financial statements.

NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Included below are selected significant accounting policies, including those that were added or modified during the three and six months ended June 30, 2026 as a result of new transactions entered into or the adoption of new accounting policies. Refer to Note 2, Summary of Significant Accounting Policies, to Holdings LLC’s audited consolidated financial statements as of and for the years ended December 31, 2025 and 2024 for the remainder of the Company’s significant accounting policies.

Use of Estimates

The preparation of consolidated financial statements in conformity with U.S. GAAP requires management to make estimates and assumptions that affect the reported amounts of consolidated assets and liabilities and the disclosure of contingent assets and liabilities at the date of the consolidated financial statements and the reported amounts of consolidated revenues and expenses during the reporting period. Some of these judgments can be subjective and complex, and, consequently, actual results could materially differ from those estimates. On an on-going basis, management evaluates its significant estimates, including those related to slow-moving or obsolete inventory, estimated useful lives of long-lived assets, the valuation of acquired intangible assets, goodwill impairment testing, the recognition of revenue over time for certain customer contracts, income taxes, the TRA liability, the number of performance-based restricted stock units that will vest, the valuation of the Series A preferred units embedded derivative liability, and the valuation of the Company’s contingent consideration liability.

Stock Compensation

Subsequent to the Organizational Transactions and IPO, the Company granted Class A common stock restricted stock units ("RSUs") and performance-based restricted stock units (“PSUs”) to certain employees and non-employee directors. The Company accounts for stock compensation in accordance with Accounting Standards Codification (“ASC”) 718, Compensation — Stock Compensation (“ASC 718”). Share-based awards are measured at their grant-date fair value. For the RSUs and PSUs, fair value is determined based on the closing stock price of the Company’s Class A common stock on the grant date. The grant date is the date upon which the Company and a grantee have a mutual understanding of all key terms and conditions of an award, including all annual performance conditions determined by the Board of Directors. Stock compensation expense recognition starts on the grant date and occurs on a straight-line basis for awards with service-only vesting conditions (e.g., RSUs) over the vesting period, whereas awards with performance conditions (e.g., PSUs) expense recognition occurs using the accelerated attribution method over the implicit or explicit service period when a performance condition is deemed probable of achievement. Expense recorded for performance-based awards is reversed if the performance conditions are no longer deemed probable of achievement or ultimately are not achieved. The Company accounts for forfeitures as they occur and any compensation expense previously recognized on unvested RSUs or PSUs is reversed upon forfeiture.

Income Taxes

Following the completion of the Organizational Transactions, the Company became subject to U.S. federal, state, and local income taxes on its share of taxable income earned through its interest in Holdings LLC assessed at the applicable corporate income tax rates. In addition, certain of the operating subsidiaries of the Company and Holdings LLC are taxed as C corporations for which a provision for income taxes has also been recorded. The Company accounts for income taxes in accordance with ASC 740, Income Taxes ("ASC 740"). The Company recognizes for AEVEX Corp. and the C-corporation operating subsidiaries deferred tax assets and liabilities for the expected future tax consequences of events that have been included in their tax returns or the consolidated financial statements. Deferred tax assets and liabilities are determined based on the difference between the financial statement carrying amount and the tax basis of assets and liabilities, along with net operating loss carryforwards using enacted tax rates in effect for the year in which the differences are expected to reverse. Valuation allowances are provided if, based upon the weight of available evidence, it is more likely than not that some or all the deferred tax assets will not be realized.

The Company evaluates its tax positions for any uncertainties based on the technical merits of the positions taken. The Company recognizes the tax benefit from an uncertain tax position only if it is more-likely-than-not that the tax position will be upheld on examination by taxing authorities. The Company has analyzed the tax positions taken and has concluded that, as of June 30, 2026 and December 31, 2025, there were no uncertain tax positions taken, or expected to be taken, that would require recognition of a liability or disclosure in the consolidated financial statements. Management is required to analyze all open tax years, as defined by the statute of limitations, for all major jurisdictions, which include federal and certain state jurisdictions.

Tax Receivable Agreement

In connection with the Organizational Transactions, AEVEX Corp. entered into the TRA with the TRA Rights Holders, including the Principal Stockholder. The TRA provides for the payment by AEVEX Corp. to such pre-IPO owners of 85% of certain tax benefits, if any, that the Company actually realizes, as a result of (i) certain increases in the tax basis of the assets of Holdings LLC and its subsidiaries resulting from purchases or exchanges of LLC Units, (ii) certain other tax attributes of Holdings LLC and its subsidiaries and the Blocker Entity that existed prior to the IPO, including existing tax basis and the Company's allocable share of existing tax basis acquired in connection with the IPO and increases to such allocable share of existing tax basis, and (iii) certain other tax benefits related to entering into the TRA, including tax benefits attributable to payments that the Company makes under the TRA.

The Company accounts for the initial recognition of the estimated income tax effects resulting from the purchase or exchange of LLC Units via an increase in deferred income tax assets (net of any required valuation allowance), based on enacted tax rates at the date of the purchase or exchange, along with the corresponding increase in the estimated TRA liability, as a change in stockholders' equity. Subsequently, the Company accounts for changes in the estimated amounts payable under the TRA in accordance with ASC Topic 450, Contingencies ("ASC 450"). As such, subsequent changes in the measurement of the estimated TRA liability between reporting periods are recognized as an adjustment to income tax expense in the consolidated statements of operations.

Deferred Offering Costs

Deferred offering costs, which consist of direct incremental legal, consulting, accounting, and other fees relating to the IPO, were capitalized prior to the consummation of the IPO and included in prepaid expenses and other current assets on the consolidated balance sheets. Upon the completion of the IPO, during the three months ended June 30, 2026, the Company reclassified $13.8 million of total offering costs into additional paid-in capital as a reduction of the proceeds received from the IPO. There were $3.8 million of deferred offering costs included in prepaid expenses and other current assets in the condensed consolidated balance sheet as of December 31, 2025. Of the costs included in the condensed consolidated balance sheet as of December 31, 2025, $1.1 million and $2.7 million were paid and unpaid, respectively.

Redeemable Noncontrolling Interests

The Company consolidates Holdings LLC and has recorded redeemable noncontrolling interests in a consolidated entity in its consolidated financial statements for the economic interest in Holdings LLC held by ATS Investment Holdings. The Series B units owned by ATS Investment Holdings are considered redeemable noncontrolling interests and are presented in mezzanine equity in the condensed consolidated balance sheet as of June 30, 2026 in accordance with ASC paragraph 480-10-S99-3A (Distinguishing Liabilities from Equity Topic) because they are redeemable upon the occurrence of an event that is not solely within the Company's control. Since the holder of the redeemable noncontrolling interests and its affiliates control the Company's Board of Directors, and since its exchange rights may be settled in cash at the Company's election, the cash redemption is effectively in the control of the holders of the redeemable noncontrolling interests.

The carrying amount of the redeemable noncontrolling interests is equal to the greater of (1) the carrying value of the redeemable noncontrolling interests adjusted each reporting period for income or loss attributable to the redeemable noncontrolling interests or (2) the redemption value. The redemption value is calculated based on the closing price of Class A common stock at the end of each reporting period. Remeasurements to the redemption value of the redeemable noncontrolling interests are recognized as a deemed dividend each reporting period, which initially reduces retained earnings up to its full amount, as needed, then as a reduction to additional paid-in capital, to the extent any, and for any remainder as a further reduction to retained earnings within the consolidated balance sheets. The portion of the net income or loss attributable to redeemable noncontrolling interests is reported as net income or loss attributable to redeemable noncontrolling interests on the consolidated statements of operations.

Earnings Per Share

Basic earnings (loss) per share of Class A common stock is computed by dividing net earnings (loss) attributable to AEVEX Corp. by the weighted average number of Class A common shares outstanding during the period. The weighted average number of shares underlying the basic earnings (loss) per share calculation reflects only the shares of Class A common stock outstanding after the Organizational Transactions, as they are the only outstanding shares which participate in distributions or dividends by AEVEX Corp. Shares of Class B common stock are not participating securities and therefore are not included in the calculation of basic earnings (loss) per share. Diluted earnings (loss) per share is computed by dividing net earnings (loss) attributable to AEVEX Corp. by the weighted-average shares outstanding during the period after adjusting for the impact of securities that would have a dilutive effect on earnings (loss) per share.

Earnings (loss) per share is presented for the period from after the Organizational Transactions, April 17, 2026, to June 30, 2026. Prior to the Organizational Transactions, Holdings LLC's ownership structure was comprised of Class A units. The Organizational Transactions were akin to the repurchase of equity interests through the issuance of new equity interests, and AEVEX Corp.'s current capital structure is not reflective of the capital structure of Holdings LLC prior to the Organizational Transactions. Further, all earnings and losses prior to the Organizational Transactions were entirely allocable to the redeemable noncontrolling interests. Therefore, earnings (loss) per share has not been presented for the periods prior to the Organizational Transactions.

Fair Value Measurements

ASC 820, Fair Value Measurements, requires entities to disclose the fair value of financial instruments, both assets and liabilities recognized and not recognized on the balance sheet, for which it is practicable to estimate fair value. Fair value is defined as the exchange price that would be received for an asset or paid to transfer a liability (an exit price) in the principal or most advantageous market for the asset or liability in an orderly transaction between market participants on the measurement date. The framework for measuring fair value provides a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1 measurements) and the lowest priority to unobservable inputs (Level 3 measurements).

Level 1: Quoted prices in active markets for identical assets or liabilities which are easily traded;

Level 2: Observable inputs other than Level 1 prices, such as quoted prices for similar assets or liabilities; quoted prices in markets that are not active; or other inputs that are observable or can be corroborated by observable market data for substantially the full term of the assets or liabilities; and

Level 3: Unobservable inputs that are supported by little or no active market quotes and that are significant to the fair value of the assets or liabilities.

The fair value measurement of an asset or liability within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement. Valuation techniques used maximize the use of observable inputs and minimize the use of unobservable inputs.

The Company's consolidated financial instruments include cash, accounts receivable, accounts payable, and certain accrued expenses and other current liabilities. The fair value of accounts receivable, accounts payable, and accrued expenses and other current liabilities approximate their carrying value because of their short-term nature. The estimated fair value of the Term Loans (discussed in Note 5, Debt) is classified in Level 2 of the fair value hierarchy and approximates their carrying value as interest incurred is variable based on market rates.

During the three months ended March 31, 2026 and the year ended December 31, 2025, the Company issued 15,342 and 100,000 Series A preferred units, respectively, with conversion features that represented an embedded derivative that was accounted for separately from the Series A preferred units and remeasured at fair value at each reporting date, with the changes in fair value recorded through earnings. In connection with the Organizational Transactions and IPO, the 115,342 of Series A preferred units outstanding were, in accordance with their terms, converted into 7,208,876 shares of the Company's Class A common stock at a conversion price based on 80% of the IPO price. The derivative liability was recorded at its estimated fair value at issuance, as of March 31, 2026 and December 31, 2025, and immediately prior to conversion and derecognition during the three months ended June 30, 2026 using a third-party valuation specialist and a probability-weighted expected return method ("PWERM") using the "With and Without" approach (a form of an income approach). Under this approach management considered the various conversion scenarios that constitute the embedded derivative. The estimated fair value of the derivative liability was measured using Level 3 inputs which resulted in the liability being considered a Level 3 financial instrument. The significant unobservable inputs included: the estimated future cash flows of the Company, estimated WACC, estimated scenario probability and timing, and expected stock price volatility.

During the three and six months ended June 30, 2026, the derivative liability was adjusted as follows (in thousands):

		Derivative Liability
Balance at December 31, 2025	$	19,999
Issuance of Series A preferred units		3,142
Change in fair value of derivative liability		2,400
Balance at March 31, 2026		25,541
Change in fair value of derivative liability		3,295
Derecognition		(28,836)
Balance at June 30, 2026	$	—

Concentrations

Significant customers are those which represent more than 10 percent of the Company's total revenue or gross accounts receivable balance. Revenue from the U.S. Government and agencies of the U.S. Government, when they are direct customers of the Company, represented 83% and 74% of total revenue for the three months ended June 30, 2026 and 2025, respectively, and 86% and 72% of total revenue for the six months ended June 30, 2026 and 2025, respectively. Revenue from the U.S. Government and agencies of the U.S. Government is included in the Company's Tactical Systems segment and the Global Solutions segment. Accounts receivable from customer A represented 67% of consolidated accounts receivable as of June 30, 2026 and December 31, 2025.

JOBS Act Accounting Election

The Company is an emerging growth company, as defined in the Jumpstart Our Business Startups ("JOBS") Act of 2012. The JOBS Act provides that an emerging growth company can take advantage of an extended transition period for complying with new or revised accounting standards. This provision allows an emerging growth company to delay the adoption of some accounting standards until those standards would otherwise apply to private companies. The Company has elected to use the extended transition period under the JOBS Act for the adoption of certain accounting standards until the earlier of the date the Company (i) is no longer an emerging growth company or (ii) affirmatively and irrevocably opts out of the extended transition period provided in the JOBS Act. As a result, the consolidated financial statements of the Company may not be comparable to companies that comply with new or revised accounting pronouncements as of public company effective dates.

New Accounting Pronouncements - Adopted

In July 2025, the FASB issued Accounting Standards Update ("ASU") No. 2025-05, Financial Instruments-Credit Losses (Topic 326): Measurement of Credit Losses for Accounts Receivable and Contract Assets ("ASU 2025-05"), which provides a practical expedient to measure credit losses on current accounts receivable and current contract assets under Accounting Standards Codification 606, *Revenue from Contracts with Customers*. The practical expedient assumes that current conditions as of the balance sheet date do not change for the remaining life of the asset. For public business entities, ASU 2025-05 is effective for annual reporting periods beginning after December 15, 2025, and interim reporting periods within those annual reporting periods. Effective January 1, 2026, the Company adopted ASU 2025-05 regarding the practical expedient for expected credit loss and the adoption did not have a material impact on the Company's condensed consolidated financial statements.

New Accounting Pronouncements - Not Yet Adopted

In November 2024, the FASB issued ASU 2024-03, Income Statement (Topic 220): Disaggregation of Income Statement Expenses, which requires additional disclosures of certain amounts included in the expense captions presented on the consolidated statement of operations as well as disclosures about selling expenses. The ASU is effective on a prospective basis, with the option for retrospective application, for annual periods beginning after December 15, 2026, and interim reporting periods beginning after December 15, 2027, and early adoption is permitted. The Company is currently evaluating the impacts of adopting this guidance on its consolidated financial statement disclosures.

In September 2025, the FASB issued ASU 2025-06—Intangibles—Goodwill and Other—Internal-Use Software (Subtopic 350-40): Targeted Improvements to the Accounting for Internal-Use Software ("ASU 2025-06"). ASU 2025-06 simplifies capitalization guidance by removing all references to software development project stages so that the guidance is neutral to different software development methods. The amendment requires entities to start capitalizing software costs when both of the following occur: 1) management has authorized and committed to funding the software project and 2) it is probable that the project will be completed and the software will be used to perform the function intended. This guidance is effective for all entities for fiscal years beginning after December 15, 2027, and for interim periods within those fiscal years. Companies are permitted to apply the amendments using a prospective, retrospective, or modified transition approach. Early adoption is permitted. The Company is currently evaluating this guidance and the impact on its consolidated financial statements and related disclosures.

NOTE 3. REVENUE

On a quarterly basis, the Company conducts its contract cost Estimate at Completion ("EAC") process by reviewing the progress and execution of outstanding performance obligations within its contracts. As part of this process, management reviews information including, but not limited to, any outstanding key contract matters, progress towards completion and the related program schedule, identified risks and opportunities, and the related changes in estimates of revenues and costs.

The table below summarizes the favorable (unfavorable) impact of changes in the estimated progress towards completion across programs for the three and six months ended June 30, 2026 and 2025 (in thousands, except per share amounts):

	Three Months Ended June 30,		Six Months Ended June 30,	
	2026	2025	2026	2025
Revenue	$ (4,488)	$ 385	$ (2,115)	$ 231
Net loss attributable to AEVEX Corp.[1]	(1,297)	—	(1,297)	—
Basic net loss per Class A share[1]	(0.02)	—	(0.02)	—
Diluted net loss per Class A share[1]	(0.02)	—	(0.02)	—

(1) Represents net loss per share of Class A common stock and weighted average shares of Class A common stock outstanding for the period following the Organizational Transactions. Earnings (loss) per share is presented for the period from after the Organizational Transactions, April 17, 2026, to June 30, 2026. All earnings and losses prior to the Organizational Transactions were entirely allocable to the redeemable noncontrolling interests. Refer to Note 13, Earnings per Share, for additional details.

When estimates of total costs to be incurred on a contract exceed total estimates of the transaction price, a provision for the entire loss is determined at the contract level and is recorded in the period in which the loss is evident, which the Company refers to as a loss contract reserve. As of June 30, 2026 and December 31, 2025, the loss contract reserve balance was approximately $0 and $0.1 million, respectively, which are included in accrued expenses and other current liabilities in the condensed consolidated balance sheets.

Accounts Receivable

During the three and six months ended June 30, 2026 and 2025, the Company did not recognize any credit loss expense, and no receivables were written off.

Accounts receivable consisted of the following as of June 30, 2026 and December 31, 2025 (in thousands):

	June 30, 2026	December 31, 2025
Billed accounts receivable	$ 30,057	$ 17,911
Unbilled accounts receivable	38,993	37,304
Less: allowance for credit losses	—	—
Total accounts receivable, net	$ 69,050	$ 55,215

Contract Assets and Liabilities

Changes in contract assets and contract liabilities were primarily due to the timing of payments from customers and the Company satisfying performance obligations during the normal course of business. Revenue recognized during the three and six months ended June 30, 2026 that was included in deferred revenue as of December 31, 2025 was $1.2 million and $3.5 million, respectively. Revenue recognized during the three and six months ended June 30, 2025 that was included in deferred revenue as of December 31, 2024 was $0.7 million and $1.8 million, respectively.

Disaggregation of Revenue

The following table presents the disaggregation of revenue from contracts with customers by customer location for the three and six months ended June 30, 2026 and 2025 (in thousands):

	Three Months Ended June 30,		Six Months Ended June 30,	
	2026	2025	2026	2025
United States	$ 198,577	$ 96,456	$ 413,883	$ 148,935
Other foreign countries	3,214	4,678	4,601	5,457
Total revenue	$ 201,791	$ 101,134	$ 418,484	$ 154,392

Please refer to the condensed consolidated statements of operations for the disaggregation of revenue by products versus services and to Note 14, Segment Information, for disaggregation of revenue by reportable segment.

Performance Obligations

As of June 30, 2026, the Company had $259.8 million of remaining performance obligations. The Company expects to recognize approximately 95.1% of the remaining performance obligations as revenue during the next 12 months and 4.9% thereafter.

NOTE 4. INVENTORIES

Inventories consisted of the following as of June 30, 2026 and December 31, 2025 (in thousands):

	June 30, 2026	December 31, 2025
Parts and raw materials	$ 3,428	$ 2,224
Work in progress	9,240	1,910
Total inventories	$ 12,668	$ 4,134

NOTE 5. DEBT

The Company had the following debt outstanding as of June 30, 2026 and December 31, 2025 (in thousands):

	June 30, 2026	December 31, 2025
Term Loans	$ 100,000	$ 259,135
Revolving Credit Facility	—	—
Less: unamortized debt issuance costs	(893)	(635)
Total debt	99,107	258,500
Less: current portion of long-term debt	(2,500)	(2,720)
Total long-term debt, net of current portion	$ 96,607	$ 255,780

New Credit Facilities

On April 20, 2026, subsidiaries of the Company refinanced the Prior Credit Facilities and entered into the New Credit Facilities with the lenders and Bank of America, N.A., as the administrative agent, collateral agent, an issuing bank and a swing line lender. The New Credit Agreement provides for facilities in an aggregate principal amount of $375.0 million, consisting of (i) a senior secured Term Loan Facility with an aggregate principal amount of $100.0 million, (ii) a senior secured Delayed Draw Term Loan Facility with an aggregate principal amount of $75.0 million and (iii) a senior secured Revolving Credit Facility with an aggregate principal amount of $200.0 million, which includes a sublimit for the issuance of letters of credit in an amount up to $40.0 million and a sublimit for swing line loans in an amount up to $30.0 million. As of the closing of the Company's IPO and as of June 30, 2026, the aggregate principal amount borrowed under the New Credit Facilities was $100.0 million from the Term Loan Facility. The New Revolving Credit Facility was undrawn at the closing of the IPO and as of June 30, 2026, and the Delayed Draw Term Loan Facility was not borrowed at the closing of the IPO and as of June 30, 2026.

The New Credit Agreement is guaranteed by certain of the Borrower's wholly-owned domestic subsidiaries and secured by substantially all of the Borrower's assets and the assets of certain of the Borrower's subsidiaries, in each case, subject to customary exceptions.

The New Credit Agreement contains certain affirmative and negative covenants, including, among other things, restrictions on indebtedness, liens on assets, fundamental changes and asset sales, investments, negative pledges, repurchase of stock, dividends and other distributions, and transactions with affiliates. In addition, the New Credit Agreement contains financial covenants that require the Loan Parties (as defined in the New Credit Agreement) to comply with the following financial covenants (subject to certain equity cure rights):

- Commencing with the fiscal quarter ending September 30, 2026, maintain a maximum total net leverage ratio not to exceed 3.50 to 1.00 (provided that (a) after June 30, 2029, the total net leverage ratio shall not exceed 3.00 to 1.00 for any test period and (b) the maximum total net leverage ratio shall temporarily increase by 0.50 during the four fiscal quarters following the consummation of a material acquisition), in each case, tested as of the last day of each fiscal quarter; and

- Commencing with the fiscal quarter ending September 30, 2026, maintain a minimum interest coverage ratio for any period, of not less than 3.00 to 1.00, tested as of the last day of each fiscal quarter.

As of June 30, 2026, the Company was in compliance with the covenants in the New Credit Agreement.

The New Credit Facilities mature on April 20, 2031. Borrowings under the New Credit Agreement are available, at the Borrower's option, as term SOFR loans or base rate loans. Term SOFR loans under the New Credit Agreement accrue interest at a SOFR rate plus an applicable rate of 2.25% to 3.00% (depending on the secured net leverage ratio of the Borrower and its restricted subsidiaries). Base rate loans under the New Credit Agreement accrue interest at a base rate plus an applicable rate of 1.25% to 2.00% (depending on the secured net leverage ratio of the Borrower and its restricted subsidiaries). The Revolving Credit Facility also has a variable commitment fee, which is tied to the secured net leverage ratio of the Borrower and its restricted subsidiaries, which ranges from 0.25% to 0.50% per annum. Unused commitments made under the Delayed Draw Term Loan Facility have a commitment fee that accrues (i) from April 20, 2026, until October 17, 2026, at a rate of 0.00% per annum and (ii) thereafter, at a rate of 0.50% per annum. The commitment period under the Delayed Draw Term Loan Facility ends on the earlier of (i) April 20, 2028 and (ii) the commitments under the Delayed Draw Term Loan Facility being fully drawn or otherwise terminated under the New Credit Agreement. As of June 30, 2026, the interest rate was 6.37% for the term SOFR loans.

The New Revolving Credit Facility does not amortize. As of June 30, 2026, $200.0 million was available to be borrowed under the New Revolving Credit Facility and the unused letters of credit are $40.0 million. The New Term Loan Facility and the New Delayed Draw Term Loan Facility (to the extent funded) will amortize in equal quarterly installments, commencing with the last day of September 30, 2026, in aggregate annual amounts according to the following amortization schedule:

Payment Dates	**Annual Amortization Amount (percent of principal)**
Year 1	2.5 %
Year 2	2.5 %
Year 3	7.5 %
Year 4	7.5 %
Year 5	10.0 %

Future principal maturities of debt are due as follows (in thousands):

Remainder of year ending December 31, 2026	$	1,250
Year ending December 31, 2027		2,500
Year ending December 31, 2028		5,000
Year ending December 31, 2029		7,500
Year ending December 31, 2030		8,750
Thereafter		75,000
Total debt maturities	$	100,000

The entry into the New Credit Agreement and the termination of the Prior Credit Facilities was accounted for as an extinguishment and the recognition of a $0.9 million loss on extinguishment of debt during the three and six months ended June 30, 2026 that is included in interest expense in the condensed consolidated statements of operations.

Prior Credit Facilities

On March 18, 2020 the Company entered into a Credit Agreement (as amended by Amendment No. 1 to Credit Agreement, dated as of October 28, 2020, Amendment No. 2 to Credit Agreement, dated as of May 7, 2021, Amendment No. 3 to Credit Agreement, dated as of May 15, 2023, Amendment No. 4 to Credit Agreement, dated as of April 30, 2024 and Amendment No. 5 to Credit Agreement, dated as of September 15, 2025, the "Credit Agreement") with a syndicate of lenders, Ankura Trust Company, LLC, as administrative agent and PNC Bank, National Association as revolving agent and collateral agent.

The Credit Agreement provided for a senior secured term loan facility (the "Term Loan") in an original aggregate principal amount of $325.0 million. The Credit Agreement also provided for a super priority senior secured revolving credit facility in an aggregate principal amount of $25.0 million (the "Revolving Credit Facility" and, together with the Term Loan, the "Credit Facilities"). The Revolving Credit Facility included a $5.0 million sublimit for the issuance of letters of credit. The borrowings were guaranteed and secured by substantially all assets of the Company and its subsidiaries.

The Term Loans bore interest at a rate equal to (i) 5.00% plus the base rate equal to the highest of (w) the prime rate, (x) the Federal funds open rate plus 0.50% per annum and (y) a daily Term SOFR rate based on an interest period of one month plus 1.00% per annum or (ii) Term SOFR plus 6.00% per annum subject to a 1.00% Term SOFR floor. The Revolving Credit Facility bore interest at a rate that corresponds to the most recent first lien net leverage ratio calculation. As of December 31, 2025, the interest rate was 9.92% for the Term Loans and 9.75% for the Revolving Credit Facility.

In addition to paying interest on loans outstanding under the Term Loan and the Revolving Credit Facility, the Company was required to pay a commitment fee of 0.50% per annum of unused commitments under the Revolving Credit Facility. The Company was also required to pay customary fronting, issuance, and administrative fees for the issuance of letters of credit. Term Loan principal payments of $0.7 million (0.25% of the aggregate amount borrowed) were due on the last business day of each quarter.

The Company was required to comply with a maximum consolidated first lien net leverage ratio. On September 15, 2025, the Company amended the Credit Agreement to (a) extend the maturity date of the Term Loans and the Revolving Credit Facility from March 18, 2026, to March 18, 2028 and (b) modify the financial covenant to a consolidated first lien net leverage ratio of 9.00x tested quarterly, starting with the quarter ended September 30, 2025. As of December 31, 2025, the Company was in compliance with the covenants in the Credit Agreement.

Loan Authorization Agreement

On October 9, 2025, a wholly owned subsidiary of the Company entered into a Loan Authorization Agreement with the Bank of Montreal from which the Company could from time to time request loans and letters of credit in an aggregate principal amount of $60.0 million. Immediately following the closing of the IPO on April 20, 2026, the Loan Authorization Agreement was terminated effective April 21, 2026.

NOTE 6. LEASES

Lease Executed During the Three Months Ended June 30, 2026

In June 2026, the Company amended a lease entered into in February 2023 for its headquarters in Solana Beach, CA. The modified lease term is for 39 months subsequent to the modified lease commencement date. Undiscounted minimum lease payments related to this facility, which escalate annually over the term of the lease, total $2.5 million.

Lease Executed Subsequent to June 30, 2026

In July 2026, the Company executed a build-to-suit lease agreement for an approximately 83,000-square-foot facility located in Tampa, Florida. Lease commencement occurred upon the Company taking possession of the facility in July 2026. The initial lease term extends 7 years from the commencement date, which is 91 days following possession. The agreement includes two optional five-year renewal periods at market rates in effect at the time of renewal. Total undiscounted minimum lease payments over the initial term are approximately $8.5 million.

The table below reconciles the undiscounted future minimum lease payments under non-cancelable operating leases with terms of more than one year to the total operating liabilities recognized on the consolidated balance sheet at June 30, 2026, which excludes lease payments related to the lease that was executed subsequent to June 30, 2026 (in thousands):

Remainder of year ending December 31, 2026	$	1,979
Year ending December 31, 2027		3,478
Year ending December 31, 2028		2,486
Year ending December 31, 2029		1,336
Year ending December 31, 2030		607
Total future minimum lease payments		9,886
Imputed interest		(897)
Present value of operating lease liabilities	$	8,989

NOTE 7. RELATED PARTIES

Variable Interest Entity

In 2022 the Company entered into an arrangement with a VIE to lease an aircraft, for the purpose of performing specified R&D activities. The VIE is a related party because it is owned by management or members of the Company. The Company concluded that it held an implicit variable interest in the entity through the rental agreement and that it met the requirements for consolidation pursuant to the VIE sub-sections of ASC 810, Consolidation. The Company consolidated the VIE because it is the primary beneficiary, having the power to direct the activities that most significantly affect the VIE's economic performance. Additionally, the Company has the obligation to absorb losses that could be significant to the VIE through implied obligations resulting from the lease arrangement, specifically the indeterminate nature of the lease term, and the nature of the related party relationship. The VIE's principal asset, the aircraft, can only be used to settle the obligations of the VIE.

The original lease term was 1-year with automatic 6-month renewal options thereafter. During 2025, the Company and the VIE agreed that the lease term will expire on March 31, 2026 but will automatically renew for successive 6-month terms, unless either party provides written termination notice. On March 31, 2026, the lease term automatically renewed for a 6-month term. The lease may be terminated by either party at any time, for any reason. The lease does not contain a residual value guarantee and the Company is not obligated to provide any financial support to the VIE other than the lease payments. The Company does not have an equity interest in the VIE. As a result, the noncontrolling interest reported in the Company's consolidated balance sheets represents the net assets of the VIE, and the net income of the VIE is reported in the Company's consolidated statements of operations as being attributable to the noncontrolling interest. Total payments made to the VIE were $0.1 million during the three months ended June 30, 2026 and 2025 and $0.2 million during the six months ended June 30, 2026 and 2025. Total costs related to the lease, which were eliminated in consolidation, were $0.1 million during the three months ended June 30, 2026 and 2025 and $0.2 million during the six months ended June 30, 2026 and 2025. The Company did not make any payments to the VIE that were not a result of the lease arrangement. The VIE made distributions totaling $0.1 million to its members during each of the three months ended June 30, 2026 and 2025, and $0.2 million and $0.1 million during the six months ended June 30, 2026 and 2025, respectively.

As a result of the aircraft becoming available to sell in its present condition in October 2025 and all of the other held for sale criteria having been met, the aircraft was determined to be held for sale for accounting purposes. Accordingly, during October 2025, the Company reclassified the aircraft from property and equipment to asset held for sale in the Company's consolidated balance sheet as of December 31, 2025 and ceased depreciation. No loss was recognized to measure the aircraft at the lower of its carrying value or fair value less costs to sell. The Company's condensed consolidated balance sheets as of June 30, 2026 and December 31, 2025 include the below assets of the VIE.

The VIE did not have any outstanding obligations as of June 30, 2026 or December 31, 2025 (in thousands):

	June 30, 2026	December 31, 2025
Cash and cash equivalents	$ 203	$ 205
Aircraft held for sale, net (net of accumulated depreciation of $928 as of June 30, 2026 and December 31, 2025)	4,376	4,376
Total assets	$ 4,579	$ 4,581

Depreciation expense related to the aircraft held for sale was $0 and $0.1 million for the three months ended June 30, 2026 and 2025, respectively, and $0 and $0.1 million for the six months ended June 30, 2026 and 2025, respectively.

Related-Party Leases

The Company has certain leases whereby it rents warehouse and hangar space with entities owned by management or members of the Company. These leases range in terms from month-to-month agreements, to having expiration dates through March 2028. Total payments made to these related parties were $0.4 million during the three months ended June 30, 2026 and 2025 and $0.8 million during the six months ended June 30, 2026 and 2025. Total lease cost related to these leases was $0.4 million during the three months ended June 30, 2026 and 2025 and $0.8 million during the six months ended June 30, 2026 and 2025.

The following table presents the ROU assets and lease liabilities recognized as of June 30, 2026 and December 31, 2025 related to these leases with related parties (in thousands):

	June 30, 2026	December 31, 2025
Operating lease ROU assets	$ 1,662	$ 2,188
Operating lease liabilities, current portion	1,002	1,070
Operating lease liabilities, net of current portion	757	1,228

Series A Preferred Units

During the three months ended March 31, 2026, the Company entered into two Unit Purchase Agreements with Radz Capital AEVEX Holdings Inc., pursuant to which the Company issued 15,342 Series A preferred units under the LLC Operating Agreement for aggregate cash proceeds of $15.3 million. The transactions closed during the three months ended March 31, 2026. Mr. Raduenz, Executive Chairman of the Company, is the President of Radz Capital AEVEX Holdings Inc. The $15.3 million fair value at issuance (net of $25 thousand of issuance costs) was allocated between the Series A preferred units and the derivative liability, with the net proceeds first allocated to the derivative at its estimated fair value of $3.1 million and the remainder of $12.2 million was allocated to the Series A preferred units. In connection with the Organizational Transactions and the IPO, the 15,342 of Holdings LLC's Series A preferred units outstanding prior to the Organizational Transactions were, in accordance with their terms, converted into shares of the Company's Class A common stock at a conversion price based on 80% of the IPO price. Refer to Note 12, Mezzanine Equity, for further discussion.

Refer to Note 10, Income Taxes and Tax Receivable Agreement, for discussion of the income tax distributions to the LLC Unitholders, and Note 11, Stockholders' Equity / Members' Equity, for discussion of the Secondary Offering that involved certain direct and indirect members of ATS Investment Holdings, including entities controlled by the Principal Stockholder.

NOTE 8. COMMITMENTS AND CONTINGENCIES

Government Regulation

As a government contractor, the Company is subject to various state and federal laws and regulations, which, among other things, impose limits on interest rate charges and insurance premiums and require licensing and other qualifications.

Litigation

The Company is subject to various claims and legal proceedings. Management believes that any liability that may ultimately result from the resolution of these matters will not have a material effect on the financial condition or results of operations of the Company. Costs associated with the Company's involvement in legal proceedings are expensed as incurred.

Government Rate Filings

At the beginning of each year, the Company files its provisional billing rates with the U.S. Government. The Company uses these rates for billing purposes throughout the fiscal year. Within six months of its fiscal year-end, the Company files an Incurred Cost Proposal ("ICP") with the U.S. Government which details its actual costs and actual rates incurred for that year. The Company will then be notified by the government at some time in the future, which may be up to six years later, that the indirect rates have either been accepted by the government or that the government intends to conduct an incurred cost audit. Both options will eventually result in a final indirect rate letter that the Company must approve and sign off on with the government. Once that process has been completed, the Company will apply those approved rates to contracts that require being closed out (i.e., issuance of a final invoice) which may result in an amount owed to or due from the government. The Company has recorded an estimated rate impact in the accompanying consolidated financial statements. As of June 30, 2026 and December 31, 2025, the estimated rate reserve was $0.1 million, which is recorded in deferred revenue in the condensed consolidated balance sheets.

Contractual Commitments

The Company has certain contractual purchase commitments under agreements with remaining terms in excess of one year that are $1.7 million in the aggregate as of June 30, 2026.

NOTE 9. STOCK COMPENSATION

2026 Omnibus Incentive Plan

On April 16, 2026, and in connection with the IPO, the Company adopted the AEVEX Corp. 2026 Omnibus Incentive Plan (the "Omnibus Plan"). The Omnibus Plan provides for the grant of options, stock appreciation rights, restricted stock, restricted stock units, stock awards, dividend equivalents, other stock-based awards, cash awards, and substitute awards to employees, consultants and non-employee directors, and employees and consultants of the Company's affiliates.

Subject to adjustment in the event of certain transactions or changes of capitalization in accordance with the Omnibus Plan, 11,404,170 shares of Class A common stock (the "Share Reserve") have been reserved for issuance pursuant to awards under the Omnibus Plan. The total number of shares reserved for issuance under the Omnibus Plan will be increased annually on January 1 of each calendar year beginning in 2027 and ending and including January 1, 2036, by the lesser of (i) 3% of the aggregate number of shares of Class A common stock and Class B common stock, in each case, outstanding on December 31 of the immediately preceding calendar year and (ii) the number of shares of Class A common stock as is determined by the Company's Board of Directors.

Restricted Stock Units (RSUs)

Subsequent to the Organizational Transactions and the IPO, the Company granted RSUs under the Omnibus Plan to certain employees and non-employee directors. RSUs represent the right to receive shares of Class A common stock at specified future dates. RSUs are subject to a service-based vesting condition. The service condition for employees is generally satisfied over 3 years, whereby one-third of the RSUs vest on each anniversary of the grant date, subject to continued service through the applicable vesting date. The service condition for non-employee directors is generally satisfied on the day immediately prior to the date of the next annual meeting of shareholders, or, if earlier, the first anniversary of the grant date, subject to continued service through the applicable vesting date. During the three months ended June 30, 2026, the Company granted 728,586 RSUs with a weighted-average grant date fair value of $27.87 per share. As of June 30, 2026, unrecognized compensation cost related to the RSUs was $19.3 million, which is expected to be recognized over a weighted-average period of 2.8 years. During the three and six months ended June 30, 2026, the Company recognized approximately $1.0 million of stock compensation expense related to the RSUs.

Performance-Based Restricted Stock Units (PSUs)

Subsequent to the Organizational Transactions and the IPO, the Company granted PSUs under the Omnibus Plan to certain employees. PSUs represent the right to receive shares of Class A common stock at specified future dates. PSUs are subject to a service-based vesting condition and performance conditions. The service condition is generally satisfied via continued service through the first quarter of 2029. The performance conditions are consolidated revenue and adjusted EBITDA targets for each of 2026, 2027 and 2028, as determined by the Board of Directors on an annual basis. The number of PSUs eligible to vest range from 50% to 200% of the number of PSUs granted, which is determined by whether the specified minimum, target or maximum revenue or adjusted EBITDA thresholds for each performance year are achieved. During the three months ended June 30, 2026, the Company granted 805,644 PSUs with a weighted-average grant date fair value of $27.79 per share. One-third of these PSUs will not be granted for accounting purposes (i.e., expense recognition) until the first quarter of 2027 when specified minimum, target and maximum revenue and adjusted EBITDA thresholds for 2027 have been determined by the Board of Directors, and one-third of these PSUs will not be granted for accounting purposes (i.e., expense recognition) until the first quarter of 2028 when specified minimum, target and maximum revenue and adjusted EBITDA thresholds for 2028 have been determined by the Board of Directors. As of June 30, 2026, unrecognized compensation cost related to the PSUs was $14.2 million, which is expected to be recognized over a weighted-average period of 2.6 years. During the three and six months ended June 30, 2026, the Company recognized approximately $0.7 million of stock compensation expense related to the PSUs.

NOTE 10. INCOME TAXES AND TAX RECEIVABLE AGREEMENT

The Company's sole material asset is its interest in Holdings LLC. Following the Organizational Transactions, the Company's allocable share of taxable income generated by Holdings LLC is subject to U.S. federal, state and local income taxes. A significant portion of the income allocated to the noncontrolling interests is not subject to U.S. federal and state income taxes by the Company. As a result, the Company's effective tax rate can differ materially from the statutory rate, depending on the ownership percentage of the noncontrolling interests. Holdings LLC, is structured as a partnership and therefore is generally not subject to U.S. federal income tax, but may be subject to certain U.S. state and local taxes. Income taxes resulting from its operations are the responsibility of its members. However, Holdings LLC has certain wholly owned operating subsidiaries which are regarded corporations, subject to U.S. federal, state, and local taxes.

The provision for income taxes was $2.5 million and $2.5 million for the three and six months ended June 30, 2026, respectively. The Company's effective income tax rate for the three and six months ended June 30, 2026 was 26.8% and 8.1%, respectively. For the three and six months ended June 30, 2026, the Company's effective income tax rate differed from the federal statutory rate of 21% primarily due to the income allocated to the noncontrolling interests not being subject to income taxes, and the consolidated net income (loss) in the Company's consolidated financial statements for periods prior to the Organizational Transactions does not reflect the income tax expense (benefit) the Company would have incurred if it were subject to U.S. federal and state income taxes at an entity level during those periods. The provision for income taxes was $42 thousand and $82 thousand for the three and six months ended June 30, 2025, respectively, which represents income taxes for the Holdings LLC wholly owned operating subsidiaries taxed as C corporations.

As a result of the Organizational Transactions, IPO, and the TRA, during the three months ended June 30, 2026, the Company recognized an initial increase to its deferred tax assets (net of valuation allowance) in the amount of $43.5 million, a corresponding estimated TRA liability of $59.0 million, and a decrease in stockholders' equity of $15.5 million. As a result of the Secondary Offering, during the three months ended June 30, 2026, the Company recognized an additional initial increase to its deferred tax assets (net of valuation allowance) in the amount of $42.5 million, a corresponding increase in the estimated TRA liability of $36.9 million, and an increase in stockholders' equity of $5.6 million. The deferred tax assets are due to the tax effects of temporary differences in the book basis as compared to the tax basis of AEVEX Corp.'s interest in Holdings LLC, as well as expected future tax deductions as a result of estimated payments under the TRA.

Under the terms of the LLC Operating Agreement and the TRA, Holdings LLC is obligated to make income tax distributions to the LLC Unitholders. During the six months ended June 30, 2026 and 2025, income tax distributions to the LLC Unitholders were $3.0 million and $0, respectively.

NOTE 11. STOCKHOLDERS' EQUITY / MEMBERS' EQUITY

Stockholders' Equity

Amendment and Restatement of Certificate of Incorporation

In connection with the Organizational Transactions, the Company amended and restated its certificate of incorporation to, among other things, provide for the authorization of (i) 1,000,000,000 shares of Class A common stock with a par value of $0.0001 per share, (ii) 200,000,000 shares of Class B common stock with a par value of $0.0001 per share, and (iii) 50,000,000 shares of preferred stock with a par value per share that may be established by the Board of Directors in the applicable certificate of designations.

Holders of shares of the Company's Class A common stock and holders of shares of the Company's Class B common stock are entitled to one vote per each share on all matters submitted to a vote of stockholders. Holders of the Company's Class A common stock and holders of the Company's Class B common stock do not have cumulative voting rights in the election of directors. Holders of shares of the Company's Class A common stock vote together with holders of the Company's Class B common stock as a single class on all matters presented to the stockholders for their vote or approval, except for certain amendments to the Company's certificate of incorporation or as otherwise required by applicable law or the certificate.

Holders of shares of the Company's Class A common stock are entitled to receive dividends when and if declared by the Board of Directors. Holders of the Company's Class B common stock do not have any right to receive dividends or to receive a distribution upon dissolution or liquidation or the sale of all or substantially all of the Company's assets.

The Company's amended and restated certificate of incorporation and the LLC Operating Agreement require that (1) the Company at all times maintain a ratio of one Series A unit of Holdings LLC owned by the Company for each share of Class A common stock issued by the Company (subject to certain exceptions for treasury shares and shares underlying certain convertible or exchangeable securities), and (2) Holdings LLC at all times maintain (i) a one-to-one ratio between the number of shares of Class A common stock issued by the Company and the number of Series A units owned by the Company and (ii) a one-to-one ratio between the number of shares of Class B common stock issued and outstanding and the number of Series B units owned by ATS Investment Holdings and their permitted transferees, collectively.

As of June 30, 2026, the Company has no shares of preferred stock outstanding.

Exchange Rights of LLC Unitholder

In accordance with the Exchange Agreement, ATS Investment Holdings (or certain permitted transferees thereof) is entitled to exchange its Series B units for shares of the Company's Class A common stock on a one-for-one basis or, at the Company's election, for cash, from a substantially concurrent public offering or private sale (based on the price of the Company's Class A common stock in such public offering or private sale). Simultaneously with the payment of cash or the issuance of shares of Class A common stock, as applicable, in connection with an exchange of Series B units pursuant to the terms of the Exchange Agreement, a number of shares of the Company's Class B common stock registered in the name of ATS Investment Holdings will automatically be transferred to us and will be cancelled for no consideration on a one-for-one basis with the number of Series B units exchanged.

Organizational Transactions and IPO

The following is a summary of the equity transactions consummated in connection with the recapitalization of Holdings LLC and the issuance by the Company of shares of its Class A and Class B common stock:

- 88,432,824 Holdings LLC Class A units were replaced on a one-for-one basis with 25,135,300 Series A units and 63,297,524 Series B units;
- certain LLC Unitholders contributed their 25,135,300 Series A units to the Company in exchange for 25,135,300 shares of Class A common stock;
- the Company issued 63,297,524 shares of Class B common stock to ATS Investment Holdings, on a one-to-one basis with the number of Series B units it owned, for $1.0 million;
- all Series A preferred units converted into 7,208,876 shares of Class A common stock at a conversion price based on 80% of the IPO price (and 7,208,876 Series A units were issued to a wholly-owned subsidiary of AEVEX Corp.);

- the Company issued 18,400,000 shares of its Class A common stock in its IPO; and
- the Company used the net proceeds from the IPO to acquire 18,400,000 newly-issued Series A units in Holdings LLC.

Secondary Offering

On June 5, 2026, the Company completed the Secondary Offering of 8,000,000 shares of the Company's Class A common stock, of which 5,726,157 shares were offered by the Company and 2,273,843 shares were offered by the selling securityholders. The Company used the net proceeds from the Secondary Offering to purchase 5,726,157 Series B units, together with an equivalent number of shares of Class B common stock from certain direct and indirect members of ATS Investment Holdings, including entities controlled by the Principal Stockholder. The Company did not receive any proceeds from the sale of the shares of Class A common stock offered by the selling securityholders. The Secondary Offering did not increase the Company's total shares outstanding and did not lead to shareholder dilution.

Members' Equity

During February 2026, the Company reached an agreement with a former employee to: (i) pay approximately $1.1 million for the repurchase of vested Incentive Units pursuant to the terms of the Incentive Equity Agreement, which permitted the Company to repurchase such units within 12 months of an employee's termination date, and (ii) pay approximately $1.0 million for the employee's Class A units. The $1.0 million was paid in February 2026 and recognized as a reduction of members' equity. The $1.1 million is due to be paid by October 31, 2026 and was recognized in selling, general and administrative expense in the accompanying condensed consolidated statement of operations for the six months ended June 30, 2026 and in accrued expenses and other current liabilities in the accompanying condensed consolidated balance sheets as of June 30, 2026.

NOTE 12. MEZZANINE EQUITY

Redeemable Noncontrolling Interests

As of June 30, 2026, AEVEX Corp. held 56,470,333 Series A units representing a 49.5% economic interest in Holdings LLC and ATS Investment Holdings held 57,571,367 Series B units representing a 50.5% economic interest in Holdings LLC.

Series A Preferred Units

In December 2025, the Company entered into a Unit Purchase Agreement with two investors pursuant to which the Company issued 100,000 Series A preferred units for aggregate cash proceeds of $100.0 million. The transaction closed in December 2025.

Under the Limited Liability Agreement of Holdings LLC prior to the Organizational Transactions, the Series A preferred units accrued a preferred return at a rate of 5.0% per annum through June 4, 2027, compounding annually. The preferred return was added to each holder's Series A preferred capital and included in the unreturned Series A preferred capital balance. Holders of Series A preferred units had a liquidation and dividend preference over all other unitholders, until they received all accrued returns and return of the initial capital.

The Series A preferred units also provided holders with certain conversion rights. Upon the occurrence of a liquidity event, which includes a qualified public offering, the Series A preferred investors could elect to convert all outstanding Series A preferred units into Class A units at a conversion price determined by reference to 80% of the fair market value of a Class A unit. In a liquidity event, the Series A preferred unitholders were not eligible to receive the preferred return, and the conversion shares were calculated by dividing any unreturned capital contributions by 80% of the initial public offering price. The right to convert upon various liquidity events, including a qualified public offering, represents an embedded derivative required to be accounted for separately from the Series A preferred units and remeasured at fair value at each reporting date, with the changes in fair value recorded through earnings.

Beginning on the fifth anniversary of issuance, the Series A preferred investors could have required the Company to redeem all outstanding Series A preferred units for cash at their liquidation value, subject to applicable legal and contractual restrictions (the “Investor Put Right”). The Series A preferred units were classified as mezzanine equity in the consolidated balance sheets because they were redeemable at the option of the holders, pursuant to the Investor Put Right. The $100.0 million fair value at issuance (net of $80 thousand of issuance costs) was allocated between the Series A preferred units and the derivative liability, with the net proceeds first allocated to the derivative at its estimated fair value of $20.0 million and the remainder of $79.9 million allocated to the Series A preferred units. As of December 31, 2025, the Company increased the carrying value of the Series A preferred units to $80.4 million, which represented their maximum redemption value ($1,000 per unit, plus the preferred return of $0.4 million for the year ended December 31, 2025), less the estimated initial fair value of the derivative liability.

During the three months ended March 31, 2026, the Company entered into two Unit Purchase Agreements with Radz Capital AEVEX Holdings Inc., pursuant to which the Company issued 15,342 Series A preferred units under the LLC Agreement for aggregate cash proceeds of $15.3 million. The transactions closed during the three months ended March 31, 2026. Mr. Raduenz, Executive Chairman of the Company, is the President of Radz Capital AEVEX Holdings Inc. The $15.3 million fair value at issuance (net of $25 thousand of issuance costs) was allocated between the Series A preferred units and the derivative liability, with the net proceeds first allocated to the derivative at its estimated fair value of $3.1 million and the remainder of $12.2 million allocated to the Series A preferred units.

As of March 31, 2026, the Company increased the carrying value of the 115,342 Series A preferred units to $93.9 million, which represents their maximum redemption value ($1,000 per unit, plus the preferred return of $1.7 million since issuance), less the estimated initial fair value of the derivative liability. During the three months ended March 31, 2026, the Company recognized preferred units accretion of $1.4 million as an increase in the carrying value of the Series A preferred units and a decrease in members’ equity. During the three months ended March 31, 2026, the Company recognized a $2.4 million increase in the estimated fair value of the derivative liability in the condensed consolidated statement of operations.

In connection with the Organizational Transactions and the IPO, the 115,342 of Holdings LLC’s Series A preferred units outstanding prior to the Organizational Transactions were, in accordance with their terms, converted into 7,208,876 shares of the Company’s Class A common stock at a conversion price based on 80% of the IPO price. As a result, as of April 16, 2026, the Company increased the carrying value of the 115,342 Series A preferred units to $94.2 million, which represents their maximum redemption value ($1,000 per unit, plus the preferred return of $2.0 million since issuance), less the estimated initial fair value of the derivative liability. During the three and six months ended June 30, 2026, the Company recognized preferred units accretion of $0.3 million and $1.6 million, respectively, as an increase in the carrying value of the Series A preferred units and a decrease in members’ equity. During the three and six months ended June 30, 2026, the Company recognized a $3.3 million and $5.7 million increase in the estimated fair value of the derivative liability in the condensed consolidated statement of operations. Upon conversion, the Series A preferred units and the related derivative liability were reclassified to stockholders’ equity.

During the three and six months ended June 30, 2026, the carrying value of the Series A preferred units was adjusted as follows (in thousands):

		Series A preferred units
Balance at December 31, 2025	$	80,371
Issuance of Series A preferred units		15,317
Derivative liability at issuance		(3,142)
Series A preferred units accretion		1,362
Balance at March 31, 2026		93,908
Series A preferred units accretion		254
Derecognition		(94,162)
Balance at June 30, 2026	$	—

NOTE 13. EARNINGS PER SHARE

The following table sets forth the reconciliation of the numerator and denominator used to compute basic and diluted net income per share of Class A common stock for the period following the Organizational Transactions (in thousands, except share and per share amounts):

	Period from April 17, 2026 to June 30, 2026	
Numerator		
Net income	$	4,956
Less: Net income attributable to the noncontrolling interest		(63)
Less: Net income attributable to the redeemable noncontrolling interests		(4,290)
Net income attributable to AEVEX Corp. - basic		603
Add: Net income attributable to the redeemable noncontrolling interests		—
Net income attributable to AEVEX Corp. - diluted	$	603
Denominator		
Weighted-average Class A shares outstanding - basic		52,805,593
Dilutive effects of:		
Unvested RSUs		—
Unvested PSUs		—
Series B units exchangeable for Class A common stock		—
Weighted-average Class A shares outstanding - diluted		52,805,593
Earnings per share of Class A common stock - basic	$	0.01
Earnings per share of Class A common stock - diluted	$	0.01

Series B units, together with an equal number of shares of Class B common stock, may be exchanged, at the Company's option, for shares of its Class A common stock or for cash. After evaluating the potential dilutive effect under the if-converted method, the assumed exchange of all outstanding Series B Units for shares of the Company's Class A common stock was determined to be antidilutive and thus were excluded from the computation of diluted earnings per share. After evaluating the potential dilutive effect under the treasury stock method, the unvested RSUs of 728,586 were determined to be antidilutive and thus were excluded from the computation of diluted earnings per share. In addition, the Company excluded from the computation of diluted earnings per share 268,543 PSUs because the performance contingency has not been met as of the end of the period, and 537,101 PSUs because they are not considered granted for accounting purposes.

NOTE 14. SEGMENT INFORMATION

The Company's chief operating decision making officer ("CODM") is the Company's Chief Executive Officer. Consistent with how the Company evaluates its performance and the way it is organized internally, the Company reports its activities in two segments: i) Tactical Systems, and ii) Global Solutions. The segment information presented below conforms with these two reportable segments, which are organized based on the nature of the Company's products and services offered.

The CODM uses revenue and Segment Adjusted EBITDA to assess segment performance, to make decisions regarding the allocation of capital and other investments, and to monitor budget versus actual results. The CODM considers budget-to-actual variances on a quarterly basis for both revenue and Segment Adjusted EBITDA when making decisions about allocating capital and personnel to the segments and when assessing performance of the segments. Total segment expenses in the aggregate are regularly reported to the CODM and are comprised of cost of revenue, selling, general and administrative expenses, and R&D expenses, excluding depreciation expense. The CODM does not regularly review assets by segment. Therefore, the Company does not disclose assets by segment.

The Company defines Segment Adjusted EBITDA as net income (loss) before certain unallocated Corporate expenses, interest income and expense, income tax expense (benefit), depreciation and amortization expense, other income (expense), changes in the fair value of contingent consideration liabilities and derivative liabilities, noncash stock compensation expense, offering costs related to the IPO or Secondary Offering, asset impairments, business acquisition costs, restructuring costs, and gains or losses on debt extinguishments, as well as certain non-recurring items.

Financial information for each reportable segment is as follows for the three and six months ended June 30, 2026:

	Three Months Ended June 30, 2026			Six Months Ended June 30, 2026		
	Tactical Systems	Global Solutions	Total Segments	Tactical Systems	Global Solutions	Total Segments
Total segment revenue	$ 174,220	$ 27,571	$ 201,791	$ 365,017	$ 53,467	$ 418,484
Total segment expenses	144,658	23,668	168,326	296,934	45,363	342,297
Segment Adjusted EBITDA	$ 29,562	$ 3,903	33,465	$ 68,083	$ 8,104	76,187
Less unallocated amounts:						
Corporate[(1)]			(5,317)			(11,632)
Interest expense			(3,977)			(10,521)
Interest income			1,106			1,212
Depreciation and amortization			(5,478)			(10,787)
Other (expense) income, net			(57)			156
Change in fair value of derivative liability			(3,295)			(5,695)
Noncash stock compensation			(1,731)			(1,731)
IPO related costs			—			(1,475)
Secondary Offering related costs			(2,967)			(2,967)
Business acquisition costs			(2,268)			(2,268)
Other[(2)]			(333)			(333)
Income before income taxes			$ 9,148			$ 30,146

(1) Corporate primarily consists of costs related to executive and staff functions, including the Chief Executive Officer, the Chief Operating Officer, Information Technology, Human Resources, Legal, Finance, Business Development, Corporate Development, and Administration, which benefit the enterprise as a whole.
(2) Other primarily includes $0.3 million of process improvement costs for the three and six months ended June 30, 2026.

Financial information for each reportable segment is as follows for the three and six months ended June 30, 2025:

	Three Months Ended June 30, 2025			Six Months Ended June 30, 2025		
	Tactical Systems	Global Solutions	Total Segments	Tactical Systems	Global Solutions	Total Segments
Total segment revenue	$ 72,100	$ 29,034	$ 101,134	$ 101,551	$ 52,841	$ 154,392
Total segment expenses	69,161	26,881	96,042	108,479	52,791	161,270
Segment Adjusted EBITDA	$ 2,939	$ 2,153	5,092	$ (6,928)	$ 50	(6,878)
Less unallocated amounts:						
Corporate[(1)]			(1,464)			(2,854)
Interest expense			(8,378)			(15,557)
Interest income			130			344
Change in contingent consideration			(1,214)			(2,435)
Depreciation and amortization			(5,498)			(10,671)
Other[(2)]			(456)			(1,019)
Loss before income taxes			$ (11,788)			$ (39,070)

(1) Corporate primarily consists of costs related to executive and staff functions, including the Chief Executive Officer, the Chief Operating Officer, Information Technology, Human Resources, Legal, Finance, Business Development, Corporate Development, and Administration, which benefit the enterprise as a whole.
(2) Other primarily includes $0.4 million and $0.9 million of legal expenses related to the non-recurring Viking legal settlement for the three and six months ended June 30, 2025, respectively.

Substantially all of the Company's long-lived tangible assets were in the United States as of June 30, 2026 and December 31, 2025.

NOTE 15. SUBSEQUENT EVENTS
Proposed Acquisition of BlackSea Technologies

On August 12, 2026, the Company entered into an Agreement and Plan of Reorganization with Maritime Applied Physics Corporation ("BlackSea Technologies"), Black Sea Technologies, LLC (the "Seller"), and certain other parties, pursuant to which the Company will acquire BlackSea Technologies (the "Transaction").

The consideration payable at closing is based on a total enterprise value of $600.0 million, subject to customary adjustments for estimated net working capital, cash, indebtedness and transaction expenses (the "Closing Merger Consideration"), and to a post-closing adjustment of up to $5.0 million, which will be held in escrow. The Closing Merger Consideration will be paid to the Seller in (i) 12,727,273 shares of the Company's Class A common stock (the "Company Shares"), having an agreed value at closing of $350.0 million, and (ii) cash equal to the Closing Merger Consideration less the escrow deposit and less such agreed stock value.

The share count will be proportionately reduced (based on $27.50 per share) if the "Deemed Stock Merger Consideration", which is the lesser of (i) $350.0 million and (ii) the net amount of the Closing Merger Consideration and the escrow deposit, is less than $350.0 million, and will be increased, with a corresponding reduction in cash, to the minimum extent necessary to preserve the Transaction intended tax treatment if the shares would otherwise represent less than 40% of the Closing Merger Consideration. In no event will the cumulative number of Company Shares issued in the Transaction exceed 19.99% of the Company's issued and outstanding capital stock (the "Share Cap"), and the Company will not be required to issue any shares that would require stockholder approval under the rules of the New York Stock Exchange.

The Seller may earn additional consideration of $50.0 million (the "Contingent Consideration") if, during the period from the closing date through December 31, 2027, (i) the 30-trading-day volume weighted average price of the Company Shares equals or exceeds $28.00 per share during any 30 consecutive trading days in that period and (ii) BlackSea Technologies generates at least $24.8 million of revenue and $8.9 million of gross profit from specified autonomous vessel U.S. government contracts. If earned, the Contingent Consideration will be paid in additional Company Shares valued at the 30-trading-day volume weighted average price as of December 31, 2027, subject to the Share Cap on a cumulative basis.

Closing is subject to the satisfaction or waiver of customary conditions, including expiration or termination of the applicable waiting period under the Hart-Scott-Rodino Antitrust Improvements Act of 1976, as amended, and receipt of other required antitrust clearances. The Company intends to fund the cash consideration with cash on hand and borrowings under the New Credit Facilities, and closing is not conditioned on financing. The Transaction is expected to close in September 2026.

ITEM 2. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

The following is a discussion and analysis of our financial condition and results of operations as of, and for, the periods presented. You should read the following discussion and analysis of our financial condition and results of operations together with the sections entitled "Forward-Looking Statements" and "Risk Factors" and the unaudited condensed consolidated financial statements and related notes of AEVEX Corp. included in this Quarterly Report on Form 10-Q, as well as the sections entitled "Risk Factors," "Management's Discussion and Analysis of Financial Condition and Results of Operations" and the audited consolidated financial statements and related notes thereto of AEVEX Corp. and Athena Technology Solutions Holdings, LLC ("Holdings LLC") included in our final prospectus, dated April 16, 2026, filed with the SEC pursuant to Rule 424(b) under the Securities Act of 1933 (the "IPO Prospectus") in connection with our initial public offering ("IPO").

This discussion and analysis contains forward-looking statements, including statements regarding our expectations for the future of our business and our liquidity and capital resources as well as other non-historical statements. These statements are based upon our current plans, expectations, and beliefs, and are subject to numerous risks and uncertainties, including but not limited to the risks and uncertainties described in "Forward-Looking Statements" and in the "Risk Factors" sections of our most recent filings with the Securities and Exchange Commission. Our actual results may differ materially from those contained in or implied by these forward-looking statements.

Overview

We believe that we are a leading defense technology prime contractor and critical enabler of U.S. UAS dominance strategy missions. We are highly differentiated by our proven track record of securing and successfully executing on critical strategic Programs of Record. Today, we are positioned as a recognized global leader in UxS. Through our advanced autonomous, AI-enabled, and attritable UxS, we play a central role in defining next-generation warfighting capabilities, including key areas such as precision strike launched effects, loitering munitions, and full-scope ISR.

We deliver technology-led products and solutions through two complementary business segments:

- **Tactical Systems**: Designs and manufactures battle-tested, autonomous, modular, and attritable UxS, including UAS and USV, along with other mission critical products. Tactical Systems segment revenue represented approximately 86.3% and 71.3% of our revenue for the three months ended June 30, 2026 and 2025, respectively, and approximately 87.2% and 65.8% of our revenue for the six months ended June 30, 2026 and 2025, respectively.

- **Global Solutions**: Provides bespoke mission solutions, including AI-enabled full-spectrum airborne ISR, C-UAS, additive manufacturing, and specialized mission aircraft engineering, modification, and testing. Global Solutions segment revenue represented approximately 13.7% and 28.7% of our revenue for the three months ended June 30, 2026 and 2025, respectively, and approximately 12.8% and 34.2% of our revenue for the six months ended June 30, 2026 and 2025, respectively.

Recent Developments

Initial Public Offering and Organizational Transactions

On April 20, 2026, the Company consummated its IPO of 18,400,000 shares of its Class A common stock, which includes the exercise in full by the underwriters of their option to purchase an additional 2,400,000 shares of Class A common stock from us. The 18,400,000 shares were issued at a public offering price of $20.00 per share, resulting in net proceeds to the Company of $345.9 million, after deducting underwriting discounts and commissions of $22.1 million. In addition to the underwriting discounts and commissions, the Company incurred $13.8 million of total offering costs, which were recorded in additional paid-in capital during the three months ended June 30, 2026.

In connection with the IPO, the Company completed the Organizational Transactions described under Note 1, Organization, of the Company's condensed consolidated financial statements and related notes included in this Quarterly Report on Form 10-Q. The following is a summary of the equity transactions consummated in connection with the Organizational Transactions and the IPO:

- 88,432,824 Holdings LLC Class A units were replaced on a one-for-on basis with 25,135,300 Series A units and 63,297,524 Series B units;
- certain LLC Unitholders contributed their 25,135,300 Series A units to the Company in exchange for 25,135,300 shares of Class A common stock;
- the Company issued 63,297,524 shares of Class B common stock to ATS Investment Holdings, on a one-to-one basis with the number of Series B units it owned, for $1.0 million;
- all Series A preferred units converted into 7,208,876 shares of Class A common stock at a conversion price based on 80% of the initial public offering price (and 7,208,876 Series A units were issued to a wholly-owned subsidiary of AEVEX Corp.);
- the Company issued 18,400,000 shares of its Class A common stock as a result of the IPO; and
- the Company used the net proceeds from the IPO to acquire 18,400,000 newly-issued Series A units in Holdings LLC.

The Company is a holding company whose sole material asset consists of membership interests in Holdings LLC. The Company is the managing member of Holdings LLC and controls and is responsible for all operational, management and administrative decisions relating to Holdings LLC's business and consolidates the financial results of Holdings LLC and reports redeemable noncontrolling interests in its consolidated financial statements related to the Series B units that ATS Investment Holdings owns in Holdings LLC. The results of operations discussed in this Quarterly Report on Form 10-Q include those of Holdings LLC prior to the completion of the Organizational Transactions and those of AEVEX Corp., including Holdings LLC, following the completion of the Organizational Transactions. As a result, the unaudited condensed consolidated financial data may not represent an accurate indication of what our actual results would have been if the Organizational Transactions and IPO had been completed at the beginning of the periods presented or of what our future results of operations are likely to be.

Secondary Offering

On June 5, 2026, we completed our Secondary Offering of 8,000,000 shares of our Class A common stock, of which 5,726,157 shares were offered by us and 2,273,843 shares were offered by the selling securityholders, in each case at a price to the public of $27.00 per share. We used the net proceeds from this offering to purchase 5,726,157 Series B units, together with an equivalent number of shares of Class B common stock from certain direct and indirect members of ATS Investment Holdings, including entities controlled by the Principal Stockholder. We did not receive proceeds from the sale of the shares of Class A common stock offered by the selling securityholders. The Secondary Offering did not increase the Company's total shares outstanding and did not lead to shareholder dilution.

As of June 30, 2026, after giving effect to the Organizational Transactions, IPO and Secondary Offering, AEVEX Corp. held 56,470,333 Series A units representing a 49.5% economic interest in Holdings LLC and ATS Investment Holdings held 57,571,367 Series B units representing a 50.5% economic interest in Holdings LLC.

Proposed Acquisition of BlackSea Technologies

On August 12, 2026, the Company entered into an Agreement and Plan of Reorganization with Maritime Applied Physics Corporation ("BlackSea Technologies"), Black Sea Technologies, LLC (the "Seller"), and certain other parties, pursuant to which the Company will acquire BlackSea Technologies (the "Transaction").

The consideration payable at closing is based on a total enterprise value of $600.0 million, subject to customary adjustments (the "Closing Merger Consideration"), and to a post-closing adjustment of up to $5.0 million, which will be held in escrow. The Closing Merger Consideration will be paid to the Seller in (i) 12,727,273 shares of the Company's Class A common stock (the "Company Shares"), having an agreed value at closing of $350.0 million, and (ii) cash equal to the Closing Merger Consideration less the escrow deposit and less such agreed stock value. The share count is subject to increase or decrease pursuant to the agreement, provided that in no event will the cumulative number of Company Shares issued in the Transaction exceed 19.99% of the Company's issued and outstanding capital stock (the "Share Cap").

The Seller may earn additional consideration of $50.0 million (the "Contingent Consideration") if, during the period from the closing date through December 31, 2027, (i) the 30-trading-day volume weighted average price of the Company Shares equals or exceeds $28.00 per share during any 30 consecutive trading days in that period and (ii) BlackSea Technologies generates at least $24.75 million of revenue and $8.91 million of gross profit from specified autonomous vessel U.S. government contracts. If earned, the Contingent Consideration will be paid in additional Company Shares.

Closing is subject to the satisfaction or waiver of customary conditions, including expiration or termination of the applicable waiting period under the Hart-Scott-Rodino Antitrust Improvements Act of 1976, as amended, and receipt of other required antitrust clearances. The Company intends to fund the cash consideration with cash on hand and borrowings under the New Credit Facilities, and closing is not conditioned on financing.

See Note 15, “Subsequent Events,” in our unaudited condensed consolidated financial statements and related notes thereto included herein for more information about the Transaction.

Key Factors Affecting Our Performance

Our results have been affected, and are expected to be affected in the future, by a variety of factors. A discussion of key factors that have had, or may have, an effect on our results is set forth below. Information regarding the Company’s risk factors appears under “Risk Factors” in our most recent filings with the Securities and Exchange Commission.

U.S. and Foreign Government Expenditures

U.S. and foreign government expenditures have fueled the growth in our target markets, and we expect the continued availability of U.S. and foreign government expenditures for our customers to help fund purchases of our products and services. However, changes in the volume and relative mix of U.S. and foreign government expenditures, as well as in areas of spending growth, may impact our results of operations. In particular, our results may be affected by shifts in strategies and priorities on defense-related programs. Cost-cutting and efficiency initiatives, current and future budget restrictions, spending cuts and other efforts to reduce government expenditures, as well as shifts in overall priorities, could cause our government customers to reduce or delay funding or invest appropriated funds on a less consistent basis or not at all, and demand for our solutions or services could diminish. Furthermore, any disruption in the functioning of government agencies, including as a result of government closures and shutdowns, could have a negative impact on our operations and cause us to lose revenue or incur additional costs due to, among other things, our inability to maintain access and schedules for government testing or the deployment of our staff to customer locations or facilities as a result of such disruptions.

There is also uncertainty around the timing, extent, nature and effect of Congressional and other U.S. Government actions to address budgetary constraints and caps on the discretionary budget for defense and non-defense departments and agencies. In addition, there is uncertainty around the ability of Congress to determine how to allocate the available budget authority and pass appropriations bills to fund both U.S. Government departments and agencies that are, and those that are not, subject to the caps. Additionally, budget deficits and the growing U.S. national debt may increase pressure on the U.S. Government to reduce federal spending across all federal agencies, with uncertainty about the size and timing of those reductions. Furthermore, delays in the completion of future U.S. Government budgets could delay procurement of the federal government services that we provide. During the six months ended June 30, 2026, we experienced elongated award timelines in certain cases resulting from ongoing conflicts in the Middle East, changes to Department of Defense acquisition personnel and processes, and operational reprioritization. These dynamics may result in delays between opportunity identification and contract award, which could affect the timing of our revenue and backlog growth.

Macroeconomic Pressures

In recent years, geopolitical instability, including wars and conflicts, as well as impacts from other global events and heightened global tensions, have resulted in opportunities for companies in the defense technology market. Global defense spending is accelerating, fueled by rising budgets, modernization initiatives, and the urgent demand for next-generation advanced systems to counter near-peer adversaries. This surge has in part been driven by active conflicts in the Middle East, Africa, and Eastern Europe, along with the anticipation of future engagements in the South Pacific. While these conditions may create growth opportunities, the unpredictable nature, duration, and geographic scope of such conflicts introduce significant uncertainty regarding the sustainability of this demand. However, certain disruptions to the global economy, including market disruptions, monetary, and fiscal policy uncertainty, supply chain challenges, high interest rates and inflationary pressures have contributed to an inflationary environment that may adversely affect the price and availability of certain products and services necessary for our operations, which in turn may adversely impact our business and operating results. In addition, the global trade environment is uncertain and evolving. Tariffs imposed by the U.S. presidential administration or retaliatory tariffs by other countries have resulted in an ongoing trade war. The impact of tariffs on our business and results of operations will depend on their timing, duration, and magnitude.

Project Revenue Mix and Impact on Margins

We may experience future variability in the profitability of our contracts, and such variability may occur at levels and frequencies different from variability we have historically experienced. Such variability in profitability may be due to strategic decisions, cost overruns, or other circumstances within or outside of our control. Accordingly, our historical experience with profitability of our contracts is not indicative or predictive of future experience.

Our financial success is based on our ability to deliver high quality products on a timely basis and at a cost-effective price for our customers. When agreeing to contractual terms, our management team makes assumptions and projections about future conditions and events. The accounting for our contracts and programs involves assumptions and estimates about these conditions and events. These projections and estimates assess:

- the productivity and availability of labor;
- the allocation of indirect costs to labor and material costs incurred;
- the complexity of the work to be performed;
- the cost and availability of materials and components; and
- schedule requirements.

If there is a significant change in one or more of these circumstances, estimates or assumptions, or if the risks under our contracts are not managed adequately, the profitability of contracts could be adversely affected, which could materially affect earnings and margins in any given fiscal period.

In particular, profitability can fluctuate depending on the type of contract award. Contracts with certain customers reflect firm fixed pricing structures. As a result, our gross profit is dependent on the efficient and effective execution of our contracts. Our ability to maximize gross profit may be impacted by, but not limited to, unanticipated cost overruns, disruptions in our supply chains, learning curve and non-recurring engineering costs related to our contracts with customers. If our fixed-price development efforts contribute to a larger portion of our revenue output, we may have a higher risk profile, which may result in reduced margins.

From time to time, we may strategically enter into contracts with low or negative margins relative to other contracts or that are at risk of cost overruns. This may occur due to strategic decisions built around positioning ourselves for future contracts or to enhance our product and service offerings. However, in some instances, loss contracts may occur from unforeseen cost overruns that are not recoverable from the customer. We establish loss reserves on contracts in which the cost estimate-at-completion (“EAC”) exceeds the estimated revenue. The loss reserves are recorded in the period in which a loss is determined. Our reference to adjustments to EAC in the context of describing our results of operations includes net changes during the period in our aggregate program contract values, EAC and other program estimates, and includes the impact of cost overruns and recognition of loss reserves.

Additionally, the timing of our cash flows is impacted by the timing of achievement of billable milestones on contracts. Historically, this has resulted and could continue to result in fluctuations in working capital levels and quarterly free cash flow. As a result of such quarterly fluctuations in free cash flow, we believe that quarter-to-quarter comparisons of our results of operations may not necessarily be meaningful and should not be relied upon as indicators of future performance.

Ability to Continue to Innovate and Expand our Product and Service Offerings

To continue gaining market share and attracting customers, we plan to continue making substantial investments in R&D for the continued enhancements of our product and service offerings. Our future success is dependent on our continued ability to leverage our engineering and design capabilities to meet exact customer innovation needs and to proactively innovate to help win emerging programs. If we are unable to devote adequate resources to develop new products or cannot otherwise successfully develop new products or enhancements that meet customer requirements on a timely basis, our products could lose market share, our revenue and profits could decline, and we could experience operating losses.

Public Company Expenses

We have incurred, and expect to continue to incur, certain non-recurring professional fees and other expenses as part of our transition to becoming a public company. As a public company, we are implementing additional procedures and processes for the purpose of addressing the standards and requirements applicable to public companies. In particular, we expect our accounting, legal and personnel-related expenses and directors' and officers' insurance costs to increase as we establish more comprehensive compliance and governance functions, establish, maintain and review internal controls over financial reporting in accordance with the Sarbanes-Oxley Act and prepare and file periodic reports in accordance with SEC rules. Our financial statements following the IPO reflect the impact of these expenses.

Funded Backlog

Funded backlog represents our estimate of the revenue we expect to realize in future periods as a result of performing work on funded contracts that have been awarded to us (net of any revenue already recognized as of the backlog date). We include the aggregate expected revenue from awarded contracts in our funded backlog upon the execution of a legally binding agreement (e.g., written contract or purchase order), even though our contracts include certain termination rights exercisable by our customers with advance notice. We exclude from funded backlog any unfunded contract options and at-risk work. Deferred revenue recognized on our consolidated balance sheets consists of payments and billings that we have received in excess of revenue that we have recognized. Because cash receipts from these contracts have not been recognized into revenue, they are included in our backlog calculation.

We view growth in funded backlog as a key measure of our future business prospects. We monitor our funded backlog because we believe it is a forward-looking indicator of potential sales that can be helpful to investors in evaluating the performance of our business and identifying trends over time. Although funded backlog reflects business associated with contracts that are considered to be firm, terminations, amendments, or contract cancellations may occur, which could result in a reduction in our total funded backlog and potential future revenue that never gets recognized.

	June 30, 2026	December 31, 2025
Funded backlog	$ 259,829	$ 503,123

Funded backlog includes both single and multi-year awards, and fluctuations in backlog are driven primarily by the timing of large program wins. The decrease of $243.3 million in funded backlog for the six months ended June 30, 2026 was primarily due to revenue recognized for the EUCOM AOR Deep Strike program during the six months ended June 30, 2026. The decrease was also influenced by an increase in shorter-cycle customer orders. We are experiencing a shift in customer ordering patterns toward shorter-cycle procurement, with customers increasingly placing orders for near-term delivery rather than multi-year programs of record. This trend resulted in a greater proportion of our revenue during the six months ended June 30, 2026, being derived from orders received and shipped within the same fiscal year. We expect to convert approximately 95.1% of the total $259.8 million of funded backlog as of June 30, 2026 into revenue during the next 12 months.

In addition, our funded backlog is subject to meaningful customer concentration risk. As of June 30, 2026, approximately 92.7% of the total dollar value of our funded backlog related to the U.S Government. For purposes of evaluating our funded backlog, we consider all U.S. Government entities to be one customer. Additionally, funded backlog that is originally funded through U.S. Government efforts is considered to be U.S. Government backlog even if the program is directly contracted through an intermediary.

Components of Results of Operations

Revenue – consists entirely of revenue from contracts with customers, net of sales discounts. Our revenue is derived from a combination of cost-plus contracts, fixed price contracts, and time and materials contracts for both U.S. Government and commercial and international deliverables. We account for a contract when it has approval and commitment from both parties, the rights of the parties are identified, payment terms are identified, the contract has commercial substance and collectability of consideration is probable. We recognize revenue upon satisfying the performance obligations identified in the contract, which is achieved as services are rendered, upon completion of a service, or through the transfer of control of the promised good or service to the customer either at a point in time or over time. Our contracts can range from short-term periods of less than 12 months to multi-year obligations.

We perform work under contracts that broadly consist of fixed-price, cost-reimbursable, time-and-materials arrangements, or a combination of the three. Pricing is contractually based on specific negotiations with each customer. Advanced payments and billings for milestones in excess of revenues recognized are recorded as current and non-current deferred revenue in our consolidated balance sheets and recognized into revenue as we satisfy the underlying performance obligations.

For fixed-price contracts satisfied over time, progress is measured using a cost-to-cost method, which accurately reflects the transfer of control to the customer. This method assesses the extent of progress based on the ratio of costs incurred to date against the total estimated costs to complete the performance obligation. Estimating total costs to complete requires us to make informed estimates regarding subcontractor performance, material costs and availability, labor costs and productivity, as well as overhead expenses. 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 contractual obligations are achieved.

Should the estimated total costs to be incurred on a contract surpass the anticipated total revenue, we recognize a provision for the entire loss on the contract in the period when the loss is identified. For further discussion of the critical judgments and estimates related to our revenue recognition policies, see "Critical Accounting Estimates."

Cost of Revenue – consists of direct costs and allocated indirect costs. Direct costs include labor, materials, subcontractor and other costs directly related to the execution of a specific contract. Indirect costs include overhead expenses, fringe benefits, depreciation and amortization.

Selling, General, and Administrative – consists primarily of personnel-related expenses for our sales, marketing, supply chain, finance, legal, human resources and administrative personnel, the costs of customer service, information technology, risk management and related insurance, travel, allocated overhead and other marketing, communications and administrative expenses, as well as acquisition-related costs. 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. In addition, as a result of becoming a public company, we will incur significant additional annual expenses including, among other things, additional directors' and officers' liability insurance, costs to administer a public company stock compensation plan, director fees, costs to comply with reporting requirements of the SEC, transfer agent fees, costs for additional accounting, legal and administrative personnel, increased auditing, tax and legal fees, stock exchange listing fees, additional stock compensation expense and similar expenses.

Research and Development – represents primarily employee and contractor compensation, supplies and materials for new product development and facility costs.

Amortization of Intangible Assets – represents customer relationships, technology and trade names acquired in business combinations that are not directly related to the delivery of our products or services and are amortized based on their pattern of economic benefit over their estimated useful lives.

Change in Contingent Consideration – As part of the acquisition of Tribe Aerospace, LLC in 2022, we agreed to pay contingent consideration to the sellers for any EBITDA (as defined in the earnout arrangement) recognized over certain thresholds during the earnout period from 2022-2024. The contingent consideration was settled using a combination of cash and Class A units based on converting a portion of each contingent payment to units at the fixed contractual price per unit. The change in fair value of the liability during the six months ended June 30, 2025 represents accretion of the discounted liability outstanding during the period. All earnout arrangement liabilities were settled as of December 31, 2025.

Interest Expense – consists primarily of interest expense incurred on borrowings under our credit agreements.

Interest Income – consists primarily of interest income earned on cash and cash equivalents.

Change in Derivative Liability – During December 2025 and the three months ended March 31, 2026, the Company issued Series A preferred units with conversion features that represent an embedded derivative that is accounted for separately from the Series A preferred units and remeasured at fair value at each reporting date, with the changes in fair value recorded through earnings. In connection with the IPO, the 115,342 of Holdings LLC's Series A preferred units (and the related derivative liability) outstanding prior to the Organizational Transactions were, in accordance with their terms, converted into 7,208,876 shares of the Company's Class A common stock at a conversion price based on 80% of the IPO price.

Other Income (Expense), net – reflects miscellaneous income and expense unrelated to our core business activities.

Provision for Income Taxes – represents the provision for U.S. federal, state and local income taxes. For periods prior to the Organizational Transactions, this represents the provision for income taxes for only certain of the operating subsidiaries of the Company and Holdings LLC that are taxed as C corporations. Following the completion of the Organizational Transactions, the Company also became subject to U.S. federal, state, and local income taxes on its share of taxable income earned through its interest in Holdings LLC assessed at the applicable corporate income tax rates.

Net Income Attributable to Noncontrolling Interest – The Company is the primary beneficiary of a variable interest entity ("VIE") and, as a result, includes the VIE's results of operations and financial position in the Company's consolidated financial statements. The Company reports the VIE's net income attributable to the VIE's third-party equity holders as net income attributable to noncontrolling interest.

Net Income Attributable to Redeemable Noncontrolling Interests – represents the portion of Holdings LLC's net income or loss that is attributable to ATS Investment Holdings, as holders of all of the Holdings LLC Series B units.

Results of Operations

For the Three Months Ended June 30, 2026 Compared to the Three Months Ended June 30, 2025

The following table sets forth our results of operations for the periods indicated (in thousands):

	Three Months Ended June 30,		Change	
	2026	2025	$	%
Revenue:				
Products	$ 168,668	$ 70,836	$ 97,832	138.1 %
Services	33,123	30,298	2,825	9.3 %
Total revenue	201,791	101,134	100,657	99.5 %
Cost of revenue:				
Products	130,319	58,634	71,685	122.3 %
Services	23,825	24,124	(299)	(1.2)%
Total cost of revenue	154,144	82,758	71,386	86.3 %
Gross profit	47,647	18,376	29,271	159.3 %
Operating expenses:				
Selling, general, and administrative	22,469	9,383	13,086	139.5 %
Research and development	5,639	7,194	(1,555)	(21.6)%
Amortization of intangible assets	4,168	4,125	43	1.0 %
Change in contingent consideration	—	1,214	(1,214)	(100.0)%
Total operating expenses	32,276	21,916	10,360	47.3 %
Income (loss) from operations	15,371	(3,540)	18,911	(534.2)%
Other income (expense), net:				
Interest expense	(3,977)	(8,378)	4,401	(52.5)%
Interest income	1,106	130	976	750.8 %
Change in fair value of derivative liability	(3,295)	—	(3,295)	100.0 %
Other (expense) income, net	(57)	—	(57)	100.0 %
Total other expense, net	(6,223)	(8,248)	2,025	(24.6)%
Income (loss) before income taxes	9,148	(11,788)	20,936	(177.6)%
Provision for income taxes	2,454	42	2,412	5742.9 %
Net income (loss)	6,694	(11,830)	18,524	(156.6)%
Net income attributable to noncontrolling interest	76	14	62	442.9 %
Net income attributable to redeemable noncontrolling interests	4,290	—	4,290	100.0 %
Net income (loss) attributable to AEVEX Corp.	$ 2,328	$ (11,844)	$ 14,172	(119.7)%

Products Revenue

Products revenue increased to $168.7 million from $70.8 million, or by $97.9 million and 138.1%, for the three months ended June 30, 2026 compared to the three months ended June 30, 2025. The increase is due to $99.6 million of higher revenue in our Tactical Systems segment. $72.2 million of the $99.6 million increase is from our EUCOM AOR Deep Strike program with the remainder of the increase being primarily from other UAS products. The $99.6 million of higher revenue in our Tactical Systems segment was offset by $1.8 million of lower revenue in our Global Solutions segment primarily from aircraft modifications and testing products.

Services Revenue

Services revenue increased to $33.1 million from $30.3 million, or by $2.8 million and 9.3%, for the three months ended June 30, 2026 compared to the three months ended June 30, 2025. The increase is primarily due to $2.5 million of higher revenue in our Tactical Systems segment primarily from UAS support services.

Cost of Products Revenue

Cost of products revenue increased to $130.3 million from $58.6 million, or by $71.7 million and 122.3%, for the three months ended June 30, 2026 compared to the three months ended June 30, 2025. The increase is primarily due to higher cost of revenue in our Tactical Systems segment. $57.6 million of the increase is from our EUCOM AOR Deep Strike program with the remainder of the increase being primarily from other UAS products. The $57.6 million of higher costs from our EUCOM AOR Deep Strike program is comprised of an approximately $50.6 million increase in materials related costs and an approximately $7.0 million increase in direct and indirect labor costs.

Cost of Services Revenue

Cost of services revenue decreased to $23.8 million from $24.1 million, or by $0.3 million and 1.2%, for the three months ended June 30, 2026 compared to the three months ended June 30, 2025.

Gross Profit

Gross profit increased to $47.6 million from $18.4 million, or by $29.2 million and 159.3%, for the three months ended June 30, 2026 compared to the three months ended June 30, 2025. The gross profit percentage increased from 18.2% for the three months ended June 30, 2025 to 23.6% for the three months ended June 30, 2026. The increase was primarily due to $99.6 million of higher revenue and $73.6 million of higher costs in our Tactical Systems segment primarily from UAS products.

Selling, General and Administrative

Selling, general, and administrative expenses increased to $22.5 million from $9.4 million, or by $13.1 million and 139.5%, for the three months ended June 30, 2026 compared to the three months ended June 30, 2025. The increase was primarily due to a $5.8 million increase in professional fees related to our IPO process, secondary offering and business acquisition, a $3.0 million increase in incentive compensation expense, a $2.1 million increase in new employee-related costs, and a $1.6 million increase in noncash stock compensation expense.

Research and Development

Research and development expenses decreased to $5.6 million from $7.2 million, or by $1.6 million and 21.6%, for the three months ended June 30, 2026 compared to the three months ended June 30, 2025. The decrease was primarily due to the $1.6 million decrease in development activities for UAS products and services.

Amortization of Intangible Assets

Amortization of intangible assets increased to $4.2 million from $4.1 million, or by $0.1 million and 1.0%, for the three months ended June 30, 2026 compared to the three months ended June 30, 2025.

Change in Contingent Consideration

As part of the acquisition of Tribe Aerospace, LLC in 2022, the Company agreed to pay contingent consideration to the sellers for any EBITDA (as defined in the earnout arrangement) recognized over certain thresholds during the earnout period from 2022 to 2024. The contingent consideration was settled using a combination of cash and Class A units of Holdings LLC based on converting a portion of each contingent payment to units at the fixed contractual price per unit. The change in fair value of the liability during the three months ended June 30, 2025 represents accretion of the discounted liability outstanding during the period. All earnout arrangement liabilities were settled as of December 31, 2025.

Interest Expense

Interest expense decreased to $4.0 million from $8.4 million, or by $4.4 million and 52.5%, for the three months ended June 30, 2026 compared to the three months ended June 30, 2025. The decrease was primarily due to lower debt obligations outstanding and lower interest rates under the New Credit Facilities as compared to the Prior Credit Facilities, which is partially offset by the $0.9 million loss on debt extinguishment recognized during the three months ended June 30, 2026.

Interest Income

Interest income increased to $1.1 million from $0.1 million, or by $1.0 million and 750.8%, for the three months ended June 30, 2026 compared to the three months ended June 30, 2025. The increase was primarily due to interest earned on higher cash balances resulting from the net proceeds from the IPO.

Change in Fair Value of Derivative Liability

During December 2025 and the three months ended March 31, 2026, the Company issued Series A preferred units with conversion features that represent an embedded derivative that is accounted for separately from the Series A preferred units and remeasured at fair value at each reporting date, with the changes in fair value recorded through earnings for the three months ended June 30, 2026.

Other (Expense) Income, Net

Other expense, net decreased to $(0.1) million from $0, or by $0.1 million, for the three months ended June 30, 2026 compared to the three months ended June 30, 2025.

Provision for Income Taxes

The provision for income taxes increased to $2.5 million from $42 thousand, or by $2.5 million, for the three months ended June 30, 2026 compared to the three months ended June 30, 2025. The increase is because following the completion of the Organizational Transactions, the Company became subject to U.S. federal, state, and local income taxes on its share of taxable income earned through its interest in Holdings LLC assessed at the applicable corporate income tax rates.

For the Six Months Ended June 30, 2026 Compared to the Six Months Ended June 30, 2025

The following table sets forth our results of operations for the periods indicated (in thousands):

	Six Months Ended June 30,		Change	
	2026	**2025**	**$**	**%**
Revenue:				
Products	$ 360,512	$ 97,323	$ 263,189	270.4 %
Services	57,972	57,069	903	1.6 %
Total revenue	418,484	154,392	264,092	171.1 %
Cost of revenue:				
Products	270,477	82,875	187,602	226.4 %
Services	43,866	50,079	(6,213)	(12.4)%
Total cost of revenue	314,343	132,954	181,389	136.4 %
Gross profit	104,141	21,438	82,703	385.8 %
Operating expenses:				
Selling, general, and administrative	41,881	17,971	23,910	133.0 %
Research and development	8,976	16,684	(7,708)	(46.2)%
Amortization of intangible assets	8,290	8,205	85	1.0 %
Change in contingent consideration	—	2,435	(2,435)	(100.0)%
Total operating expenses	59,147	45,295	13,852	30.6 %
Income (loss) from operations	44,994	(23,857)	68,851	(288.6)%
Other income (expense), net:				
Interest expense	(10,521)	(15,557)	5,036	(32.4)%
Interest income	1,212	344	868	252.3 %
Change in fair value of derivative liability	(5,695)	—	(5,695)	100.0 %
Other (expense) income, net	156	—	156	100.0 %
Total other expense, net	(14,848)	(15,213)	365	(2.4)%
Income (loss) before income taxes	30,146	(39,070)	69,216	(177.2)%
Provision for income taxes	2,454	82	2,372	2892.7 %
Net income (loss)	27,692	(39,152)	66,844	(170.7)%
Net income attributable to noncontrolling interest	148	21	127	604.8 %
Net income attributable to redeemable noncontrolling interests	4,290	—	4,290	100.0 %
Net income (loss) attributable to AEVEX Corp.	$ 23,254	$ (39,173)	$ 62,427	(159.4)%

Products Revenue

Products revenue increased to $360.5 million from $97.3 million, or by $263.2 million and 270.4%, for the six months ended June 30, 2026 compared to the six months ended June 30, 2025. The increase is primarily due to $260.6 million of higher revenue in our Tactical Systems segment. $228.2 million of the $260.6 million increase is from our EUCOM AOR Deep Strike program with the remainder of the increase being primarily from other UAS products. The increase is also due to $2.6 million of higher revenue in our Global Solutions segment primarily from aircraft modifications and testing products.

Services Revenue

Services revenue increased to $58.0 million from $57.1 million, or by $0.9 million and 1.6%, for the six months ended June 30, 2026 compared to the six months ended June 30, 2025. The increase is primarily due to $2.9 million of higher revenue in our Tactical Systems segment primarily from UAS support services, which is partially offset by $2.0 million of lower revenue in our Global Solutions segment primarily from mission support, intelligence, surveillance, and reconnaissance services.

Cost of Products Revenue

Cost of products revenue increased to $270.5 million from $82.9 million, or by $187.6 million and 226.4%, for the six months ended June 30, 2026 compared to the six months ended June 30, 2025. The increase is primarily due to higher costs of revenue in our Tactical Systems segment. $172.3 million of the increase is from our EUCOM AOR Deep Strike program with the remainder of the increase being primarily from other UAS products. The $172.3 million of higher costs from our EUCOM AOR Deep Strike program is comprised of an approximately $159.9 million increase in materials related costs and an approximately $12.4 million increase in direct and indirect labor costs.

Cost of Services Revenue

Cost of services revenue decreased to $43.9 million from $50.1 million, or by $6.2 million and 12.4%, for the six months ended June 30, 2026 compared to the six months ended June 30, 2025. The lower costs of service revenue is primarily due to a $3.4 million decrease in labor and material costs of an expiring contract in the Global Solutions segment and a $2.2 million decrease in labor and material costs of an expiring contract in the Tactical Solutions segment.

Gross Profit

Gross profit increased to $104.1 million from $21.4 million, or by $82.7 million and 385.8%, for the six months ended June 30, 2026 compared to the six months ended June 30, 2025. The gross profit percentage increased from 13.9% for the six months ended June 30, 2025 to 24.9% for the six months ended June 30, 2026. The increase was primarily due to $263.5 million of higher revenue and $187.8 million of higher costs in our Tactical Systems segment primarily from UAS products.

Selling, General and Administrative

Selling, general, and administrative expenses increased to $41.9 million from $18.0 million, or by $23.9 million and 133.0%, for the six months ended June 30, 2026 compared to the six months ended June 30, 2025. The increase was primarily due to a $11.6 million increase in professional fees related to our IPO process, secondary offering and business acquisition, a $5.0 million increase in incentive compensation expense, a $3.9 million increase in new employee-related costs, a $1.6 million increase in noncash stock compensation expense, and a $1.1 million repurchase of Incentive Units during the six months ended June 30, 2026.

Research and Development

Research and development expenses decreased to $9.0 million from $16.7 million, or by $7.7 million and 46.2%, for the six months ended June 30, 2026 compared to the six months ended June 30, 2025. The decrease was primarily due to the decrease in development activities for UAS products and services.

Amortization of Intangible Assets

Amortization of intangible assets increased to $8.3 million from $8.2 million, or by $0.1 million and 1.0%, for the six months ended June 30, 2026 compared to the six months ended June 30, 2025.

Change in Contingent Consideration

As part of the acquisition of Tribe Aerospace, LLC in 2022, the Company agreed to pay contingent consideration to the sellers for any EBITDA (as defined in the earnout arrangement) recognized over certain thresholds during the earnout period from 2022 to 2024. The contingent consideration was settled using a combination of cash and Class A units of Holdings LLC based on converting a portion of each contingent payment to units at the fixed contractual price per unit. The change in fair value of the liability during the six months ended June 30, 2025 represents accretion of the discounted liability outstanding during the period. All earnout arrangement liabilities were settled as of December 31, 2025.

Interest Expense

Interest expense decreased to $10.5 million from $15.6 million, or by $5.1 million and 32.4%, for the six months ended June 30, 2026 compared to the six months ended June 30, 2025. The decrease was primarily due to lower debt obligations outstanding and lower interest rates under the New Credit Facilities as compared to the Prior Credit Facilities, which was partially offset by the $0.9 million loss on debt extinguishment recognized during the six months ended June 30, 2026.

Interest Income

Interest income increased to $1.2 million from $0.3 million, or by $0.9 million and 252.3%, for the six months ended June 30, 2026 compared to the six months ended June 30, 2025. The increase was primarily due to interest earned on higher cash balances resulting from the net proceeds from the IPO.

Change in Fair Value of Derivative Liability

During December 2025 and the three months ended March 31, 2026, the Company issued Series A preferred units with conversion features that represent an embedded derivative that is accounted for separately from the Series A preferred units and remeasured at fair value at each reporting date, with the changes in fair value recorded through earnings for the six months ended June 30, 2026.

Other (Expense) Income, Net

Other income, net increased to $0.2 million from $0, or by $0.2 million, for the six months ended June 30, 2026 compared to the six months ended June 30, 2025.

Provision for Income Taxes

The provision for income taxes increased to $2.5 million from $0.1 million, or by $2.4 million, for the six months ended June 30, 2026 compared to the six months ended June 30, 2025. The increase is because following the completion of the Organizational Transactions, the Company became subject to U.S. federal, state, and local income taxes on its share of taxable income earned through its interest in Holdings LLC assessed at the applicable corporate income tax rates.

Results by Segment

For the Three Months Ended June 30, 2026 Compared to the Three Months Ended June 30, 2025

We measure the performance of our reportable segments based on total segment revenue and Segment Adjusted EBITDA. Our operating and reportable segments are Tactical Systems and Global Solutions. The following table presents total revenue by segment, Segment Adjusted EBITDA and Segment Adjusted EBITDA Margin (in thousands):

	Three Months Ended June 30,		Change	
	2026	2025	$	%
Tactical Systems				
Segment revenue	$ 174,220	$ 72,100	$ 102,120	141.6 %
Segment Adjusted EBITDA	$ 29,562	$ 2,939	$ 26,623	905.9 %
Segment Adjusted EBITDA Margin	17.0 %	4.1 %		
Global Solutions				
Segment revenue	$ 27,571	$ 29,034	$ (1,463)	(5.0)%
Segment Adjusted EBITDA	$ 3,903	$ 2,153	$ 1,750	81.3 %
Segment Adjusted EBITDA Margin	14.2 %	7.4 %		

For a discussion of Segment Adjusted EBITDA, please refer to Item 1. Financial Statements, Note 14, “Segment Information” of the notes to the condensed consolidated financial statements.

Tactical Systems

Tactical Systems segment revenue increased to $174.2 million from $72.1 million, or by $102.1 million and 141.6%, for the three months ended June 30, 2026 compared to the three months ended June 30, 2025. The increase is primarily due to $102.1 million of higher revenue from UAS products and support services.

Tactical Systems Adjusted EBITDA increased to $29.6 million from $2.9 million, or by $26.7 million, for the three months ended June 30, 2026 compared to the three months ended June 30, 2025. The increase is primarily due to the increase in products revenue and the decrease in research and development expense for UAS products and services discussed above, which is offset by the increase in cost of products revenue and the increase in selling, general and administrative expenses for incentive compensation expense and new employee-related costs discussed above.

Global Solutions

Global Solutions segment revenue decreased to $27.6 million from $29.0 million, or by $1.4 million and 5.0%, for the three months ended June 30, 2026 compared to the three months ended June 30, 2025. The decrease is primarily due to $1.8 million of lower revenue in our Global Solutions segment primarily from aircraft modifications and testing products.

Global Solutions Adjusted EBITDA increased to $3.9 million from $2.2 million, or by $1.7 million, for the three months ended June 30, 2026 compared to the three months ended June 30, 2025. The increase is primarily due to decrease in selling, general, and administrative expenses, research and development expenses, and cost of products, which is partially offset by the decrease in revenue primarily from aircraft modifications and testing products.

For the Six Months Ended June 30, 2026 Compared to the Six Months Ended June 30, 2025

We measure the performance of our reportable segments based on total segment revenue and Segment Adjusted EBITDA. Our operating and reportable segments are Tactical Systems and Global Solutions. The following table presents total revenue by segment, Segment Adjusted EBITDA and Segment Adjusted EBITDA Margin (in thousands):

	Six Months Ended June 30,		Change	
	2026	2025	$	%
Tactical Systems				
Segment revenue	$ 365,017	$ 101,551	$ 263,466	259.4 %
Segment Adjusted EBITDA	$ 68,083	$ (6,928)	$ 75,011	(1082.7)%
Segment Adjusted EBITDA Margin	18.7 %	(6.8)%		
Global Solutions				
Segment revenue	$ 53,467	$ 52,841	$ 626	1.2 %
Segment Adjusted EBITDA	$ 8,104	$ 50	$ 8,054	16108.0 %
Segment Adjusted EBITDA Margin	15.2 %	0.1 %		

For a discussion of Segment Adjusted EBITDA, please refer to Item 1. Financial Statements, Note 14, “Segment Information” of the notes to the condensed consolidated financial statements.

Tactical Systems

Tactical Systems segment revenue increased to $365.0 million from $101.6 million, or by $263.4 million and 259.4%, for the six months ended June 30, 2026 compared to the six months ended June 30, 2025. The increase is primarily due to $263.5 million of higher revenue from UAS products and support services.

Tactical Systems Adjusted EBITDA increased to $68.1 million from $(6.9) million, or by $75.0 million, for the six months ended June 30, 2026 compared to the six months ended June 30, 2025. The increase is primarily due to the increase in products revenue and the decrease in research and development expense for UAS products and services discussed above, which is offset by the increase in cost of products revenue and the increase in selling, general and administrative expenses for incentive compensation expense and new employee-related costs discussed above.

Global Solutions

Global Solutions segment revenue increased to $53.5 million from $52.8 million, or by $0.7 million and 1.2%, for the six months ended June 30, 2026 compared to the six months ended June 30, 2025. The increase is primarily due to $2.6 million of higher revenue from aircraft modifications and testing products and services, which is offset by $2.0 million of lower revenue from mission support, intelligence, surveillance, and reconnaissance products and services.

Global Solutions Adjusted EBITDA increased to $8.1 million from $0.1 million, or by $8.0 million, for the six months ended June 30, 2026 compared to the six months ended June 30, 2025. The increase is primarily due to higher gross profit from aircraft modification and testing products and services and mission support, intelligence, surveillance, and reconnaissance services and lower research and development expenses.

Non-GAAP Financial Measures

We use certain non-GAAP key performance indicators to evaluate our business operations, including Adjusted EBITDA, Adjusted EBITDA Margin and free cash flow.

The non-GAAP financial measures presented in this Quarterly Report on Form 10-Q are supplemental measures of our performance that we believe help investors understand our financial condition and operating results and assess our future prospects. We believe that presenting these non-GAAP financial measures, in addition to the corresponding GAAP financial measures, are important supplemental measures that exclude non-cash or other items that may not be indicative of or are unrelated to our core operating results and the overall health of our company. We believe that these non-GAAP financial measures provide investors with greater transparency to the information used by management for its operational decision-making. We further believe that providing this information assists our investors in understanding our operating performance and the methodology used by management to evaluate and measure such performance. When read in conjunction with our

GAAP results, these non-GAAP financial measures provide a baseline for analyzing trends in our underlying businesses and can be used by management as a basis for financial, operational and planning decisions. Finally, these measures are often used by analysts and other interested parties to evaluate companies in our industry.

Management recognizes that these non-GAAP financial measures have limitations, including that they may be calculated differently by other companies or may be used under different circumstances or for different purposes, thereby affecting their comparability from company to company. In order to compensate for these and the other limitations discussed below, management does not consider these measures in isolation from or as alternatives to the comparable financial measures determined in accordance with GAAP. Readers should review the reconciliations below and should not rely on any single financial measure to evaluate our business. The reasons we use these non-GAAP financial measures and the reconciliations to their most directly comparable GAAP financial measures follow.

Adjusted EBITDA and Adjusted EBITDA Margin

We define Adjusted EBITDA as net income (loss) before interest income and expense, income tax expense (benefit), depreciation and amortization expense, other income (expense), changes in the fair value of contingent consideration liabilities and derivative liabilities, noncash stock compensation expense, offering costs related to the IPO or Secondary Offering, asset impairments, business acquisition costs, restructuring costs, and gains or losses on debt extinguishments, as well as certain non-recurring items. We define Adjusted EBITDA Margin as Adjusted EBITDA divided by revenue. We believe that Adjusted EBITDA and Adjusted EBITDA Margin are important metrics for management and investors as they remove the impact of items that we do not believe are indicative of our core operating results or the overall health of our company and allow for consistent comparison of our operating results over time and relative to our peers.

The following table presents a reconciliation of net income to Adjusted EBITDA and Adjusted EBITDA Margin for the three and six months ended June 30, 2026 and 2025 (in thousands):

	Three Months Ended June 30,		Six Months Ended June 30,	
	2026	**2025**	**2026**	**2025**
Net income (loss)	$ 6,694	$ (11,830)	$ 27,692	$ (39,152)
Interest expense	3,977	8,378	10,521	15,557
Interest income	(1,106)	(130)	(1,212)	(344)
Provision for income taxes	2,454	42	2,454	82
Depreciation and amortization	5,478	5,498	10,787	10,671
Other (expense) income, net	57	—	(156)	—
Change in contingent consideration	—	1,214	—	2,435
Change in fair value of derivative liability	3,295	—	5,695	—
Noncash stock compensation	1,731	—	1,731	—
IPO-related costs[(1)]	—	—	1,475	—
Secondary Offering related costs[(2)]	2,967	—	2,967	—
Business acquisition costs	2,268	—	2,268	—
Other[(3)]	333	456	333	1,019
Adjusted EBITDA	$ 28,148	$ 3,628	$ 64,555	$ (9,732)
Total revenue	$ 201,791	$ 101,134	$ 418,484	$ 154,392
Net income (loss) margin	3.3 %	(11.7)%	6.6 %	(25.4)%
Adjusted EBITDA Margin	13.9 %	3.6 %	15.4 %	(6.3)%

(1) Represents non-recurring professional service fees related to the public offering and IPO readiness.

(2) Represents non-recurring professional service fees related to the Secondary Offering.

(3) Other for the three and six months ended June 30, 2026 includes $0.3 million of process improvement costs. Other for the three and six months ended June 30, 2025 primarily includes $0.4 million and $0.9 million, respectively, of legal fees related to the non-recurring Viking legal settlement.

Liquidity and Capital Resources

We measure liquidity in terms of our ability to fund the cash requirements of our business operations, including working capital needs, capital expenditures, contractual obligations, debt service, acquisitions, and other commitments. Our principal sources of liquidity to date have included cash provided by operating activities, amounts raised through issuances of equity capital, including the IPO, and borrowings under our credit agreements. We currently expect that our principal future sources of funding will include our current cash balance, cash provided by operating activities, our New Credit Agreement and proceeds from other forms of debt financing and equity offerings.

On April 20, 2026, we completed our IPO of 18,400,000 shares of our Class A common stock at a price of $20.00 per share, resulting in net cash proceeds of $345.9 million, after deducting underwriting discounts and commissions. In addition, on April 20, 2026, subsidiaries of Holdings LLC refinanced the Prior Credit Facilities and entered into the New Credit Facilities. Holdings LLC used the $100.0 million proceeds from the New Term Loan Facility and the proceeds it received from AEVEX Corp. for the purchase of newly issued Series A units (i) to repay approximately $258.5 million of outstanding borrowings under our Prior Credit Facilities, (ii) to pay $3.3 million of expenses incurred in connection with the refinancing, (iii) to pay $8.3 million of expenses incurred with the IPO and Organizational Transactions and (iv) for general corporate purposes.

After the consummation of the IPO, AEVEX Corp. is a holding company and has no material assets other than its ownership of equity interests in Holdings LLC. AEVEX Corp. will have no independent means of generating revenue or cash flow. Under the terms of the LLC Operating Agreement and the Tax Receivable Agreement ("TRA"), Holdings LLC is obligated to make tax distributions to the LLC Unitholders, including us. To the extent that Holdings LLC has available cash, we intend to cause Holdings LLC to make cash distributions to the LLC Unitholders, including us, in amounts sufficient to (1) fund all or part of their tax obligations in respect of taxable income allocated to them and (2) cover our operating expenses, including payments under the Tax Receivable Agreement.

The actual amount and timing of any payments under the TRA will vary depending upon a number of factors, including the timing of exchanges by ATS Investment Holdings (or certain permitted transferees thereof), the amount of gain recognized by ATS Investment Holdings (or certain permitted transferees thereof), the amount and timing of the taxable income we generate in the future and the federal tax rates then applicable. However, we expect that the payments AEVEX Corp. will be required to make under the TRA will be substantial and could materially affect our liquidity.

As a result of the Organizational Transactions, IPO, and the TRA, during the three months ended June 30, 2026, the Company recognized an initial increase to its deferred tax assets (net of valuation allowance) in the amount of $43.5 million and a corresponding estimated TRA liability of $59.0 million. As a result of the Secondary Offering, during the three months ended June 30, 2026, the Company recognized an additional initial increase to its deferred tax assets (net of valuation allowance) in the amount of $42.5 million and a corresponding increase in the estimated TRA liability of $36.9 million. The deferred tax assets are due to the tax effects of temporary differences in the book basis as compared to the tax basis of AEVEX Corp.'s interest in Holdings LLC., as well as expected future tax deductions as a result of estimated payments under the TRA. As of June 30, 2026, the total estimated amount due under the TRA was $95.9 million, and the Company has not been required to make a payment under the TRA.

If the LLC Unitholders were to exchange all of the LLC Units that they hold as of June 30, 2026, we would recognize an incremental deferred tax asset of approximately $348.9 million and a noncurrent liability of approximately $296.6 million based on the Company's estimate of the aggregate amount that it will pay under the TRA as a result of such hypothetical exchange, assuming: (i) a price of $20.89 per share of our Class A common stock, which was the closing price of our Class A common stock on June 30, 2026; (ii) a constant blended U.S. federal and state corporate tax rate of 24.1%; (iii) we will have sufficient taxable income to fully utilize the tax benefits; and (iv) no material changes in tax law. The deferred tax asset amount is just the tax savings from the incremental tax basis subject to the TRA and does not include the total partnership deferred adjustment and any indirect effects.

Under the terms of the LLC Operating Agreement and the TRA, Holdings LLC is obligated to make income tax distributions to the LLC Unitholders. During the six months ended June 30, 2026, income tax distributions to the LLC Unitholders were $3.0 million.

There can be no assurance that Holdings LLC and its subsidiaries will generate sufficient cash flow to distribute funds to us or that applicable state law and contractual restrictions, including negative covenants in debt instruments of Holdings LLC and its subsidiaries, will permit such distributions. Any payments made by us under the TRA will generally reduce the amount of overall cash flow that might have otherwise been available to use and, to the extent that we are unable to make payments under the TRA for any reason, the unpaid amounts generally will be deferred and will accrue interest until paid by us. If AEVEX Corp. does not have sufficient funds to pay taxes, payments under the TRA or other liabilities or to fund its operations, it may have to borrow funds, which could materially adversely affect its liquidity and financial condition and subject it to various restrictions imposed by any such lenders.

In addition to payments required by the TRA, our expected primary uses of cash on a short and long-term basis are for potential acquisitions, including the proposed acquisition of BlackSea Technologies, working capital requirements, capital expenditures, R&D, debt service requirements, and other general corporate purposes. Our primary working capital requirements are for project execution activities including purchases of materials, subcontracted services and payroll, which fluctuate during the year, driven primarily by the timing and extent of activities required on new and existing projects.

Our ability to generate sufficient liquidity from our ongoing operations and debt financing and capital markets transactions in order to meet our obligations and operating needs will enable us to continue our business operations. If we require additional capital and are unsuccessful in raising that capital, we may not be able to continue our business operations and/or may be unable to advance growth initiatives, either of which could adversely impact our business, financial condition, and results of operations.

We believe that our cash and cash equivalents, cash provided by our operations, and amounts available under our New Credit Agreement will be adequate to meet our liquidity requirements for at least the next 12 months, including with respect to the proposed acquisition of BlackSea Technologies. We intend to fund the cash consideration of the Transaction with cash on hand and borrowings under the New Credit Facilities, and closing is not conditioned on financing. We also intend to issue the Company Shares as part of the Closing Merger Consideration.

Our future long-term capital requirements will depend on several factors, including our ability to raise additional capital and, over time, our ability to generate positive cash flows from operations. Accordingly, we may try to raise additional capital, whether in the public or private markets. We intend to use cash and cash equivalents and borrowings under our New Credit Agreement to fund our future activities. To the extent those funds are not sufficient, we may seek to raise additional funds through equity, equity-linked or debt financings. We may enter into agreements or letters of intent with respect to potential investments in, or acquisitions of, complementary businesses, services or technologies, which could also require us to seek additional equity financing, incur indebtedness or use cash resources.

The following table summarizes select financial data relevant to our liquidity and capital resources as of June 30, 2026 and December 31, 2025 (in thousands):

	June 30, 2026	December 31, 2025
Cash and cash equivalents	$ 215,238	$ 27,908
Total debt maturities (including current portion)	100,000	259,135

New Credit Facilities

On April 20, 2026, we entered into the New Credit Agreement that provides for facilities in an aggregate principal amount of $375.0 million, consisting of (i) a senior secured Term Loan Facility with an aggregate principal amount of $100.0 million, (ii) a senior secured Delayed Draw Term Loan Facility with an aggregate principal amount of $75.0 million and (iii) a senior secured Revolving Credit Facility with an aggregate principal amount of $200.0 million, which includes a sublimit for the issuance of letters of credit in an amount up to $40.0 million and a sublimit for swing line loans in an amount up to $30.0 million. As of the closing of the Company's IPO, the aggregate principal amount borrowed under the New Credit Facilities is $100.0 million from the Term Loan Facility. Borrowings under the New Revolving Credit Facility and the New Delayed Draw Term Loan Facility may vary significantly from time to time depending on our cash needs at any given time. The New Revolving Credit Facility was undrawn at the closing of the IPO and as of June 30, 2026, and the Delayed Draw Term Loan Facility was not borrowed at the closing of the IPO and as of June 30, 2026.

The New Credit Agreement is guaranteed by certain of the Borrower's wholly-owned domestic subsidiaries and secured by substantially all of the Borrower's assets and the assets of certain of the Borrower's subsidiaries, in each case, subject to customary exceptions.

The New Credit Agreement contains certain affirmative and negative covenants, including, among other things, restrictions on indebtedness, liens on assets, fundamental changes and asset sales, investments, negative pledges, repurchase of stock, dividends and other distributions, and transactions with affiliates. In addition, the New Credit Agreement contains financial covenants that require the Loan Parties (as defined in the New Credit Agreement) to comply with the following financial covenants (subject to certain equity cure rights):

- Commencing with the fiscal quarter ending September 30, 2026, maintain a maximum total net leverage ratio not to exceed 3.50 to 1.00 (provided that (a) after June 30, 2029, the total net leverage ratio shall not exceed 3.00 to 1.00 for any test period and (b) the maximum total net leverage ratio shall temporarily increase by 0.50 during the four fiscal quarters following the consummation of a material acquisition), in each case, tested as of the last day of each fiscal quarter; and

- Commencing with the fiscal quarter ending September 30, 2026, maintain a minimum interest coverage ratio for any period, of not less than 3.00 to 1.00, tested as of the last day of each fiscal quarter.

The New Credit Facilities mature on April 20, 2031. Borrowings under the New Credit Agreement are available, at the Borrower's option, as term SOFR loans or base rate loans. Term SOFR loans under the New Credit Agreement accrue interest at a SOFR rate plus an applicable rate of 2.25% to 3.00% (depending on the secured net leverage ratio of the Borrower and its restricted subsidiaries). Base rate loans under the New Credit Agreement accrue interest at a base rate plus an applicable rate of 1.25% to 2.00% (depending on the secured net leverage ratio of the Borrower and its restricted subsidiaries). The Revolving Credit Facility also has a variable commitment fee, which is tied to the secured net leverage ratio of the Borrower and its restricted subsidiaries, which ranges from 0.25% to 0.50% per annum. Unused commitments made under the Delayed Draw Term Loan Facility have a commitment fee that accrues (i) from April 20, 2026, until October 17, 2026, at a rate of 0.00% per annum and (ii) thereafter, at a rate of 0.50% per annum. The commitment period under the Delayed Draw Term Loan Facility ends on the earlier of (i) April 20, 2028 and (ii) the commitments under the Delayed Draw Term Loan Facility being fully drawn or otherwise terminated under the New Credit Agreement.

The Revolving Credit Facility does not amortize. The Term Loan Facility and the Delayed Draw Term Loan Facility (to the extent funded) will amortize in equal quarterly installments, commencing with the last day of September 30, 2026, in aggregate annual amounts according to the following amortization schedule:

Payment Dates	Annual Amortization Amount (percent of principal)
Year 1	2.5 %
Year 2	2.5 %
Year 3	7.5 %
Year 4	7.5 %
Year 5	10.0 %

Prior Credit Facilities

On March 18, 2020 we entered into a Credit Agreement (as amended by Amendment No. 1 to Credit Agreement, dated as of October 28, 2020, Amendment No. 2 to Credit Agreement, dated as of May 7, 2021, Amendment No. 3 to Credit Agreement, dated as of May 15, 2023, Amendment No. 4 to Credit Agreement, dated as of April 30, 2024 and Amendment No. 5 to Credit Agreement, dated as of September 15, 2025, the "Credit Agreement") with a syndicate of lenders, Ankura Trust Company, LLC, as administrative agent and PNC Bank, National Association as revolving agent and collateral agent.

The Credit Agreement provided for a senior secured term loan facility (the "Term Loan") in an original aggregate principal amount of $325.0 million. The Credit Agreement also provided for a super priority senior secured revolving credit facility in an aggregate principal amount of $25.0 million (the "Revolving Credit Facility" and, together with the Term Loan, the "Credit Facilities"). The Revolving Credit Facility included a $5.0 million sublimit for the issuance of letters of credit. The borrowings were guaranteed and secured by substantially all our assets and our subsidiaries.

The Term Loans bore interest at a rate equal to (i) 5.00% plus the base rate equal to the highest of (w) the prime rate, (x) the Federal funds open rate plus 0.50% per annum and (y) a daily Term SOFR rate based on an interest period of one month plus 1.00% per annum or (ii) Term SOFR plus 6.00% per annum subject to a 1.00% Term SOFR floor. The Revolving Credit Facility bore interest at a rate as set forth in the Credit Agreement.

In addition to paying interest on loans outstanding under the Term Loan and the Revolving Credit Facility, we were required to pay a commitment fee of 0.50% per annum of unused commitments under the Revolving Credit Facility. We were required to pay customary fronting, issuance, and administrative fees for the issuance of letters of credit.

Loan Authorization Agreement

On October 9, 2025, a wholly owned subsidiary of the Company entered into a Loan Authorization Agreement with the Bank of Montreal from which the Company could from time to time request loans and letters of credit in an aggregate principal amount of $60.0 million. Immediately following the closing of the IPO on April 20, 2026, the Loan Authorization Agreement was terminated effective April 21, 2026.

Series A Preferred Units

In December 2025, the Company entered into a Unit Purchase Agreement with two investors pursuant to which the Company issued 100,000 Series A preferred units for aggregate cash proceeds of $100.0 million. The transaction closed in December 2025.

Under the LLC Agreement, the Series A preferred units initially accrued a preferred return at a rate of 5.0% per annum through June 4, 2027, compounding annually. The preferred return was added to each holder's unreturned Series A preferred capital balance. Holders of Series A preferred units had a liquidation and dividend preference over all other unitholders, until receipt of all accrued returns and return of the initial capital.

The Series A preferred units also provided holders with certain conversion rights. Except as specifically provided in the LLC Agreement, the Series A preferred units did not confer general voting rights. Series A preferred unit holders were entitled to certain customary rights and subject to certain customary obligations as a member of the Company as set forth in the LLC Agreement.

The Series A preferred units were classified as mezzanine equity in the consolidated balance sheets because they were redeemable at the option of the holders. The $100.0 million fair value at issuance (net of $0.1 million of issuance costs) was allocated between the Series A preferred units and the embedded derivative, with the net proceeds first allocated to the derivative at its estimated fair value of $20.0 million and the remainder of $79.9 million allocated to the Series A preferred units. As of December 31, 2025, the Company increased the carrying value of the Series A preferred units to $80.4 million, which represents their maximum redemption value ($1,000 per unit, plus the preferred return of $0.4 million for the year ended December 31, 2025), less the estimated initial fair value of the embedded derivative.

During the three months ended March 31, 2026, the Company entered into two Unit Purchase Agreements with Radz Capital AEVEX Holdings Inc., pursuant to which the Company issued 15,342 Series A preferred units under the LLC Operating Agreement for aggregate cash proceeds of $15.3 million. The transactions closed during the three months ended March 31, 2026. Mr. Raduenz, Executive Chairman of the Company, is the President of Radz Capital AEVEX Holdings Inc. The $15.3 million fair value at issuance (net of $25 thousand of issuance costs) was allocated between the Series A preferred units and the derivative liability, with the net proceeds first allocated to the derivative at its estimated fair value of $3.1 million and the remainder of $12.2 million allocated to the Series A preferred units.

As of March 31, 2026, the Company increased the carrying value of the 115,342 Series A preferred units to $93.9 million, which represents their maximum redemption value ($1,000 per unit, plus the preferred return of $1.7 million since issuance), less the estimated initial fair value of the derivative liability. During the three months ended March 31, 2026, the Company recognized preferred units accretion of $1.4 million as an increase in the carrying value of the Series A preferred units and a decrease in members' equity. During the three months ended March 31, 2026, the Company recognized a $2.4 million increase in the estimated fair value of the derivative liability in the condensed consolidated statement of operations.

In connection with the Organizational Transactions and the IPO, the 115,342 of Holdings LLC's Series A preferred units outstanding prior to the Organizational Transactions were, in accordance with their terms, converted into 7,208,876 shares of the Company's Class A common stock at a conversion price based on 80% of the IPO price. As a result, as of April 16, 2026, the Company increased the carrying value of the 115,342 Series A preferred units to \$94.2 million, which represents their maximum redemption value (\$1,000 per unit, plus the preferred return of \$2.0 million since issuance), less the estimated initial fair value of the derivative liability. During the three and six months ended June 30, 2026, the Company recognized preferred units accretion of \$0.3 million and \$1.6 million, respectively, as an increase in the carrying value of the Series A preferred units and a decrease in members' equity. During the three and six months ended June 30, 2026, the Company recognized a \$3.3 million and \$5.7 million increase, respectively, in the estimated fair value of the derivative liability in the condensed consolidated statement of operations. Upon conversion, the Series A preferred units and the related derivative liability were reclassified to stockholders' equity.

Cash Flow Activity

The following table summarizes our cash flows for the periods indicated (in thousands):

	Six Months Ended June 30,	
	2026	2025
Net cash provided by (used in) operating activities	$ 8,616	$ (27,865)
Net cash used in investing activities	(3,533)	(6,280)
Net cash provided by financing activities	183,142	8,504

Operating Activities

Net cash provided by operating activities for the six months ended June 30, 2026 was \$8.6 million, compared to net cash used in operating activities of \$27.9 million for the six months ended June 30, 2025. The \$36.5 million favorable change in cash flow from operations was primarily due to the \$73.8 million increase in net income, net of non-cash items, partially offset by the \$42.1 million increase in net operating assets during the six months ended June 30, 2026 versus the \$4.8 million increase in net operating assets during the six months ended June 30, 2025. The \$42.1 million increase in net operating assets during the six months ended June 30, 2026 is primarily due to the timing of our cash payments to fulfill the EUCOM AOR Deep Strike program versus the timing of cash receipts from the customer, combined with an overall increase in revenue during the six months ended June 30, 2026 versus the six months ended June 30, 2025.

Investing Activities

Net cash used in investing activities for the six months ended June 30, 2026 decreased by \$2.8 million to \$3.5 million, compared to \$6.3 million for the six months ended June 30, 2025. The decrease in net cash used in investing activities was primarily due to a \$1.6 million decrease in business acquisition-related payments during the six months ended June 30, 2026 and a \$0.9 million decrease in purchases of property and equipment during the six months ended June 30, 2026.

Financing Activities

Net cash provided by financing activities for the six months ended June 30, 2026 was \$183.1 million, as compared to net cash provided by financing activities of \$8.5 million for the six months ended June 30, 2025. The change in financing cash flows was primarily due to the following activities during the six months ended June 30, 2026: (i) the IPO net proceeds of approximately \$345.9 million and (ii) the \$98.1 million net proceeds from the new Term Loan Facility, partially offset by (i) the payment of approximately \$258.5 million of outstanding borrowings under the Prior Credit Facilities, and (ii) the \$12.3 million payments of IPO costs.

Free Cash Flow

We consider free cash flow to be a useful, supplemental measure of our ability to generate cash on a normalized basis. We use free cash flow to supplement GAAP measures in evaluating our flexibility to allocate capital and pursue opportunities that may enhance shareholder value and the effectiveness of our strategies, to make budgeting decisions and to compare our performance against that of our peer companies, many of which present similar non-GAAP financial measures.

While expenditures and dispositions of property and equipment will fluctuate on a period-to-period basis, we seek to ensure that we have adequate capital on hand to maintain ongoing operations and enable growth of the business. Additionally, free cash flow is of limited usefulness in that it does not represent residual cash flows available for discretionary expenditures due to the fact the measures do not deduct the payments required for debt service and other contractual obligations or payments.

We define free cash flow as the sum of our net cash provided by (used in) operating activities less our capital expenditures. Our calculation of free cash flow may not be comparable to the calculation of similarly titled measures reported by other companies. The reconciliation between free cash flow and net cash provided by (used in) operating activities (the most comparable GAAP measure) for the periods presented is shown below (in thousands):

	Six Months Ended June 30,	
	2026	**2025**
Net cash provided by (used in) operating activities	$ 8,616	$ (27,865)
Purchases of property and equipment	(3,268)	(4,203)
Free cash flow	$ 5,348	$ (32,068)

There can be no assurance that we will not modify the presentation of the previously presented non-GAAP financial measures in the future, and any such modification may be material. Non-GAAP financial measures have important limitations as analytical tools and you should not consider non-GAAP financial measures in isolation or as a substitute for analyses of our operating results or cash flows as reported under U.S. GAAP. Non-GAAP financial measures may be defined differently by other companies in our industry and may not be comparable to similarly titled measures of other companies, thereby diminishing their utility.

Contractual Obligations

We enter into contractual obligations in the normal course of business.

Lease Commitments

We lease buildings, warehouses, and office facilities. The remaining lease terms are generally between 0.3 to 4.0 years. These leases are classified as operating leases. Our total remaining undiscounted future minimum lease payments as of June 30, 2026 were $9.9 million, with $3.6 million due in less than one year. See Note 6, “Leases,” in our unaudited condensed consolidated financial statements and related notes thereto included herein and Note 10, “Leases,” in our audited consolidated financial statements and related notes thereto included in the IPO Prospectus for further information related to our lease obligations.

Contractual Commitments

The Company has certain contractual purchase commitments under agreements with remaining terms in excess of one year that are $1.7 million in the aggregate as of June 30, 2026.

Off-Balance Sheet Arrangements

As of June 30, 2026 and December 31, 2025, we had no material off-balance sheet arrangements that have or are reasonably likely to have a current or future material effect on our financial condition, changes in financial condition, revenues or expenses, results of operations, liquidity, capital expenditures or capital resources.

Critical Accounting Estimates

The following should be read in conjunction with the critical accounting estimates presented in the IPO Prospectus.

Management’s Discussion and Analysis of Financial Condition and Results of Operations discusses our unaudited condensed consolidated financial statements, which have been prepared in accordance with accounting principles generally accepted in the United States. When we prepare these consolidated financial statements, we are required 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 the financial statements and the reported amounts of revenue and expenses during the reporting period. Some of our accounting policies require that we make subjective judgments, including estimates that involve matters that are inherently uncertain. Our most critical estimates include those related to slow-moving or obsolete inventory, estimated useful lives of long-lived assets, the valuation of acquired intangible assets, goodwill impairment testing, the recognition of revenue over time for certain customer contracts, income taxes, the TRA liability, the number of performance-based restricted stock units that will vest, the valuation of the Series A preferred units embedded derivative liability, and the valuation of the Company's contingent consideration liability. We base our estimates and judgments on historical experience and on various other factors that we believe to be reasonable under the circumstances, the results of which form the basis for our judgments about the carrying values of assets and liabilities that are not readily apparent from other sources. Our actual results may differ from these estimates under different assumptions or conditions.

Included below are selected critical accounting estimates that were added or modified during the three months ended June 30, 2026. For further discussion regarding critical accounting estimates, refer to Management's Discussion and Analysis of Financial Condition and Results of Operations as of and for the years ended December 31, 2025 and 2024 in the IPO Prospectus.

Revenue Recognition

Adjustments to original estimates for a contract's revenue, estimated costs at completion and estimated profit or loss are often required as work progresses under a contract, as experience is gained and as more information is obtained, even though the scope of work required under the contract may not change, or if contract modifications, including the finalization of undefinitized contract actions, occur. The impact of revisions in estimate of completion and variable consideration for all types of contracts is recognized on a cumulative catch-up basis in the period in which the revisions are made. Changes in variable consideration associated with the finalization of undefinitized contract actions could result in cumulative catch up adjustments to revenue that could be material. During the three and six months ended June 30, 2026 and 2025, changes in accounting estimates on contracts recognized using the over time method are presented below. Amounts representing contract change orders or claims are included in revenue if the order or claim meets the criteria of a contract or contract modification in accordance with ASU 2014-09, Revenue from Contracts with Customers ("ASC 606").

The table below summarizes the favorable (unfavorable) impact to revenue as a result of changes in the estimated progress towards completion across programs for the three and six months ended June 30, 2026 and 2025 (in thousands):

	Three Months Ended June 30,		Six Months Ended June 30,	
	2026	2025	2026	2025
Revenue	$ (4,488)	$ 385	$ (2,115)	$ 231

Stock Compensation

Subsequent to the Organizational Transactions and the IPO, the Company granted performance-based restricted stock units ("PSUs") to certain employees. PSUs represent the right to receive shares of Class A common stock at specified future dates. The Company accounts for stock compensation in accordance with ASC 718, Compensation — Stock Compensation ("ASC 718"). Stock compensation expense recognition starts on the grant date and occurs using the accelerated attribution method over the implicit or explicit service period when a performance condition is deemed probable of achievement. Expense recorded for performance-based awards is reversed if the performance conditions are no longer deemed probable of achievement or ultimately are not achieved. The PSUs are subject to a service-based vesting condition and performance conditions. The service condition is generally satisfied via continued service through the first quarter of 2029. The performance conditions are consolidated revenue and adjusted EBITDA targets for each of 2026, 2027 and 2028, as determined by the Board of Directors on an annual basis. The number of PSUs eligible to vest range from 50% to 200% of the number of PSUs granted, which is determined by whether the specified minimum, target or maximum revenue or adjusted EBITDA thresholds for each performance year are achieved. Accordingly, the Company is required to estimate the number of PSUs that ultimately will vest, which is inherently uncertain and requires significant judgment. During the three months ended June 30, 2026, the Company granted 805,644 PSUs with a weighted-average grant date fair value of $27.79 per share. One-third of these PSUs will not be granted for accounting purposes (i.e., expense recognition) until the first quarter of 2027 when specified minimum, target and maximum revenue and adjusted EBITDA thresholds for 2027 has been determined by the Board of Directors, and one-third of these PSUs will not be granted for accounting purposes (i.e., expense recognition) until the first quarter of 2028 when specified minimum, target and maximum revenue and adjusted EBITDA thresholds for 2028 has been determined by the Board of Directors. During the three and six months ended June 30, 2026, the Company recognized approximately $0.7 million of stock compensation expense related to the PSUs.

Income Taxes

Following the completion of the Organizational Transactions, the Company became subject to U.S. federal, state, and local income taxes on its share of taxable income earned through its interest in Holdings LLC assessed at the applicable corporate income tax rates. The Company accounts for income taxes in accordance with ASC 740, Income Taxes ("ASC 740"). The Company recognizes for AEVEX Corp. and certain C-corporation operating subsidiaries deferred tax assets and liabilities for the expected future tax consequences of events that have been included in their tax returns or the consolidated financial statements. Deferred tax assets and liabilities are determined based on the difference between the financial statement carrying amount and the tax basis of assets and liabilities, along with net operating loss carryforwards using enacted tax rates in effect for the year in which the differences are expected to reverse. Valuation allowances are provided if, based upon the weight of available evidence, it is more likely than not that some or all the deferred tax assets will not be realized.

The Company evaluates its tax positions for any uncertainties based on the technical merits of the positions taken. The Company recognizes the tax benefit from an uncertain tax position only if it is more-likely-than-not that the tax position will be upheld on examination by taxing authorities. The Company has analyzed the tax positions taken and has concluded that, as of June 30, 2026 and December 31, 2025, there were no uncertain tax positions taken, or expected to be taken, that would require recognition of a liability or disclosure in the consolidated financial statements. Management is required to analyze all open tax years, as defined by the statute of limitations, for all major jurisdictions, which includes federal and certain state jurisdictions.

Tax Receivable Agreement

In connection with the Organizational Transactions, AEVEX Corp. entered into the Tax Receivable Agreement ("TRA") with the TRA Rights Holders. The TRA provides for the payment by AEVEX Corp. to such pre-IPO owners of 85% of certain specified U.S. federal, state and local income tax benefits, if any, that the Company actually realizes. We will retain the benefit of the remaining 15% of these net cash savings. The Company accounts for the initial recognition of the estimated income tax effects resulting from the purchase or exchange of LLC Units via an increase in deferred income tax assets (net of any required valuation allowance), based on enacted tax rates at the date of the purchase or exchange, along with the corresponding increase in the estimated TRA liability, as a change in stockholders' equity. Subsequently, the Company accounts for changes in the estimated amounts payable under the TRA in accordance with ASC Topic 450, Contingencies ("ASC 450"). As such, subsequent changes in the measurement of the estimated TRA liability between reporting periods are recognized as an adjustment to income tax expense in the consolidated statements of operations.

Changes in the estimated TRA liability may occur based on changes in expected future taxable income, changes in applicable tax rates or other changes in tax attributes that may occur and impact the expected future tax benefits to be realized by the Company. Estimating future taxable income is a key input in calculating the TRA liability, and is inherently uncertain and requires significant judgment.

As of June 30, 2026, our estimated TRA liability balance was approximately $95.9 million.

ITEM 3. QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK

We have operations within the United States and as such we are exposed to market risks in the ordinary course of our business, including the effects of interest rate changes and credit risk. Information related to quantitative and qualitative disclosure about this market risk is set forth below.

Interest Rate Risk

We are exposed to market risk for changes in interest rates applicable to our cash and cash equivalents and debt. We had cash and cash equivalents totaling $215.2 million and $27.9 million as of June 30, 2026 and December 31, 2025, respectively. Our cash and cash equivalents were primarily invested in interest bearing demand deposit accounts. Our primary exposure to interest rate risk results from outstanding borrowings under our credit agreements. We estimate that a 100-basis point increase in interest rates for the three and six months ended June 30, 2026 would have resulted in approximately a $0.3 million and $1.0 million, respectively, increase in interest expense.

Inflation Risk

We have generally experienced increases in our costs of labor, materials and services consistent with overall rates of inflation, but we do not believe that inflation has had a material effect on our business, results of operations, or financial condition. We expect the impact of such increases will be mitigated by efforts to lower costs through manufacturing efficiencies, seek alternative sourcing and reevaluate pricing, as we did in the prior periods. However, any continued cost inflation and supply chain disruptions may require similar efforts to mitigate the impact of continued cost inflation and supply chain disruptions on our results of operations. Our inability or failure to offset cost increases could adversely affect our business, results of operations, or financial condition.

ITEM 4. CONTROLS AND PROCEDURES

Evaluation of Disclosure Controls and Procedures

Our disclosure controls and procedures (as defined in Rules 13a-15(e) and 15d-15(e) under the Exchange Act of 1934, as amended (the "Exchange Act")) are designed to ensure that information required to be disclosed by us in reports we file or submit under the Exchange Act, is recorded, processed, summarized, and reported within the time periods specified in SEC rules and forms, and that such information is accumulated and communicated to our management, including our Chief Executive Officer and Chief Financial Officer, as appropriate to allow timely decisions regarding required disclosure. Our management, under the supervision and with the participation of our Chief Executive Officer and Chief Financial Officer, has evaluated the effectiveness of our disclosure controls and procedures as of June 30, 2026, the end of the period covered by this Quarterly Report. Based on that evaluation, our Chief Executive Officer and Chief Financial Officer have concluded that, as of June 30, 2026, our disclosure controls and procedures were not effective, due to the material weaknesses in our internal control over financial reporting described below.

Material Weaknesses in Internal Control Over Financial Reporting

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

As previously reported, we identified material weaknesses in our internal control over financial reporting. We did not design and maintain an effective control environment, as we lacked a sufficient complement of personnel with an appropriate level of internal controls and accounting knowledge, training and experience commensurate with our financial reporting requirements. The limited personnel resulted in our inability to consistently establish appropriate authorities and responsibilities to support our financial reporting objectives, as demonstrated by, among other things, insufficient segregation of duties in our finance and accounting functions. Further, due to rapid business growth, the design and implementation of controls have not been sufficient to respond to changes to the risks of material misstatement to financial reporting. These material weaknesses contributed to the following additional material weaknesses: We did not design and maintain formal accounting policies, procedures, and controls to achieve complete, accurate, and timely financial accounting, reporting and disclosures, including controls over the preparation and review of account reconciliations and journal entries, and control activities related to all significant accounts and disclosures. These material weaknesses resulted in audit adjustments to substantially all account balances in the Company's consolidated financial statements as of and for the years ended December 31, 2025 and 2024, certain of which were material. In addition, these material weaknesses resulted in immaterial errors related to inventories, prepaid expenses, cost of revenue, and selling, general and administrative expenses as of and for the year ended December 31, 2025, immaterial errors related to revenue, cost of revenue, contract assets, and accrued expenses as of and for the year ended December 31, 2025 and for the three months ended March 31, 2026, and immaterial errors related to segment reporting disclosures for each of the interim and annual periods ended December 31, 2025 and for the interim period ended March 31, 2026.

In addition to the foregoing, we did not design and maintain effective controls over information technology ("IT") general controls for information systems that are relevant to the preparation of our consolidated financial statements, specifically, with respect to: (i) program change management controls for financial systems to ensure that IT program and data changes affecting financial IT applications and underlying accounting records are identified, tested, authorized, and implemented appropriately; (ii) user access controls to ensure appropriate segregation of duties and that adequately restrict user and privileged access to financial applications, programs, and data to appropriate company personnel; (iii) computer operations controls to ensure that critical batch jobs are monitored and data backups are authorized and monitored; and (iv) testing and approval controls for program development to ensure that new software development is aligned with business and IT requirements. These IT deficiencies did not result in a misstatement to the financial statements; however, the deficiencies, when aggregated, could impact maintaining effective segregation of duties, as well as the effectiveness of IT-dependent controls (such as automated controls that address the risk of material misstatement to one or more assertions, along with the IT controls and underlying data that support the effectiveness of system-generated data and reports) that could result in misstatements potentially impacting all financial statement accounts and disclosures that would not be prevented or detected. Accordingly, management determined that these deficiencies in the aggregate constitute a material weakness.

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

Remediation Efforts and Status of Previously Identified Material Weaknesses

We are continuing to take steps intended to remediate these material weaknesses and to strengthen our internal control over financial reporting. These actions include, among other things:

- hiring additional personnel with appropriate technical accounting, financial reporting and internal control expertise;
- engaging a third-party advisory firm to assist in the design and implementation of control activities across the business processes that support the Company's significant accounts and disclosures;
- with the assistance of a third-party advisory firm, designing and implementing a formal financial statement risk assessment in order to identify material financial statement line items for which key controls are needed in order to ensure complete and accurate financial reporting;
- designing and implementing training procedures within the Company's accounting and finance functions to enhance knowledge and understanding of internal control over financial reporting; and
- developing a detailed remediation plan which includes activities related to creating and maintaining formal accounting policies, procedures and controls to achieve complete, accurate and timely financial accounting, reporting and disclosures; designing and implementing controls related to the preparation and review of journal entries and account reconciliations to ensure proper segregation of duties; and information technology general controls for all relevant information systems, including controls over program change management, the review, approval and update of user access rights and privileges, controls over batch jobs and data backups, and program development approvals and testing for new systems.

The material weaknesses will not be considered remediated until management completes the design and implementation of the measures described above, the controls operate for a sufficient period of time, and management has concluded, through testing, that the controls are effective.

Changes in Internal Control over Financial Reporting

There were no changes in our internal control over financial reporting (as defined in Rules 13a-15(f) and 15d-15(f) under the Exchange Act) that occurred during the three months ended June 30, 2026 that have materially affected, or are reasonably likely to materially affect, our internal control over financial reporting.

PART II. OTHER INFORMATION

ITEM 1. LEGAL PROCEEDINGS

We are subject to various arbitrations, legal proceedings and claims, governmental inquiries and investigations, and administrative and regulatory proceedings. The results of any such arbitrations, proceedings, claims, inquiries and investigations are unpredictable. An adverse or unfavorable resolution of any arbitrations, proceedings, claims, inquiries and investigations against us could have a material impact on our financial position, cash flows and results of operations.

ITEM 1A. RISK FACTORS

Information regarding our risk factors is disclosed under the section entitled "Risk Factors" in our prospectus filed with the Securities and Exchange Commission under Rule 424(b) on June 5, 2026, with such risk factors incorporated herein by reference. Please refer to that section for disclosures regarding the risks and uncertainties related to our business.

ITEM 2. UNREGISTERED SALES OF EQUITY SECURITIES AND USE OF PROCEEDS

On April 16, 2026, in connection with the IPO, the Company issued (i) 25,135,300 shares of its Class A common stock to ATS PubCo Holdings, L.P. and 63,297,524 shares of its Class B common stock to ATS Investment Holdings, LLC, in each case in exchange for economic interests in Holdings LLC outstanding immediately prior to the IPO, and in the case of the Class B common stock, nominal consideration, and (ii) 7,208,876 shares of its Class A common stock to the holders of Holdings LLC Series A preferred units upon the automatic conversion of such units. Each of the foregoing issuance of shares of common stock were not registered under the Securities Act because the shares were offered and sold in a transaction exempt from registration under Section 4(a)(2) of the Securities Act.

ITEM 3. DEFAULTS UPON SENIOR SECURITIES

None.

ITEM 4. MINE SAFETY DISCLOSURES

.0

3.Not applicable.

ITEM 5. OTHER INFORMATION

Director Departure

On August 11, 2026, Matthew Norton notified the Board of Directors (the "Board") of the Company of his decision to resign from the Board, effective immediately. Mr. Norton's resignation was not the result of a disagreement with the Company on any matter relating to the Company's operations, policies or practices. In connection with Mr. Norton's departure, the Board reduced its size from seven to six directors.

Insider Trading Arrangements

None.

ITEM 6. EXHIBITS

Exhibit No.	Description
3.1	Amended and Restated Certificate of Incorporation of AEVEX Corp. (incorporated by reference to Exhibit 3.1 to the Company's Current Report on Form 8-K filed with the Commission on April 20, 2026)
3.2	Amended and Restated Bylaws of AEVEX Corp. (incorporated by reference to Exhibit 3.2 to the Company's Current Report on Form 8-K filed with the Commission on April 20, 2026)
4.1	Registration Rights Agreement, dated as of April 20, 2026, by and among the Company and the stockholders party thereto (incorporated by reference to Exhibit 4.1 to the Company's Current Report on Form 8-K filed with the Commission on April 20, 2026)
10.1	Director Designation Agreement, dated as of April 20, 2026, by and among the Company and the stockholders party thereto (incorporated by reference to Exhibit 10.1 to the Company's Current Report on Form 8-K filed with the Commission on April 20, 2026)
10.2	Third Amended and Restated Limited Liability Company Agreement of Athena Technology Solutions Holdings, LLC, dated as of April 17, 2026, by and among the Company and the other signatories party thereto (incorporated by reference to Exhibit 10.2 to the Company's Current Report on Form 8-K filed with the Commission on April 20, 2026)
10.3	Tax Receivable Agreement, dated as of April 16, 2026, by and among the Company and the TRA Parties (incorporated by reference to Exhibit 10.3 to the Company's Current Report on Form 8-K filed with the Commission on April 20, 2026)
10.4	Exchange Agreement, dated as of April 16, 2026, by and among the Company and other signatories party thereto (incorporated by reference to Exhibit 10.4 to the Company's Current Report on Form 8-K filed with the Commission on April 20, 2026)
10.5	Form of Indemnification Agreement between the Company and each of its directors and executive officers (incorporated by reference to Exhibit 10.14 to the Company's Registration Statement on Form S-1 filed with the Commission on March 23, 2026)
10.6	AEVEX Corp. 2026 Omnibus Incentive Plan (incorporated by reference to Exhibit 10.6 to the Company's Current Report on Form 8-K filed with the Commission on April 20, 2026)
10.7	Credit Agreement, dated as of April 20, 2026, by and among AEVEX Holdings, LLC, Athena Technology Solutions Purchaser, LLC, the lenders from time to time party thereto and Bank of America, N.A., as administrative agent, collateral agent, an issuing bank and a swing line lender. (incorporated by reference to Exhibit 10.1 to the Company's Current Report on Form 8-K filed with the Commission on April 24, 2026)
10.8	Non-Employee Director Compensation Policy
10.9	Form of Non-Employee Restricted Stock Unit Grant
10.10	Form of Employee Restricted Stock Unit Grant
10.11	Form of Performance Restricted Stock Unit Grant
31.1*	Certification of Chief Executive Officer pursuant to Section 302 of the Sarbanes-Oxley Act of 2002
31.2*	Certification of Chief Financial Officer pursuant to Section 302 of the Sarbanes-Oxley Act of 2002
32.1**	Certification of Chief Executive Officer pursuant to 18 U.S.C. 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002
32.2**	Certification of Chief Financial Officer pursuant to 18 U.S.C. 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002
101.INS*	Inline XBRL Instance 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 Labels Linkbase Document
101.PRE*	Inline XBRL Taxonomy Extension Presentation Linkbase Document
104	Cover Page Interactive Data File (embedded within the Inline XBRL document)

* Filed herewith

**	Exhibit is furnished and shall not be deemed “filed” for purposes of Section 18 of the Exchange Act, or otherwise subject to the liabilities of that section, nor shall it be deemed incorporated by reference in any filing under the Securities Act, or the Exchange Act, except as shall be expressly set forth by specific reference in such filing

SIGNATURES

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

		AEVEX Corp.
Date: August 12, 2026	By:	/s/ Roger Wells
		Chief Executive Officer and Director (Principal Executive Officer)
Date: August 12, 2026	By:	/s/ Todd Booth
		Chief Financial Officer (Principal Financial and Accounting Officer)

Exhibit 10.08

AEVEX CORP.
NON-EMPLOYEE DIRECTOR COMPENSATION POLICY

This Non-Employee Director Compensation Policy (this "Policy") of AEVEX Corp., a Delaware corporation (the "Company"), as adopted by the Board of Directors of the Company (the "Board"), effective as of May 12, 2026 (the "Effective Date"), sets forth the compensation payable to each member of the Board who is not an employee of the Company or any of its subsidiaries, other than the Executive Chairman (each, a "Non-Employee Director") as consideration solely for service on the Board. Compensation payable to the Executive Chairman shall be determined by the Board without reference to this Policy. For the avoidance of doubt, nothing in this Policy will prohibit the Company from compensating any Non-Employee Director for services provided to the Company outside of such Non-Employee Director's service on the Board. This Policy shall become effective on the Effective Date and shall remain in effect until it is revised or rescinded by the Board in its sole discretion at any time and from time to time.

1. **General**. This Policy shall be followed in connection with all compensation paid by the Company to Non-Employee Directors. Any member of the Board who is also an employee of the Company shall not be entitled to cash, equity or any other compensation pursuant to this Policy. The terms and conditions of this Policy shall supersede any prior cash and/or equity compensation arrangements for service as a member of the Board between the Company and any of its Non-Employee Directors and between any subsidiary of the Company and any of its non-employee directors.

2. **Cash Compensation**.

(a) *Annual Retainer*. Each Non-Employee Director serving as a member of the Board shall receive an annual cash retainer of $75,000.00 for service on the Board (the "Annual Retainer").

(b) *Committee Chair Compensation.* A Non-Employee Director shall receive the following additional annual retainers for serving as a committee chair (the "Committee Chair Compensation"):

(i) The chair of the Audit Committee shall receive an additional annual retainer of $20,000.00 for such service.

(ii) The chair of the Compensation and Nominating Committee shall receive an additional annual retainer of $25,000.00 for such service.

(c) *Payment Schedule and Prorated Compensation for the Annual Retainers and Committee Chair Compensation*. The Annual Retainer and Committee Chair Compensation (collectively, "Cash Compensation") for each Non-Employee Director shall be paid by the Company in quarterly installments in arrears within 60 days following the completion of each quarter. If a Non-Employee Director does not serve as a Non-Employee Director (or in the applicable positions described in Section 2(b)) for an entire calendar quarter, such Non-Employee Director shall receive a prorated portion of the Cash Compensation otherwise payable to such Non-Employee Director for such calendar quarter pursuant to Sections 2(a) and 2(b), with such prorated portion determined by multiplying such otherwise payable Cash Compensation by a fraction, the numerator of which is the number of days during which the Non-Employee Director serves as a Non-Employee Director (or in the applicable positions described in Section 2(b)) during the applicable calendar quarter and the denominator of which is the number of days in the applicable calendar quarter.

3. **Equity Compensation**. Non-Employee Directors shall be granted the Equity Award described below, subject to the Board's approval. The Equity Award described below shall be granted under and shall be subject to the terms and provisions of the AEVEX Corp. 2026 Omnibus Incentive Plan or any other applicable Company equity incentive plan then-maintained by the Company (such plan, as may be amended from time to time, the "Equity Plan") and shall be granted subject to award agreements in substantially the forms approved by the Board. All applicable terms of the Equity Plan apply to this Policy as if fully set forth herein, and all equity grants hereunder are subject in all respects to the terms of the Equity Plan and the applicable award agreements.

(a) *Annual Award*. Each Non-Employee Director who (i) serves on the Board as of the date of any annual meeting of the Company's stockholders (an "Annual Meeting") and (ii) will continue to serve as a Non-Employee Director immediately following such Annual Meeting shall be granted, subject to the Board's approval, on the date of such Annual Meeting, an award of Restricted Stock Units (the "Equity Award") pursuant to the Equity Plan with a grant date fair market value equal to approximately $165,000.00; provided, however, that to compensate Non-Employee Directors for the period between April 20, 2026 and the Company's first Annual Meeting the Board may award an initial Equity Award to any Non-Employee Director who (i) has been serving on the Board as of April 20, 2026 and (ii) will continue to serve as a Non-Employee Director immediately following April 20, 2026. Such initial Equity Award will vest as set forth in the award agreement, subject to such Non-Employee Director's continuous service on the Board through such date.

(b) *New Directors.* In the event a new Non-Employee Director is elected or appointed to the Board, at any time other than on the date of an Annual Meeting, such Non-Employee Director will be eligible to receive a one-time prorated Equity Award pursuant to the Equity Plan, with such prorated portion determined by multiplying the Equity Award value pursuant to Section 3(a) by a fraction, the numerator of which is the number of days during which the Non-Employee Director serves as a Non-Employee Director during the period prior to the following Annual Meeting and the denominator of which is 365.

(c) *Additional Terms of Awards*. Each Equity Award will be granted under and subject to the terms and conditions of the Equity Plan and the applicable form of award agreement (if any) previously approved by the Board. The Board may change or otherwise revise the terms of awards to be granted in the future pursuant to this Policy in its discretion.

4. **Expense Reimbursement**. All Non-Employee Directors will be eligible to be reimbursed for reasonable out-of-pocket expenses incurred to attend meetings of the Board or committees thereof or otherwise performing duties consistent with service on the Board in

accordance with the Company's expense reimbursement policy, subject to the provision by the applicable Non-Employee Director of documentation evidencing such expenses in a form reasonably satisfactory to the Company.

5. **Section 409A**. In no event will cash compensation or expense reimbursement payments under this Policy be paid after the later of (a) the 15th day of the third month following the end of the Company's taxable year in which the compensation is earned or expenses are incurred, as applicable, or (b) the 15th day of the third month following the end of the calendar year in which the compensation is earned or expenses are incurred, as applicable, in compliance with the "short-term deferral" exception under Section 409A. It is the intent of this Policy that this Policy and all payments hereunder be exempt from or otherwise comply with the requirements of Section 409A so that none of the compensation to be provided hereunder will be subject to the additional tax imposed under Section 409A, and any ambiguities or ambiguous terms herein will be interpreted to be so exempt or comply. In no event will the Company have any responsibility, liability, or obligation to reimburse, indemnify, or hold harmless a Non-Employee Director (or any other person) for any taxes imposed, or other costs incurred, as a result of Section 409A.

6. **Insider Trading**. All directors are subject to the Company's Insider Trading Policy.

Exhibit 10.09

AEVEX CORP. 2026 OMNIBUS INCENTIVE PLAN

NON-EMPLOYEE DIRECTOR RESTRICTED STOCK UNIT GRANT NOTICE

Pursuant to the terms and conditions of the AEVEX Corp. 2026 Omnibus Incentive Plan, as amended from time to time (the "**Plan**"), AEVEX Corp., a Delaware corporation (the "**Company**"), hereby grants to the individual listed below ("**you**" or the "**Participant**") the number of Restricted Stock Units (the "**RSUs**") set forth below. This award of RSUs (this "**Award**") is subject to the terms and conditions set forth herein and in the Restricted Stock Unit Agreement attached hereto as Exhibit A (the "**Agreement**") and the Plan, each of which is incorporated herein by reference. Capitalized terms used but not defined herein shall have the meanings set forth in the Plan.

Type of Award:	Restricted Stock Units
Participant:	[●]
Date of Grant:	[●]
Total Number of RSUs:	[●]
Vesting Schedule:	Subject to Section 2 of the Agreement, the Plan and the other terms and conditions set forth herein, 100% of the RSUs shall vest on the earlier of (i) the first anniversary of the Date of Grant and (ii) the day immediately prior to the date of the next annual meeting of the stockholders of the Company following the Date of Grant (the earlier of such dates, the "**Vesting Date**"), so long as you continuously provide services to the Company as a member of the Board from the Date of Grant through the Vesting Date.

By signing below, you agree to be bound by the terms and conditions of the Plan, the Agreement and this Non-Employee Director Restricted Stock Unit Grant Notice (this "**Grant Notice**"). You acknowledge that you have reviewed the Agreement, the Plan and this Grant Notice in their entirety and fully understand all provisions of the Agreement, the Plan and this Grant Notice, and have had ample time and opportunity to obtain the advice of counsel prior to executing this Grant Notice. You hereby agree to accept as binding, conclusive and final all decisions or interpretations of the Committee regarding any questions or determinations arising under the Agreement, the Plan or this Grant Notice. This Grant Notice may be executed in one or more counterparts (including portable document format (.pdf) and facsimile counterparts), each of which shall be deemed to be an original, but all of which together shall constitute one and the same agreement.

[Signature Page Follows]

IN WITNESS WHEREOF, the Company has caused this Grant Notice to be executed by an officer thereunto duly authorized, and the Participant has executed this Grant Notice, effective for all purposes as provided above.

AEVEX CORP.

____
Name:
Title:

PARTICIPANT

____
Name: [●]

EXHIBIT A

NON-EMPLOYEE DIRECTOR RESTRICTED STOCK UNIT AGREEMENT

This Non-Employee Director Restricted Stock Unit Agreement (together with the Grant Notice to which this Agreement is attached, this "**Agreement**") is made as of the Date of Grant set forth in the Grant Notice to which this Agreement is attached by and between AEVEX Corp., a Delaware corporation (the "**Company**"), and [●] (the "**Participant**"). Capitalized terms used but not specifically defined herein shall have the meanings specified in the Plan or the Grant Notice.

1. **Award**. Effective as of the Date of Grant set forth in the Grant Notice (the "**Date of Grant**"), the Company hereby grants to the Participant the number of RSUs set forth in the Grant Notice on the terms and conditions set forth in the Grant Notice, this Agreement and the Plan, which is incorporated herein by reference as a part of this Agreement. In the event of any inconsistency between the Plan and this Agreement, the terms of the Plan shall control. To the extent vested, each RSU represents the right to receive one Share, subject to the terms and conditions set forth in the Grant Notice, this Agreement and the Plan. Unless and until the RSUs have become vested in the manner set forth in Section 2, the Participant will have no right to receive any Shares or other payments in respect of the RSUs. Prior to settlement of this Award, the RSUs and this Award represent an unsecured obligation of the Company, payable only from the general assets of the Company.

2. **Vesting of RSUs**.

(a) Except as otherwise set forth in Section 2, the RSUs shall vest in accordance with the vesting schedule set forth in the Grant Notice. Upon the Participant's Termination of Service prior to the vesting of all of the RSUs (but after giving effect to any accelerated vesting pursuant to this Section 2(b)), any unvested RSUs (and all rights arising from such RSUs and from being a holder thereof) will terminate automatically without any further action by the Company and will be forfeited without further notice and at no cost to the Company.

(b) Notwithstanding anything in the Grant Notice, this Agreement or the Plan to the contrary, the RSUs shall immediately become fully vested upon (i) the Participant's Termination of Service due to the Participant's death or Disability or (ii) a Change in Control, in each case, so long as the Participant continuously provides services to the Company as a member of the Board from the Date of Grant through such event.

3. **Dividend Equivalent Rights**. In the event that the Company declares and pays a regular cash dividend in respect of its outstanding Shares (which, for clarity, does not include any extraordinary cash dividend), and, on the record date for such dividend, the Participant holds RSUs granted pursuant to this Agreement that have not been settled, the Company shall record in a bookkeeping account an amount equal to the cash dividends the Participant would have received if the Participant was the holder of record, as of such record date, of a number of Shares equal to the number of RSUs held by the Participant that have not been settled as of such record date (the "**Dividend Equivalent Rights**"). The Dividend Equivalent Rights will be subject to the same terms and conditions, including with respect to vesting, forfeiture and transferability, as the underlying RSUs. All amounts, if any, payable in respect of the Dividend Equivalent Rights will be paid to the Participant in cash (or, at the discretion of the Company, in Shares) on or following, but no later than 30 days after, the date the underlying RSU vests. For purposes of clarity, if any of the RSUs are forfeited by the Participant pursuant to the terms of this

Agreement, then the Participant shall also forfeit the Dividend Equivalent Rights, if any, accrued with respect to such forfeited RSUs. No interest will accrue on the Dividend Equivalent Rights between the declaration and payment of the applicable dividends and the settlement of the Dividend Equivalent Rights.

4. **Settlement of RSUs**. As soon as administratively practicable following the vesting of RSUs pursuant to Section 2, but in no event later than 30 days after such vesting date, the Company shall deliver to the Participant a number of Shares equal to the number of RSUs subject to this Award. All Shares issued hereunder shall be delivered either by delivering one or more certificates for such Shares to the Participant or by entering such Shares in book-entry form, as determined by the Committee in its sole discretion. The value of Shares shall not bear any interest owing to the passage of time. Neither this Section 4 nor any action taken pursuant to or in accordance with this Agreement shall be construed to create a trust or a funded or secured obligation of any kind.

5. **Tax Matters**. To the extent that the receipt, vesting or settlement of this Award results in income (including compensation income) or wages (including via Dividend Equivalent Rights) to the Participant for federal, state, local and/or foreign tax purposes, the Company shall have the authority to deduct or withhold, or require the Participant to remit to the Company, an amount sufficient to satisfy all applicable federal, state, local and foreign taxes (including the employee portion of any Federal Insurance Contributions Act obligation) required by Applicable Law to be withheld with respect to any taxable event arising in connection with this Award. In furtherance of the forgoing, the Participant may make arrangements satisfactory to the Company regarding the payment of any income tax, social insurance contribution or other applicable taxes that are required to be withheld in respect of this Award, which arrangements include (if and to the extent permitted by the Company) the delivery of cash or cash equivalents, Shares (including previously owned Shares (which are not subject to any pledge or other security interest), net settlement, a broker-assisted sale, or other cashless withholding or reduction of the amount of shares otherwise issuable or delivered pursuant to this Award), other property, or any other legal consideration the Committee deems appropriate. If such tax obligations are satisfied through net settlement or the surrender of previously owned Shares, the maximum number of Shares that may be so withheld (or surrendered) shall be the number of Shares that have an aggregate Fair Market Value on the date of withholding or surrender equal to the aggregate amount of such tax liabilities determined based on the greatest withholding rates for federal, state, local and/or foreign tax purposes, including payroll taxes, that may be utilized without creating adverse accounting treatment for the Company with respect to this Award, as determined by the Committee. Any fraction of a Share required to satisfy such tax obligations shall be disregarded and the amount due shall be paid instead in cash to the Participant. The Participant acknowledges that there may be adverse tax consequences upon the receipt, vesting or settlement of this Award or disposition of the underlying Shares and that the Participant has been advised, and hereby is advised, to consult a tax advisor. The Participant represents that the Participant is in no manner relying on the Board, the Committee, the Company or an Affiliate or any of their respective managers, directors, officers, employees or authorized representatives (including attorneys, accountants, consultants, bankers, lenders, prospective lenders and financial representatives) for tax advice or an assessment of such tax consequences.

6. **Non-Transferability**. During the lifetime of the Participant, the RSUs may not be sold, pledged, assigned or transferred in any manner other than by will or the laws of descent and distribution, unless and until the Shares underlying the RSUs have been issued, and all restrictions applicable to such Shares have lapsed. Neither the RSUs nor any interest or right therein shall be liable for the debts, contracts or engagements of the Participant or the Participant's successors in interest or shall be subject to disposition by transfer, alienation, anticipation, pledge, encumbrance, assignment or any other means, whether such disposition be voluntary or involuntary or by operation of law by judgment, levy, attachment, garnishment or any other legal or equitable proceedings (including bankruptcy), and any attempted disposition thereof shall be null and void and of no effect, except to the extent that such disposition is permitted by the preceding sentence.

7. **Compliance with Applicable Law**. Notwithstanding any provision of this Agreement to the contrary, the issuance of Shares hereunder will be subject to compliance with all applicable requirements of Applicable Law. No Shares will be issued hereunder if such issuance would constitute a violation of any Applicable Law. In addition, Shares will not be issued hereunder unless (a) a registration statement under the Securities Act is in effect at the time of such issuance with respect to the Shares to be issued or (b) in the opinion of legal counsel to the Company, the Shares to be issued are permitted to be issued in accordance with the terms of an applicable exemption from the registration requirements of the Securities Act. The inability of the Company to obtain from any regulatory body having jurisdiction the authority, if any, deemed by the Company's legal counsel to be necessary for the lawful issuance and sale of any Shares hereunder will relieve the Company of any liability in respect of the failure to issue such Shares as to which such requisite authority has not been obtained. As a condition to any issuance of Shares hereunder, the Company may require the Participant to satisfy any requirements that may be necessary or appropriate to evidence compliance with any Applicable Law and to make any representation or warranty with respect to such compliance as may be requested by the Company.

8. **Rights as a Stockholder**. The Participant shall have no rights as a stockholder of the Company with respect to any Shares that may become deliverable hereunder unless and until the Participant has become the holder of record of such Shares, and no adjustments shall be made for dividends in cash or other property, distributions or other rights in respect of any such Shares, except as otherwise specifically provided for in the Plan or this Agreement.

9. **Execution of Receipts and Releases**. Any issuance or transfer of Shares or other property to the Participant or the Participant's legal representative, heir, legatee or distributee, in accordance with this Agreement shall be in full satisfaction of all claims of such Person hereunder. As a condition precedent to such payment or issuance, the Company may require the Participant or the Participant's legal representative, heir, legatee or distributee to execute (and not revoke within any time provided to do so) a release and receipt therefor in such form as it shall determine appropriate; *provided* that any review period under such release will not modify the date of settlement with respect to vested RSUs.

10. **No Right to Continued Service or Awards**. Nothing in the adoption of the Plan, nor the award of the RSUs thereunder pursuant to the Grant Notice and this Agreement, shall confer upon the Participant the right to a continued service relationship with, the Company or any Affiliate, or any other entity, or affect in any way the right of the Company or any such Affiliate, or any other entity to terminate such other service relationship at any time. The grant of the RSUs is a one-time benefit that was made at the sole discretion of the Company and does not create any contractual or other right to receive a grant of Awards or benefits in the future in lieu of Awards in the future. Any future Awards will be granted at the sole discretion of the Company.

11. **Notices**. All notices and other communications under this Agreement shall be in writing and shall be delivered to the parties at the following addresses (or at such other address for a party as shall be specified by like notice):

If to the Company, unless otherwise designated by the Company in a written notice to the Participant (or other holder):

AEVEX Corp.
Attn: Chief Legal Officer
440 Stevens Ave #150
Solana Beach, CA 92075

If to the Participant, at the Participant's last known address on file with the Company.

Any notice that is delivered personally or by overnight courier or telecopier in the manner provided herein shall be deemed to have been duly given to the Participant when it is mailed by the Company or, if such notice is not mailed to the Participant, upon receipt by the Participant. Any notice that is addressed and mailed in the manner herein provided shall be conclusively presumed to have been given to the party to whom it is addressed at the close of business, local time of the recipient, on the fourth day after the day it is so placed in the mail.

12. **Consent to Electronic Delivery; Electronic Signature**. In lieu of receiving documents in paper format, the Participant agrees, to the fullest extent permitted by law, to accept electronic delivery of any documents that the Company may be required to deliver (including, but not limited to, prospectuses, prospectus supplements, grant or award notifications and agreements, account statements, annual and quarterly reports and all other forms of communications) in connection with this and any other Award made or offered by the Company. Electronic delivery may be via a Company electronic mail system or by reference to a location on a Company intranet to which the Participant has access, or to the Participant's account with the Company's equity plan administrator. The Participant hereby consents to any and all procedures the Company has established or may establish for an electronic signature system for delivery and acceptance of any such documents that the Company may be required to deliver, and agrees that the Participant's electronic signature is the same as, and shall have the same force and effect as, the Participant's manual signature.

13. **Agreement to Furnish Information**. The Participant agrees to furnish to the Company all information requested by the Company to enable it to comply with any reporting or other requirement imposed upon the Company by or under any Applicable Law.

14. **Entire Agreement; Amendment**. This Agreement constitutes the entire agreement of the parties with regard to the subject matter hereof, and contains all the covenants, promises, representations, warranties and agreements between the parties with respect to the RSUs granted hereby. Without limiting the scope of the preceding sentence, except as provided therein, all prior understandings and agreements, if any, among the parties hereto relating to the subject matter hereof are hereby null and void and of no further force and effect. The Committee may, in its sole discretion, amend this Agreement from time to time in any manner that is not inconsistent with the Plan; *provided*, *however*, that except as otherwise provided in the Plan or this Agreement, any such amendment that materially reduces the rights of the Participant shall be effective only if it is in writing and signed by both the Participant and an authorized officer of the Company.

15. **Severability and Waiver**. If a court of competent jurisdiction determines that any provision of this Agreement is invalid or unenforceable, then the invalidity or unenforceability of such provision shall not affect the validity or enforceability of any other provision of this Agreement, and all other provisions shall remain in full force and effect. Waiver by any party of any breach of this Agreement or failure to exercise any right hereunder shall not be deemed to be a waiver of any other breach or right. The failure of any party to take action by reason of such breach or to exercise any such right shall not deprive the party of the right to take action at any time while or after such breach or condition giving rise to such rights continues.

16. **Company Recoupment of Awards**. The Participant's rights with respect to this Award shall in all events be subject to (a) any right that the Company may have under any Company recoupment, clawback or similar policy or other agreement or arrangement with the Participant, and (b) any right or obligation that the Company may have regarding the clawback of "incentive-based compensation" under Section 10D of the Exchange Act and any applicable rules and regulations promulgated thereunder from time to time by the U.S. Securities and Exchange Commission or any other Applicable Law. The Participant's acceptance of this Award will constitute the Participant's acknowledgment of and consent to the Company's application, implementation and enforcement of any Company recoupment, clawback or similar policy that may apply to the Participant and this Award, whether adopted before or after the Effective Date or Date of Grant (whether though clawback, cancellation, recoupment, rescission, payback, reduction or other similar action in accordance therewith) and any Applicable Law relating to clawback, cancellation, recoupment, rescission, payback or reduction of compensation or other similar action, and the Participant's agreement that the Company may take any actions that may be necessary to effectuate any such policy or Applicable Law, without further consideration or action.

17. **Governing Law**. THIS AGREEMENT SHALL BE GOVERNED BY AND CONSTRUED IN ACCORDANCE WITH THE LAWS OF THE STATE OF DELAWARE APPLICABLE TO CONTRACTS MADE AND TO BE PERFORMED THEREIN, EXCLUSIVE OF THE CONFLICT OF LAWS PROVISIONS OF DELAWARE LAW.

18. **Successors and Assigns**. The Company may assign any of its rights under this Agreement without the Participant's consent. This Agreement will be binding upon and inure to the benefit of the successors and assigns of the Company. Subject to the restrictions on transfer set forth herein and in the Plan, this Agreement will be binding upon the Participant and the Participant's beneficiaries, executors, administrators and the Person(s) to whom the RSUs may be transferred by will or the laws of descent or distribution.

19. **Headings; References; Interpretation**. Headings are for convenience only and are not deemed to be part of this Agreement. The words "hereof," "herein" and "hereunder" and words of similar import, when used in this Agreement, shall refer to this Agreement as a whole and not to any particular provision of this Agreement. All references herein to Sections shall, unless the context requires a different construction, be deemed to be references to the Sections of this Agreement. The word "or" as used herein is not exclusive and is deemed to have the meaning "and/or." All references to "including" shall be construed as meaning "including without limitation." Unless the context requires otherwise, all references herein to a law, agreement, instrument or other document shall be deemed to refer to such law, agreement, instrument or other document as amended, supplemented, modified and restated from time to time to the extent permitted by the provisions thereof. All references to "dollars" or "$" in this Agreement refer to United States dollars. Whenever the context may require, the singular form of nouns and pronouns shall include the plural and vice versa. Neither this Agreement nor any uncertainty or ambiguity herein shall be construed or resolved against any party hereto, whether under any rule of construction or otherwise. On the contrary, this Agreement has been reviewed by each of the parties hereto and shall be construed and interpreted according to the ordinary meaning of the words used so as to fairly accomplish the purposes and intentions of the parties hereto.

20. **Counterparts**. The Grant Notice may be executed in one or more counterparts, each of which shall be deemed an original and all of which together shall constitute one instrument. Delivery of an executed counterpart of the Grant Notice by facsimile or portable document format (.pdf) attachment to electronic mail or via electronic acceptance in accordance with Section 12 shall be effective as delivery of a manually executed counterpart of the Grant Notice.

21. **Section 409A**. Notwithstanding anything in this Agreement, the Grant Notice or the Plan to the contrary, the RSUs granted pursuant to this Agreement are intended to be exempt from the applicable requirements of Section 409A of the Code and shall be limited, construed and interpreted in accordance with such intent. Notwithstanding the foregoing, the Company and its Affiliates make no representations that the RSUs provided under this Agreement are exempt from or compliant with Section 409A of the Code and in no event shall the Company or any Affiliate be liable for all or any portion of any taxes, penalties, interest or other expenses that may be incurred by the Participant on account of non-compliance with Section 409A of the Code.

22.

23. [Remainder of Page Intentionally Blank]

Exhibit 10.10

AEVEX CORP. 2026 OMNIBUS INCENTIVE PLAN

RESTRICTED STOCK UNIT GRANT NOTICE

Pursuant to the terms and conditions of the AEVEX Corp. 2026 Omnibus Incentive Plan, as amended from time to time (the "**Plan**"), AEVEX Corp., a Delaware corporation (the "**Company**"), hereby grants to the individual listed below ("**you**" or the "**Participant**") the number of Restricted Stock Units (the "**RSUs**") set forth below. This award of RSUs (this "**Award**") is subject to the terms and conditions set forth herein and in the Restricted Stock Unit Agreement attached hereto as Exhibit A (the "**Agreement**"), the restrictive covenants attached hereto as Exhibit B (the "Restrictive Covenants") and the Plan, each of which is incorporated herein by reference. Capitalized terms used but not defined herein shall have the meanings set forth in the Plan.

Type of Award:	Restricted Stock Units
Participant:	[●]
Date of Grant:	[●]
Total Number of RSUs:	[●]
Vesting Schedule:	Subject to Sections 2 and 5 of the Agreement, the Plan and the other terms and conditions set forth herein, the RSUs shall annually vest in three equal installments on each of the first three anniversaries of the Date of Grant (each such date, a "**Vesting Date**"), so long as you continuously provide services to the Company or an Affiliate from the Date of Grant through such Vesting Date.

By signing below, you agree to be bound by the terms and conditions of the Plan, the Agreement and this Restricted Stock Unit Grant Notice (this "**Grant Notice**"). You acknowledge that you have reviewed the Agreement, the Plan and this Grant Notice in their entirety and fully understand all provisions of the Agreement, the Plan and this Grant Notice, and have had ample time and opportunity to obtain the advice of counsel prior to executing this Grant Notice. You hereby agree to accept as binding, conclusive and final all decisions or interpretations of the Committee regarding any questions or determinations arising under the Agreement, the Plan or this Grant Notice. This Grant Notice may be executed in one or more counterparts (including portable document format (.pdf) and facsimile counterparts), each of which shall be deemed to be an original, but all of which together shall constitute one and the same agreement.

[Signature Page Follows]

IN WITNESS WHEREOF, the Company has caused this Grant Notice to be executed by an officer thereunto duly authorized, and the Participant has executed this Grant Notice, effective for all purposes as provided above.

AEVEX CORP.

____
Name:
Title:

PARTICIPANT

____
Name: [●]

EXHIBIT A

RESTRICTED STOCK UNIT AGREEMENT

This Restricted Stock Unit Agreement (together with the Grant Notice to which this Agreement is attached and Exhibit B, this "**Agreement**") is made as of the Date of Grant set forth in the Grant Notice to which this Agreement is attached by and between AEVEX Corp., a Delaware corporation (the "**Company**"), and [●] (the "**Participant**"). Capitalized terms used but not specifically defined herein shall have the meanings specified in the Plan or the Grant Notice.

1. **Award**. In consideration of the Participant's past and/or continued employment with, or service to, the Company or an Affiliate and for other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, effective as of the Date of Grant set forth in the Grant Notice (the "**Date of Grant**"), the Company hereby grants to the Participant the number of RSUs set forth in the Grant Notice on the terms and conditions set forth in the Grant Notice, this Agreement and the Plan, which is incorporated herein by reference as a part of this Agreement. In the event of any inconsistency between the Plan and this Agreement, the terms of the Plan shall control. To the extent vested, each RSU represents the right to receive one Share, subject to the terms and conditions set forth in the Grant Notice, this Agreement and the Plan. Unless and until the RSUs have become vested in the manner set forth in Section 2, the Participant will have no right to receive any Shares or other payments in respect of the RSUs. Prior to settlement of this Award, the RSUs and this Award represent an unsecured obligation of the Company, payable only from the general assets of the Company.

2. **Vesting of RSUs**.

(a) Except as otherwise set forth in Sections 2 and 5, the RSUs shall vest in accordance with the vesting schedule set forth in the Grant Notice. Upon the Participant's Termination of Service prior to the vesting of all of the RSUs (but after giving effect to any accelerated vesting pursuant to Section 2(b)), any unvested RSUs (and all rights arising from such RSUs and from being a holder thereof) will terminate automatically without any further action by the Company and will be forfeited without further notice and at no cost to the Company.

(b) Notwithstanding anything in the Grant Notice, this Agreement or the Plan to the contrary, subject to Section 10:

(i) upon a Change in Control, all RSUs, if any, that remain unvested shall immediately accelerate and become vested in full immediately prior to the effective date of such Change in Control, subject to the Participant not incurring a Termination of Service prior to such Change in Control; and

(ii) upon the Participant's Termination of Service due to the Participant's death or Disability, all RSUs, if any, that remain unvested shall immediately accelerate and become vested in full as of the date of such Termination of Service.

(c) Except as otherwise set forth herein, upon the Participant's Termination of Service prior to the vesting of all of the RSUs, any unvested RSUs (and all rights arising from such RSUs and from being a holder thereof) will terminate automatically without any further action by the Company and will be forfeited without further notice and at no cost to the Company.

3. **Dividend Equivalent Rights**. In the event that the Company declares and pays a regular cash dividend in respect of its outstanding Shares (which, for clarity, does not include any extraordinary cash dividend), and, on the record date for such dividend, the Participant holds RSUs granted pursuant to this Agreement that have not been settled, the Company shall record in a bookkeeping account an amount equal to the cash dividends the Participant would have received if the Participant was the holder of record, as of such record date, of a number of Shares equal to the number of RSUs held by the Participant that have not been settled as of such record date (the "**Dividend Equivalent Rights**"). The Dividend Equivalent Rights will be subject to the same terms and conditions, including with respect to vesting, forfeiture and transferability, as the underlying RSUs. All amounts, if any, payable in respect of the Dividend Equivalent Rights will be paid to the Participant in cash (or, at the discretion of the Company, in Shares) on or following, but no later than 30 days after, the date the underlying RSU vests. For purposes of clarity, if any of the RSUs are forfeited by the Participant pursuant to the terms of this Agreement, then the Participant shall also forfeit the Dividend Equivalent Rights, if any, accrued with respect to such forfeited RSUs. No interest will accrue on the Dividend Equivalent Rights between the declaration and payment of the applicable dividends and the settlement of the Dividend Equivalent Rights.

4. **Settlement of RSUs**. As soon as administratively practicable following the vesting of RSUs pursuant to Section 2, but in no event later than 30 days after such vesting date, the Company shall deliver to the Participant a number of Shares equal to the number of RSUs subject to this Award. All Shares issued hereunder shall be delivered either by delivering one or more certificates for such Shares to the Participant or by entering such Shares in book-entry form, as determined by the Committee in its sole discretion. The value of Shares shall not bear any interest owing to the passage of time. Neither this Section 4 nor any action taken pursuant to or in accordance with this Agreement shall be construed to create a trust or a funded or secured obligation of any kind.

5. **Restrictive Covenants**.

(a) The Participant acknowledges and agrees that the grant of the RSUs further aligns the Participant's interests with the Company's long-term business interests, and as a condition to the Company's willingness to enter into this Agreement, the Participant agrees to abide by the terms set forth in Exhibit B, which Exhibit B is deemed to be part of this Agreement as if fully set forth herein. The Participant acknowledges and agrees that the Restrictive Covenants are reasonable and enforceable in all respects. By accepting this Award, the Participant agrees to be bound, and promises to abide, by the terms set forth in Exhibit B and expressly acknowledges and affirms that this Award would not be granted to the Participant if the Participant had not agreed to be bound by such provisions.

(b) Notwithstanding any provision in this Agreement or the Plan to the contrary, in the event the Committee determines that the Participant has failed to abide by any of the terms set forth in Exhibit B or the provisions of any other confidentiality, non-disclosure, non-competition, non-solicitation, non-disparagement or other restrictive covenants in any other agreement by and between the Company or any Affiliate and the Participant, then, in addition to and without limiting the remedies set forth in Exhibit B:

(i) all RSUs that have not been settled as of the date of such determination (and all rights arising from such RSUs and from being a holder thereof) will terminate automatically without any further action by the Company and will be forfeited without further notice and at no cost to the Company; and

(ii) the Participant shall, within 30 days following the Participant's receipt of a written notice from the Company, pay to the Company a cash amount equal to the

Fair Market Value of any Shares previously received by the Participant pursuant to the settlement of the RSUs as of the date of receipt of such Shares..

6. **Tax Matters**. To the extent that the receipt, vesting or settlement of this Award results in income (including compensation income) or wages (including via Dividend Equivalent Rights) to the Participant for federal, state, local and/or foreign tax purposes, the Company shall have the authority to deduct or withhold, or require the Participant to remit to the Company, an amount sufficient to satisfy all applicable federal, state, local and foreign taxes (including the employee portion of any Federal Insurance Contributions Act obligation) required by Applicable Law to be withheld with respect to any taxable event arising in connection with this Award. In furtherance of the forgoing, the Participant may make arrangements satisfactory to the Company regarding the payment of any income tax, social insurance contribution or other applicable taxes that are required to be withheld in respect of this Award, which arrangements include (if and to the extent permitted by the Company) the delivery of cash or cash equivalents, Shares (including previously owned Shares (which are not subject to any pledge or other security interest), net settlement, a broker-assisted sale, or other cashless withholding or reduction of the amount of shares otherwise issuable or delivered pursuant to this Award), other property, or any other legal consideration the Committee deems appropriate. If such tax obligations are satisfied through net settlement or the surrender of previously owned Shares, the maximum number of Shares that may be so withheld (or surrendered) shall be the number of Shares that have an aggregate Fair Market Value on the date of withholding or surrender equal to the aggregate amount of such tax liabilities determined based on the greatest withholding rates for federal, state, local and/or foreign tax purposes, including payroll taxes, that may be utilized without creating adverse accounting treatment for the Company with respect to this Award, as determined by the Committee. Any fraction of a Share required to satisfy such tax obligations shall be disregarded and the amount due shall be paid instead in cash to the Participant. The Participant acknowledges that there may be adverse tax consequences upon the receipt, vesting or settlement of this Award or disposition of the underlying Shares and that the Participant has been advised, and hereby is advised, to consult a tax advisor. The Participant represents that the Participant is in no manner relying on the Board, the Committee, the Company or an Affiliate or any of their respective managers, directors, officers, employees or authorized representatives (including attorneys, accountants, consultants, bankers, lenders, prospective lenders and financial representatives) for tax advice or an assessment of such tax consequences.

7. **Non-Transferability**. During the lifetime of the Participant, the RSUs may not be sold, pledged, assigned or transferred in any manner other than by will or the laws of descent and distribution, unless and until the Shares underlying the RSUs have been issued, and all restrictions applicable to such Shares have lapsed. Neither the RSUs nor any interest or right therein shall be liable for the debts, contracts or engagements of the Participant or the Participant's successors in interest or shall be subject to disposition by transfer, alienation, anticipation, pledge, encumbrance, assignment or any other means, whether such disposition be voluntary or involuntary or by operation of law by judgment, levy, attachment, garnishment or any other legal or equitable proceedings (including bankruptcy), and any attempted disposition thereof shall be null and void and of no effect, except to the extent that such disposition is permitted by the preceding sentence.

8. **Compliance with Applicable Law**. Notwithstanding any provision of this Agreement to the contrary, the issuance of Shares hereunder will be subject to compliance with all applicable requirements of Applicable Law. No Shares will be issued hereunder if such issuance would constitute a violation of any Applicable Law. In addition, Shares will not be issued hereunder unless (a) a registration statement under the Securities Act is in effect at the time of such issuance with respect to the Shares to be issued or (b) in the opinion of legal counsel to the Company, the Shares to be issued are permitted to be issued in accordance with the terms of an applicable exemption from the registration requirements of the Securities Act. The inability of the Company to obtain from any regulatory body having jurisdiction the authority, if any, deemed by the Company's legal counsel to be necessary for the lawful issuance and sale of any Shares hereunder will relieve the Company of any liability in respect of the failure to issue such Shares as to which such requisite authority has not been obtained. As a condition to any issuance of Shares hereunder, the Company may require the Participant to satisfy any requirements that may be necessary or appropriate to evidence compliance with any Applicable Law and to make any representation or warranty with respect to such compliance as may be requested by the Company.

9. **Rights as a Stockholder**. The Participant shall have no rights as a stockholder of the Company with respect to any Shares that may become deliverable hereunder unless and until the Participant has become the holder of record of such Shares, and no adjustments shall be made for dividends in cash or other property, distributions or other rights in respect of any such Shares, except as otherwise specifically provided for in the Plan or this Agreement.

10. **Execution of Receipts and Releases**. Any issuance or transfer of Shares or other property to the Participant or the Participant's legal representative, heir, legatee or distributee, in accordance with this Agreement shall be in full satisfaction of all claims of such Person hereunder. As a condition precedent to such payment or issuance, the Company may require the Participant or the Participant's legal representative, heir, legatee or distributee to execute (and not revoke within any time provided to do so) a release and receipt therefor in such form as it shall determine appropriate; *provided*, that any review period under such release will not modify the date of settlement with respect to vested RSUs.

11. **No Right to Continued Employment, Service or Awards**. Nothing in the adoption of the Plan, nor the award of the RSUs thereunder pursuant to the Grant Notice and this Agreement, shall confer upon the Participant the right to continued employment by, or a continued service relationship with, the Company or any Affiliate, or any other entity, or affect in any way the right of the Company or any such Affiliate, or any other entity to terminate such employment or other service relationship at any time. Unless otherwise provided in a written employment agreement or by Applicable Law, the Participant's employment by the Company, or any such Affiliate, or any other entity shall be on an at-will basis, and the employment relationship may be terminated at any time by either the Participant or the Company, or any such Affiliate, or other entity for any or no reason whatsoever, with or without Cause or notice. Any question as to whether and when there has been a termination of such employment, and the cause of such termination, shall be determined by the Committee or its delegate, and such determination shall be final, conclusive and binding for all purposes. The grant of the RSUs is a one-time benefit that was made at the sole discretion of the Company and does not create any contractual or other right to receive a grant of Awards or benefits in the future in lieu of Awards in the future, including any adjustment to wages, overtime, benefits or other compensation. Any future Awards will be granted at the sole discretion of the Company.

12. **Legal and Equitable Remedies**. The Participant acknowledges that a violation or attempted breach of any of the Participant's covenants and agreements in this Agreement will cause such damage as will be irreparable, the exact amount of which would be difficult to ascertain and for which there will be no adequate remedy at law, and accordingly, the parties hereto agree that the Company and its Affiliates shall be entitled as a matter of right to an injunction issued by any court of competent jurisdiction, restraining the Participant or the affiliates, partners or agents of the Participant from such breach or attempted violation of such covenants and agreements, as well as to recover from the Participant any and all costs and expenses sustained or incurred by the Company or any Affiliate in obtaining such an injunction, including reasonable attorneys' fees. The parties to this Agreement agree that no bond or other security shall be required in connection with such injunction. Any exercise by either of the parties to this Agreement of its rights pursuant to this Section 12 shall be cumulative and in addition to any other remedies to which such party may be entitled.

13. **Notices**. All notices and other communications under this Agreement shall be in writing and shall be delivered to the parties at the following addresses (or at such other address for a party as shall be specified by like notice):

If to the Company, unless otherwise designated by the Company in a written notice to the Participant (or other holder):

AEVEX Corp.
Attn: Chief Legal Officer
440 Stevens Ave #150
Solana Beach, CA 92075

If to the Participant, at the Participant's last known address on file with the Company.

Any notice that is delivered personally or by overnight courier or telecopier in the manner provided herein shall be deemed to have been duly given to the Participant when it is mailed by the Company or, if such notice is not mailed to the Participant, upon receipt by the Participant. Any notice that is addressed and mailed in the manner herein provided shall be conclusively presumed to have been given to the party to whom it is addressed at the close of business, local time of the recipient, on the fourth day after the day it is so placed in the mail.

14. **Consent to Electronic Delivery; Electronic Signature**. In lieu of receiving documents in paper format, the Participant agrees, to the fullest extent permitted by law, to accept electronic delivery of any documents that the Company may be required to deliver (including, but not limited to, prospectuses, prospectus supplements, grant or award notifications and agreements, account statements, annual and quarterly reports and all other forms of communications) in connection with this and any other Award made or offered by the Company. Electronic delivery may be via a Company electronic mail system or by reference to a location on a Company intranet to which the Participant has access, or to the Participant's account with the Company's equity plan administrator. The Participant hereby consents to any and all procedures the Company has established or may establish for an electronic signature system for delivery and acceptance of any such documents that the Company may be required to deliver, and agrees that the Participant's electronic signature is the same as, and shall have the same force and effect as, the Participant's manual signature.

15. **Agreement to Furnish Information**. The Participant agrees to furnish to the Company all information requested by the Company to enable it to comply with any reporting or other requirement imposed upon the Company by or under any Applicable Law.

16. **Entire Agreement; Amendment**. This Agreement constitutes the entire agreement of the parties with regard to the subject matter hereof, and contains all the covenants, promises, representations, warranties and agreements between the parties with respect to the RSUs granted hereby; *provided¸ however*, that (a) the terms of this Agreement shall not modify and shall be subject to the terms and conditions of any employment, consulting and/or severance agreement between the Company (or an Affiliate or other entity) and the Participant in effect as of the date a determination is to be made under this Agreement; and (b) the terms of Exhibit B are in addition to and complement (and do not replace or supersede) all other agreements and obligations between the Company or any Affiliate and the Participant with respect to confidentiality, non-disclosure, non-competition, non-solicitation, non-disparagement and other restrictive covenants. Without limiting the scope of the preceding sentence, except as provided therein, all prior understandings and agreements, if any, among the parties hereto relating to the subject matter hereof are hereby null and void and of no further force and effect. The Committee may, in its sole discretion, amend this Agreement from time to time in any manner that is not inconsistent with the Plan; *provided*, *however*, that except as otherwise provided in the Plan or this Agreement, any such amendment that materially reduces the rights of the Participant shall be effective only if it is in writing and signed by both the Participant and an authorized officer of the Company.

17. **Severability and Waiver**. If a court of competent jurisdiction determines that any provision of this Agreement is invalid or unenforceable, then the invalidity or unenforceability of such provision shall not affect the validity or enforceability of any other provision of this Agreement, and all other provisions shall remain in full force and effect. Waiver by any party of any breach of this Agreement or failure to exercise any right hereunder shall not be deemed to be a waiver of any other breach or right. The failure of any party to take action by reason of such breach or to exercise any such right shall not deprive the party of the right to take action at any time while or after such breach or condition giving rise to such rights continues.

18. **Company Recoupment of Awards**. The Participant's rights with respect to this Award shall in all events be subject to (a) any right that the Company may have under any Company recoupment, clawback or similar policy or other agreement or arrangement with the Participant, and (b) any right or obligation that the Company may have regarding the clawback of "incentive-based compensation" under Section 10D of the Exchange Act and any applicable rules and regulations promulgated thereunder from time to time by the U.S. Securities and Exchange Commission or any other Applicable Law. The Participant's acceptance of this Award will constitute the Participant's acknowledgment of and consent to the Company's application, implementation and enforcement of any Company recoupment, clawback or similar policy that may apply to the Participant and this Award, whether adopted before or after the Effective Date or Date of Grant (whether though clawback, cancellation, recoupment, rescission, payback, reduction or other similar action in accordance therewith) and any Applicable Law relating to clawback, cancellation, recoupment, rescission, payback or reduction of compensation or other similar action, and the Participant's agreement that the Company may take any actions that may be necessary to effectuate any such policy or Applicable Law, without further consideration or action.

19. **Governing Law**. THIS AGREEMENT SHALL BE GOVERNED BY AND CONSTRUED IN ACCORDANCE WITH THE LAWS OF THE STATE OF DELAWARE APPLICABLE TO CONTRACTS MADE AND TO BE PERFORMED THEREIN, EXCLUSIVE OF THE CONFLICT OF LAWS PROVISIONS OF DELAWARE LAW.

20. **Successors and Assigns**. The Company may assign any of its rights under this Agreement without the Participant's consent. This Agreement will be binding upon and inure to the benefit of the successors and assigns of the Company. Subject to the restrictions on transfer set forth herein and in the Plan, this Agreement will be binding upon the Participant and the Participant's beneficiaries, executors, administrators and the Person(s) to whom the RSUs may be transferred by will or the laws of descent or distribution.

21. **Headings; References; Interpretation**. Headings are for convenience only and are not deemed to be part of this Agreement. The words "hereof," "herein" and "hereunder" and words of similar import, when used in this Agreement, shall refer to this Agreement as a whole, including Exhibit B attached hereto, and not to any particular provision of this Agreement. All references herein to Sections and Exhibit B shall, unless the context requires a different construction, be deemed to be references to the Sections and Exhibit B of this Agreement. The word "or" as used herein is not exclusive and is deemed to have the meaning "and/or." All references to "including" shall be construed as meaning "including without limitation." Unless the context requires otherwise, all references herein to a law, agreement, instrument or other document shall be deemed to refer to such law, agreement, instrument or other document as amended, supplemented, modified and restated from time to time to the extent permitted by the provisions thereof. All references to "dollars" or "$" in this Agreement refer to United States dollars. Whenever the context may require, the singular form of nouns and pronouns shall include the plural and vice versa. Neither this Agreement nor any uncertainty or ambiguity herein shall be construed or resolved against any party hereto, whether under any rule of construction or otherwise. On the contrary, this Agreement has been reviewed by each of the parties hereto and shall be construed and interpreted according to the ordinary meaning of the words used so as to fairly accomplish the purposes and intentions of the parties hereto.

22. **Counterparts**. The Grant Notice may be executed in one or more counterparts, each of which shall be deemed an original and all of which together shall constitute one instrument. Delivery of an executed counterpart of the Grant Notice by facsimile or portable document format (.pdf) attachment to electronic mail or via electronic acceptance in accordance with Section 14 shall be effective as delivery of a manually executed counterpart of the Grant Notice.

23. **Section 409A**. The Plan, this Agreement and the RSUs are intended to comply with or be exempt from the applicable requirements of Section 409A of the Code and shall be limited, construed, and interpreted in accordance with such intent. Notwithstanding any contrary provision in the Plan or this Agreement, any payment(s) of "nonqualified deferred compensation" (within the meaning of Section 409A of the Code) that are otherwise required to be made under the Plan or this Agreement to a "specified employee" (as defined under Section 409A of the Code) as a result of such employee's separation from service (other than a payment that is not subject to Section 409A of the Code) shall be delayed for the first six (6) months following such separation from service (or, if earlier, until the date of death of the specified employee) and shall instead be paid (in a manner set forth in this Agreement) upon expiration of such delay period. Notwithstanding the foregoing, the Company and its Affiliates make no representations that the RSUs provided under this Agreement are exempt from or compliant with Section 409A of the Code and in no event shall the Company or any Affiliate be liable for all or any portion of any taxes, penalties, interest or other expenses that may be incurred by the Participant on account of non-compliance with Section 409A of the Code.

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EXHIBIT B

RESTRICTIVE COVENANTS

1. Confidentiality. In the course of Participant's employment or service with the Company, Participant will be provided with, and will have access to, Confidential Information (as defined below). In consideration of Participant's receipt and access to such Confidential Information, Participant shall comply with this Section 1.

(a) Both during Participant's employment or service with any member of the Company Group (as defined below) and thereafter, except as expressly permitted by this Exhibit B, Participant shall not directly or indirectly disclose, publish, communicate, or make available any Confidential Information, or allow it to be disclosed, published, communicated, or made available, to any person or entity and shall not access or use any Confidential Information except for the benefit of the Company Group. Participant acknowledges and agrees that Participant would inevitably use and disclose Confidential Information in violation of this Section 1 if Participant were to violate any of the covenants set forth in Section 2 of this Exhibit B. Participant shall follow all Company Group policies and protocols regarding the security of all documents and other materials containing Confidential Information (regardless of the medium on which Confidential Information is stored). Except to the extent required for the performance of Participant's duties on behalf of the Company Group, Participant shall not remove from facilities of any member of the Company Group any information, property, equipment, drawings, notes, reports, manuals, invention records, computer software, customer information, or other data or materials that relate in any way to the Confidential Information, whether paper or electronic and whether produced by Participant or obtained by the Company Group. The covenants of this Section 1(a) shall apply to all Confidential Information, whether now known or later to become known to Participant during the period that Participant is employed by or affiliated with the Company or any other member of the Company Group. For purposes of this Exhibit B, "**Company Group**" shall mean, collectively, the Company and its direct and indirect subsidiaries as may exist from time to time.

(b) Notwithstanding any provision of Section 1(a) of this Exhibit B to the contrary, Participant may make the following disclosures and uses of Confidential Information:

(i) disclosures to other employees, officers or directors of a member of the Company Group who have a need to know the information in connection with the businesses of the Company Group;

(ii) disclosures to customers and suppliers when, in the reasonable and good faith belief of Participant, such disclosure is in connection with Participant's performance of Participant's duties under any applicable employment agreement and is in the best interests of the Company Group;

(iii) disclosures and uses that are approved in writing by the Board; or

(iv) disclosures to a person or entity that has (x) been retained by a member of the Company Group to provide services to one or more members of the Company Group and (y) agreed in writing to abide by the terms of a confidentiality agreement.

(c) Upon the Participant's Termination of Service, and at any other time upon request of the Company, Participant shall promptly and permanently surrender and deliver to the Company all documents (including electronically stored information) and all copies thereof and all other materials of any nature containing or pertaining to all Confidential Information and any other Company Group property (including any Company Group-issued computer, mobile device or other equipment) in Participant's possession, custody or control and Participant shall not retain any such documents or other materials or property of the Company Group. Within ten (10) days of any such request, Participant shall certify to the Company in writing that all such documents, materials and property have been returned to the Company. In the event that the Participant later discovers any Company Group property, the Participant shall promptly return such property to the Company. The Participant shall cooperate with Company representatives and allow such representatives to oversee the process of erasing and/or permanently removing any such Confidential Information or other property of the Company Group from any computer, personal digital assistant, phone, or other electronic device, or any cloud-based storage account or other electronic medium owned or controlled by the Participant.

(d) "**Confidential Information**" means all confidential, competitively valuable, non-public or proprietary information that is conceived, made, developed or acquired by or disclosed to Participant (whether conveyed orally, in writing or in any other form or medium), individually or in conjunction with others, during the period that Participant is employed by or otherwise affiliated with the Company or any other member of the Company Group (whether during business hours or otherwise and whether on the Company's premises or otherwise) including: (i) technical information of any member of the Company Group, its affiliates, its investors, customers, vendors, suppliers or other third parties, including computer programs, software, databases, data, ideas, know-how, formulae, compositions, processes, discoveries, machines, inventions (whether patentable or not), designs, developmental or experimental work, techniques, improvements, work in process, research or test results, original works of authorship, training programs and procedures, diagrams, charts, business and product development plans, and similar items; (ii) information relating to any member of the Company Group's businesses or properties, products or services (including all such information relating to corporate opportunities, operations, future plans, methods of doing business, business plans, strategies for developing business and market share, research, financial and sales data, pricing terms, evaluations, opinions, interpretations, acquisition prospects, the identity of customers or acquisition targets or their requirements, the identity of key contacts within customers' organizations or within the organization of acquisition prospects, or marketing and merchandising techniques, prospective names and marks) or pursuant to which any member of the Company Group owes a confidentiality obligation; and (iii) other valuable, confidential information and trade secrets of any member of the Company Group, its affiliates, its customers or other third parties. Moreover, all documents, videotapes, written presentations, brochures, drawings, memoranda, notes, records, files, correspondence, manuals, models, specifications, computer programs, e-mail, voice mail, electronic databases, maps, drawings, architectural renditions, models and all other writings or materials of any type including or embodying any of such information, ideas, concepts, improvements, discoveries, inventions and other similar forms of expression are and shall be the sole and exclusive property of the Company or the other applicable member of the Company Group and be subject to the same restrictions on disclosure applicable to all Confidential Information pursuant to this Exhibit B. For purposes of this Exhibit B, Confidential Information shall not include any information that (A) is generally available to and known by the public other than as a result of a disclosure or wrongful act of Participant or any of Participant's agents; (B) was available to Participant on a non-confidential basis before its disclosure by a member of the Company Group; (C) becomes available to Participant on a non-confidential basis from a source other than a member of the Company Group who, to the Participant's knowledge, rightfully possesses the information and did not obtain it, either directly or indirectly, from a member of the Company Group; *provided*, *however*, that such source is not bound by a confidentiality agreement with, or other obligation with respect to confidentiality to, a member of the Company Group; or (D) is required to be disclosed by Applicable Law.

(e) Notwithstanding the foregoing, nothing in this Exhibit B shall prohibit or restrict Participant from lawfully: (i) initiating communications directly with, cooperating with, providing information to, causing information to be provided to, or otherwise assisting in an investigation by, any governmental or regulatory agency, entity, or official(s) (collectively, "**Governmental Authorities**") regarding a possible violation of any law; (ii) responding to any inquiry or legal process directed to Participant from any Governmental Authority; (iii) testifying, participating or otherwise assisting in any action or proceeding by any Governmental Authority relating to a possible violation of law; or (iv) making any other disclosures that are protected under the whistleblower provisions of any applicable law. Additionally, pursuant to the federal Defend Trade Secrets Act of 2016, the Participant shall not be held criminally or civilly liable under any federal or state trade secret law for the disclosure of a trade secret that: (A) is made (1) in confidence to a federal, state or local government official, either directly or indirectly, or to an attorney and (2) solely for the purpose of reporting or investigating a suspected violation of law; (B) is made to the Participant's attorney in relation to a lawsuit for retaliation against the individual for reporting a suspected violation of law; or (C) is made in a complaint or other document filed in a lawsuit or proceeding, if such filing is made under seal. Nothing in this Exhibit B requires Participant to obtain prior authorization before engaging in any conduct described in this paragraph, or to notify the Company that Participant has engaged in any such conduct. Nothing herein prevents the Participant from discussing or disclosing information about unlawful acts in the workplace, such as harassment or discrimination or any other conduct that the Participant has reason to believe is unlawful.

2. Non-Competition; Non-Solicitation.

(a) The Company shall provide Participant access to Confidential Information for use only during the Participant's employment or service with any member of the Company Group, and Participant acknowledges and agrees that the Company Group will be entrusting Participant, in Participant's unique and special capacity, with developing the goodwill of the Company Group, and in consideration of the Company providing Participant with access to Confidential Information, clients and customers and as an express incentive for the Company to grant Participant an Award under the Plan and Award Agreement, Participant has voluntarily agreed to the covenants set forth in this Section 2. Participant agrees and acknowledges that, due to the nature of the Business of the Company Group, including geographical and temporal restrictions on certain competitive activities, are reasonable in all respects, do not interfere with public interests, will not cause Employee undue hardship, and are material and substantial parts of this Exhibit B intended and necessary to prevent unfair competition and to protect the Company's Confidential Information, customer and employee relationships, goodwill and legitimate business interests.

(b) During the Prohibited Period (as defined below), Participant shall not, and shall cause Participant's affiliates not to, without the prior written approval of the Board, directly or indirectly, for Participant or on behalf of or in conjunction with any other person or entity of any nature:

(i) engage in or participate in (or prepare to engage in or participate in) the Business within the Market Area (each as defined below), which prohibition shall prevent Participant from directly or indirectly: (A) owning, investing in, controlling, managing, operating, participating in, lending Participant's name to, contributing to, providing assistance to or being an officer or director of, any person or entity engaged in or planning to engage in the Business in the Market Area, or (B) joining, becoming an employee or consultant of, or otherwise rendering services for or being affiliated with or engaged by (whether or not for compensation), any person or entity engaged in, or planning to engage in, the Business in the Market Area in any capacity (with respect to this clause (B)) in which Participant's customer or client relationships, duties or responsibilities are the same as or similar to the customer or client relationships, duties or responsibilities that Participant had on behalf of any member of the Company Group, provided, however, that Participant shall be permitted to own a passive interest of any class of securities of any corporation in competition with the Company Group that is traded on a national securities exchange (as long as Participant is not involved in the business activities of such entity).;

(ii) appropriate or interfere with or attempt to appropriate or interfere with any Business Opportunity (as defined below) of, or relating to, any member of the Company Group located in the Market Area;

(iii) solicit, canvass, approach, encourage, entice or induce any customer, vendor or supplier of any member of the Company Group with whom Participant had contact (including oversight responsibility) or learned Confidential Information about during Participant's employment or service with any member of the Company Group to cease or lessen such customer's, vendor's or supplier's business with any member of the Company Group or otherwise adversely affect such relationship, or attempt to do any of the foregoing; or

(iv) solicit, canvass, approach, encourage, entice or induce any employee or contractor of any member of the Company Group which the Participant had contact during the Participant's employment or service with any member of the Company Group or who otherwise worked in the same department as the Participant, to terminate his, her or its employment or engagement with any member of the Company Group, hire or retain any such employee or contractor or otherwise adversely affect such relationship.

Notwithstanding the foregoing, nothing herein shall prohibit Participant from being employed or engaged by any person or entity where such work (i) would not involve any level of strategic, advisory, technical, creative, or sales, or other activity similar to that which Participant provided to any Company Group or (ii) is in connection with an independent business line of such person or entity that is wholly unrelated to the Business and the Confidential Information (subject to protocols to prevent Participant from disclosing Confidential Information).

(c) Because of the difficulty of measuring economic losses to the Company Group as a result of a breach or threatened breach of the covenants set forth in Section 1 of this Exhibit B and in this Section 2, and because of the immediate, irreparable and continuing damage that would be caused to the members of the Company Group for which they would have no other adequate remedy, the Company and each other member of the Company Group shall be entitled to enforce the foregoing covenants, in the event of a breach or threatened breach of this Exhibit B. The Participant further agrees that the Company and each member of the Company Group would, by reason of such breach, or threatened breach, be entitled (a) to an injunction, a decree for specific performance, other equitable relief in a court of appropriate jurisdiction, (b) to be indemnified by Participant from any loss or harm; and (c) to recover any costs or attorneys' fees, arising out of or in connection with any breach by Participant or enforcement action relating to Participant's obligations under this Exhibit B and all other relief as may be proper (including money damages if appropriate), to the extent permitted by law, without the need to post any bond. Participant further consents and stipulates to the entry of such injunctive relief in such a court prohibiting Participant from breaching the terms of this Exhibit B. The aforementioned equitable relief shall not be the Company's or any other member of the Company Group's exclusive remedy for a breach but instead shall be in addition to all other rights and remedies available to the Company and each other member of the Company Group at law and equity. Participant further agrees that Participant will not challenge the reasonableness or enforceability of any of the covenants set forth in this Section 2, and that Participant will reimburse the Company Group for all costs (including reasonable attorneys' fees) incurred in connection with any action to enforce any of the provisions of this Section 2 if Participant challenges the reasonableness or enforceability of any of the provisions of this Section 2. Notwithstanding anything to the contrary contained in this Exhibit B, in the event of a breach of any covenant by Participant, the duration of any restriction breached shall be extended for a period equal to any period of time that Participant was in violation of such covenant to the extent permitted by Applicable Law.

(d) The covenants in this Section 2, and each provision and portion hereof, are severable and separate, and the unenforceability of any specific covenant (or portion thereof) shall not affect the provisions of any other covenant (or portion thereof). Moreover, in the event any arbitrator or court of competent jurisdiction shall determine that the scope, time or territorial restrictions set forth are unreasonable, then it is the intention of the parties that such restrictions be enforced to the fullest extent which such arbitrator or court deems reasonable, and this Exhibit B shall thereby be reformed.

(e) The following terms shall have the following meanings:

(i) "**Business**" shall mean the business and operations that are the same or similar to those performed by the Company and any other member of the Company Group for which Participant provides services or about which Participant obtains Confidential Information during the Participant's employment or service with any member of the Company Group, which business and operations include, but are not limited to the design and manufacture of unmanned and counter-unmanned systems, related mission critical products including technology such as CompassX sensor-fusion engine and its derivatives, AI-enabled full-spectrum avionics, airborne ISR, additive manufacturing, and specialized mission aircraft engineering, modification, and testing.

(ii) "**Business Opportunity**" shall mean any actual or potential commercial, investment or other business opportunity of any member of the Company Group or relating to the Business about which Participant learned Confidential Information during Participant's employment or service with any member of the Company Group.

(iii) "**Market Area**" shall mean any country, state, municipality, locale, or jurisdiction in which any member of the Company Group is engaged in providing services and in which the Participant had material responsibilities or made actual contact (whether in person, virtual, or by email, text, or phone) between Participant and a customer or prospective customer with whom Participant dealt on behalf of any member of the Company Group or whose dealings with the Company or any member of the Company Group was coordinated or supervised by Participant, or who received any product or service from the Company or any member of the Company Group that resulted in payment of compensation to Participant, or about whom Participant obtained Confidential Information as a result of Employee's employment with or service to the Company or any member of the Company Group.

(iv) "**Prohibited Period**" shall mean the period during which Participant is employed by, or providing services to, any member of the Company Group and continuing for a period of twelve (12) months following the date that Participant is no longer employed by, or providing services to, any member of the Company Group.

(f) Participant undertakes and agrees that following the date that Participant is no longer employed by, or providing services to, any member of the Company Group and prior to entering into any relationship with any other party to serve as an officer, director, employee, consultant, partner, advisor, joint-venturer or in any other capacity with any other person or entity, Participant shall disclose to such other party the terms of the restrictive covenants set forth herein and hereby consents to the Company making any related disclosures.

3. Ownership of Intellectual Property.

(a) Participant agrees that the Company shall own, and Participant shall (and hereby does) assign, all right, title and interest relating to any and all inventions (whether or not patentable), discoveries, developments, improvements, innovations, works of authorship, mask works, designs, know-how, ideas, formulae, processes, techniques, data and information authored, created, contributed to, made, conceived, developed, fabricated, reduced to practice, modified or improved, in whole or in part, by Participant during the period in which Participant is or has been employed by or affiliated with the Company or any other member of the Company Group, whether or not registerable under U.S. law or the laws of other jurisdictions, that either (a) relate in any way to the Business or actual or demonstrably anticipated research or development of the Company or any member of the Company Group, or (b) were developed on any amount of the Company's or any other member of the Company Group's time or with the use of any member of the Company Group's equipment, supplies, facilities or Confidential Information, regardless of when or where the work is prepared, to the fullest extent allowed by Applicable Law (all of the foregoing collectively referred to herein as "**Company Intellectual Property**"), and Participant shall promptly disclose all Company Intellectual Property to the Company in writing. To support Participant's disclosure obligation herein, Participant shall keep and maintain adequate and current written records of all Company Intellectual Property made by Participant (solely or jointly with others) during the period in which Participant is or has been employed by or affiliated with the Company or any other member of the Company Group in such form as may be specified from time to time by the Company. These records shall be available to, and remain the sole property of, the Company at all times. For the elimination of doubt, the foregoing ownership and assignment provisions apply without limitation to patent rights, copyrights, trade secret rights, mask work rights, trademark rights, and all other intellectual and industrial property rights of any sort throughout the world.

(b) All of Participant's works of authorship and associated copyrights created during the period in which Participant is employed by or affiliated with the Company or any other member of the Company Group and in the scope of Participant's employment or engagement shall be deemed to be "works made for hire" within the meaning of the Copyright Act. To the extent any right, title and interest in and to Company Intellectual Property cannot be assigned by Participant to the Company, Participant shall grant, and does hereby grant, to the Company Group an exclusive, perpetual, royalty-free, transferable, irrevocable, worldwide license (with rights to sublicense through multiple tiers of sublicensees) to make, have made, use, sell, offer for sale, import, export, reproduce, practice and otherwise commercialize such rights, title and interest.

(c) Participant recognizes that this Exhibit B will not be deemed to require assignment of any invention or intellectual property that Participant developed entirely on Participant's own time without using the equipment, supplies, facilities, trade secrets, or Confidential Information of any member of the Company Group. In addition, this Exhibit B does not apply to any invention that qualifies fully for protection from assignment to the Company under any specifically applicable state law or regulation.

(d) To the extent allowed by law, this Section 3 applies to all rights that may be known as or referred to as "moral rights," "artist's rights," "droit moral," or the like, including without limitation those rights set forth in 17 U.S.C. §106A (collectively, "**Moral Rights**"). To the extent Participant retains any Moral Rights under Applicable Law, Participant hereby ratifies and consents to any action that may be taken with respect to such Moral Rights by or authorized by the Company or any member of the Company Group, and Participant hereby waives and agrees not to assert any Moral Rights with respect to such Moral Rights. Participant shall confirm any such ratifications, consents, waivers, and agreements from time to time as requested by the Company.

(e) Participant shall perform, during and after the period in which Participant is or has been employed by or affiliated with the Company or any other member of the Company Group, all acts deemed necessary or desirable by the Company to permit and assist each member of the Company Group, at the Company's expense, in obtaining and enforcing the full benefits, enjoyment, rights and title throughout the world in the Company Intellectual Property and Confidential Information assigned, to be assigned, or licensed to the Company under this Exhibit B. Such acts may include execution of documents and assistance or cooperation (i) in the filing, prosecution, registration, and memorialization of assignment of any applicable patents, copyrights, mask work, or other applications, (ii) in the enforcement of any applicable patents, copyrights, mask work, moral rights, trade secrets, or other proprietary rights, and (iii) in other legal proceedings related to the Company Intellectual Property or Confidential Information.

(f) In the event that the Company (or, as applicable, a member of the Company Group) is unable for any reason to secure Participant's signature to any document required to file, prosecute, register, or memorialize the assignment of any patent, copyright, mask work or other applications or to enforce any patent, copyright, mask work, moral right, trade secret or other proprietary right under any Confidential Information or Company Intellectual Property, Participant hereby irrevocably designates and appoints the Company and each of the Company's duly authorized officers and agents as Participant's agents and attorneys-in-fact to act for and on Participant's behalf and instead of Participant, (i) to execute, file, prosecute, register and memorialize the assignment of any such application, (ii) to execute and file any documentation required for such enforcement, and (iii) to do all other lawfully permitted acts to further the filing, prosecution, registration, memorialization of assignment, issuance, and enforcement of patents, copyrights, mask works, moral rights, trade secrets or other rights under the Confidential Information or Company Intellectual Property, all with the same legal force and effect as if executed by Participant. For the avoidance of doubt, the provisions of this Section 3(f) apply fully to all derivative works, improvements, renewals, extensions, continuations, divisionals, continuations in part, continuing patent applications, reissues, and reexaminations of all Company Intellectual Property.

(g) In the event that Participant enters into, on behalf of any member of the Company Group, any contracts or agreements relating to any Confidential Information or Company Intellectual Property, Participant shall assign such contracts or agreements to the Company (or the applicable member of the Company Group) promptly, and in any event, prior to Participant's Termination of Service. If the Company (or the applicable member of the Company Group) is unable for any reason to secure Participant's signature to any document required to assign said contracts or agreements, or if Participant does not assign said contracts or agreements to the Company (or the applicable member of the Company Group) prior to Participant's Termination of Service, Participant hereby irrevocably designates and appoints the Company (or the applicable member of the Company Group) and each of the Company's duly authorized officers and agents as Participant's agents and attorneys-in-fact to act for and on Participant's behalf and instead of Participant to execute said assignments and to do all other lawfully permitted acts to further the execution of said documents.

4. **Non-Disparagement**. Subject to Section 1(e) above, Participant agrees that Participant will not, and will cause Participant's affiliates to not, make, publish, or communicate any statement, comment or remark, whether written or oral, which in any way disparages or defames or could reasonably be expected to impugn the personal or professional character, reputation or integrity of the Company or any member of the Company Group or their current or former directors, officers, members, managers, partners, executives or direct or indirect owners (including equityholders), and their customers, clients, suppliers, investors and other associated third parties, or their businesses, business practices, prospects, products or services; *provided, however*, that nothing in this Exhibit B shall prevent Participant from engaging in concerted activity relative to the terms and conditions of Participant's employment and in communications protected under the National Labor Relations Act, to the extent applicable, including the ability to file unfair labor practice charges with the National Labor Relations Board or assist others in doing so, and otherwise cooperate with any investigative process by the National Labor Relations Board.

AEVEX CORP. 2026 OMNIBUS INCENTIVE PLAN

PERFORMANCE-BASED RESTRICTED STOCK UNIT GRANT NOTICE

Pursuant to the terms and conditions of the AEVEX Corp. 2026 Omnibus Incentive Plan, as amended from time to time (the "**Plan**"), AEVEX Corp., a Delaware corporation (the "**Company**"), hereby grants to the individual listed below ("**you**" or the "**Participant**") the target number of performance-based restricted stock units (the "**PSUs**") set forth below. This award of PSUs (this "**Award**") is subject to the terms and conditions set forth herein and in the Performance-Based Restricted Stock Unit Agreement attached hereto as Exhibit A (the "**Agreement**"), the restrictive covenants attached hereto as Exhibit B (the "**Restrictive Covenants**") and Exhibit C attached hereto and the Plan, each of which is incorporated herein by reference. Capitalized terms used but not defined herein shall have the meanings set forth in the Plan.

Type of Award:	Performance-based restricted stock units, granted pursuant to Article VIII of the Plan, which vest subject to achievement of performance-based vesting conditions as set forth below.
Participant:	[●]
Date of Grant:	[●]
Target Number of Performance-Based Restricted Stock Units:	[●]
Vesting Schedule:	Subject to Section 5 of the Agreement, the Plan and the other terms and conditions set forth herein, the PSUs shall vest based on achievement of the performance-vesting conditions set forth on Exhibit C attached hereto during the Performance Period, so long as you remain continuously employed by the Company or an Affiliate from the Date of Grant through the Vesting Date (as defined on Exhibit C).

By signing below, you agree to be bound by the terms and conditions of the Plan, the Agreement and this Performance-Based Restricted Stock Unit Grant Notice (this "**Grant Notice**"). You acknowledge that you have reviewed the Agreement, the Plan and this Grant Notice in their entirety and fully understand all provisions of the Agreement, the Plan and this Grant Notice, and have had ample time and opportunity to obtain the advice of counsel prior to executing this Grant Notice. You hereby agree to accept as binding, conclusive and final all decisions or interpretations of the Committee regarding any questions or determinations arising under the Agreement, the Plan or this Grant Notice. This Grant Notice may be executed in one or more counterparts (including portable document format (.pdf) and facsimile counterparts), each of which shall be deemed to be an original, but all of which together shall constitute one and the same agreement.

[Signature Page Follows]

IN WITNESS WHEREOF, the Company has caused this Grant Notice to be executed by an officer thereunto duly authorized, and the Participant has executed this Grant Notice, effective for all purposes as provided above.

AEVEX CORP.

____
Name:
Title:

PARTICIPANT

____
Name: [●]

EXHIBIT A

PERFORMANCE-BASED RESTRICTED STOCK UNIT AGREEMENT

This Performance-Based Restricted Stock Unit Agreement (together with the Grant Notice to which this Agreement is attached and Exhibit B and Exhibit C, this "**Agreement**") is made as of the Date of Grant set forth in the Grant Notice to which this Agreement is attached by and between AEVEX Corp., a Delaware corporation (the "**Company**"), and [●] (the "**Participant**"). Capitalized terms used but not specifically defined herein shall have the meanings specified in the Plan or the Grant Notice.

1. **Award**. In consideration of the Participant's past and/or continued employment with, or service to, the Company or an Affiliate and for other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, effective as of the Date of Grant set forth in the Grant Notice (the "**Date of Grant**"), the Company hereby grants to the Participant the number of PSUs set forth in the Grant Notice on the terms and conditions set forth in the Grant Notice, this Agreement and the Plan, which is incorporated herein by reference as a part of this Agreement. In the event of any inconsistency between the Plan and this Agreement, the terms of the Plan shall control. To the extent vested, each PSU represents the right to receive one Share, subject to the terms and conditions set forth in the Grant Notice, this Agreement and the Plan. Unless and until the PSUs have become vested in the manner set forth in Section 2, the Participant will have no right to receive any Shares or other payments in respect of the PSUs. Prior to settlement of this Award, the PSUs and this Award represent an unsecured obligation of the Company, payable only from the general assets of the Company.

2. **Vesting of PSUs**. The PSUs shall vest in accordance with the vesting schedule set forth in Exhibit C.

3. **Dividend Equivalent Rights**. In the event that the Company declares and pays a regular cash dividend in respect of its outstanding Shares (which, for clarity, does not include any extraordinary cash dividend), and, on the record date for such dividend, the Participant holds PSUs granted pursuant to this Agreement that have not been settled, the Company shall record in a bookkeeping account an amount equal to the cash dividends the Participant would have received if the Participant was the holder of record, as of such record date, of a number of Shares equal to the number of PSUs held by the Participant that have not been settled as of such record date (the "**Dividend Equivalent Rights**"). The Dividend Equivalent Rights will be subject to the same terms and conditions, including with respect to vesting, forfeiture and transferability, as the underlying PSUs. All amounts, if any, payable in respect of the Dividend Equivalent Rights will be paid to the Participant in cash (or, at the discretion of the Company, in Shares) on or following, but no later than 30 days after, the date the underlying PSU vests. For purposes of clarity, if any of the PSUs are forfeited by the Participant pursuant to the terms of this Agreement, then the Participant shall also forfeit the Dividend Equivalent Rights, if any, accrued with respect to such forfeited PSUs. No interest will accrue on the Dividend Equivalent Rights between the declaration and payment of the applicable dividends and the settlement of the Dividend Equivalent Rights.

4. **Settlement of PSUs**. As soon as administratively practicable following the vesting of PSUs pursuant to Section 2, but in no event later than 30 days after such vesting date, the Company shall deliver to the Participant a number of Shares equal to the number of PSUs subject to this Award. All Shares issued hereunder shall be delivered either by delivering one or more certificates for such Shares to the Participant or by entering such Shares in book-entry form, as determined by the Committee in its sole discretion. The value of Shares shall not bear any interest owing to the passage of time. Neither this Section 4 nor any action taken pursuant to or in accordance with this Agreement shall be construed to create a trust or a funded or secured obligation of any kind.

5. Restrictive Covenants.

(a) The Participant acknowledges and agrees that the grant of the PSUs further aligns the Participant's interests with the Company's long-term business interests, and as a condition to the Company's willingness to enter into this Agreement, the Participant agrees to abide by the terms set forth in Exhibit B, which Exhibit B is deemed to be part of this Agreement as if fully set forth herein. The Participant acknowledges and agrees that the Restrictive Covenants are reasonable and enforceable in all respects. By accepting this Award, the Participant agrees to be bound, and promises to abide, by the terms set forth in Exhibit B and expressly acknowledges and affirms that this Award would not be granted to the Participant if the Participant had not agreed to be bound by such provisions.

(b) Notwithstanding any provision in this Agreement or the Plan to the contrary, in the event the Committee determines that the Participant has failed to abide by any of the terms set forth in Exhibit B or the provisions of any other confidentiality, non-disclosure, non-competition, non-solicitation, non-disparagement or other restrictive covenants in any other agreement by and between the Company or any Affiliate and the Participant, then, in addition to and without limiting the remedies set forth in Exhibit B:

(i) all PSUs that have not been settled as of the date of such determination (and all rights arising from such PSUs and from being a holder thereof) will terminate automatically without any further action by the Company and will be forfeited without further notice and at no cost to the Company; and

(ii) the Participant shall, within 30 days following the Participant's receipt of a written notice from the Company, pay to the Company a cash amount equal to the Fair Market Value of any Shares previously received by the Participant pursuant to the settlement of the PSUs as of the date of receipt of such Shares.

6. Tax Matters. To the extent that the receipt, vesting or settlement of this Award results in income (including compensation income) or wages (including via Dividend Equivalent Rights) to the Participant for federal, state, local and/or foreign tax purposes, the Company shall have the authority to deduct or withhold, or require the Participant to remit to the Company, an amount sufficient to satisfy all applicable federal, state, local and foreign taxes (including the employee portion of any Federal Insurance Contributions Act obligation) required by Applicable Law to be withheld with respect to any taxable event arising in connection with this Award. In furtherance of the forgoing, the Participant may make arrangements satisfactory to the Company regarding the payment of any income tax, social insurance contribution or other applicable taxes that are required to be withheld in respect of this Award, which arrangements include (if and to the extent permitted by the Company) the delivery of cash or cash equivalents, Shares (including previously owned Shares (which are not subject to any pledge or other security interest), net settlement, a broker-assisted sale, or other cashless withholding or reduction of the amount of shares otherwise issuable or delivered pursuant to this Award), other property, or any other legal consideration the Committee deems appropriate. If such tax obligations are satisfied through net settlement or the surrender of previously owned Shares, the maximum number of Shares that may be so withheld (or surrendered) shall be the number of Shares that have an aggregate Fair Market Value on the date of withholding or surrender equal to the aggregate amount of such tax liabilities determined based on the greatest withholding rates for federal, state, local and/or foreign tax purposes, including payroll taxes, that may be utilized without creating adverse accounting treatment for the Company with respect to this Award, as determined by the

Committee. Any fraction of a Share required to satisfy such tax obligations shall be disregarded and the amount due shall be paid instead in cash to the Participant. The Participant acknowledges that there may be adverse tax consequences upon the receipt, vesting or settlement of this Award or disposition of the underlying Shares and that the Participant has been advised, and hereby is advised, to consult a tax advisor. The Participant represents that the Participant is in no manner relying on the Board, the Committee, the Company or an Affiliate or any of their respective managers, directors, officers, employees or authorized representatives (including attorneys, accountants, consultants, bankers, lenders, prospective lenders and financial representatives) for tax advice or an assessment of such tax consequences.

7. **Non-Transferability**. During the lifetime of the Participant, the PSUs may not be sold, pledged, assigned or transferred in any manner other than by will or the laws of descent and distribution, unless and until the Shares underlying the PSUs have been issued, and all restrictions applicable to such Shares have lapsed. Neither the PSUs nor any interest or right therein shall be liable for the debts, contracts or engagements of the Participant or the Participant's successors in interest or shall be subject to disposition by transfer, alienation, anticipation, pledge, encumbrance, assignment or any other means, whether such disposition be voluntary or involuntary or by operation of law by judgment, levy, attachment, garnishment or any other legal or equitable proceedings (including bankruptcy), and any attempted disposition thereof shall be null and void and of no effect, except to the extent that such disposition is permitted by the preceding sentence.

8. **Compliance with Applicable Law**. Notwithstanding any provision of this Agreement to the contrary, the issuance of Shares hereunder will be subject to compliance with all applicable requirements of Applicable Law. No Shares will be issued hereunder if such issuance would constitute a violation of any Applicable Law. In addition, Shares will not be issued hereunder unless (a) a registration statement under the Securities Act is in effect at the time of such issuance with respect to the Shares to be issued or (b) in the opinion of legal counsel to the Company, the Shares to be issued are permitted to be issued in accordance with the terms of an applicable exemption from the registration requirements of the Securities Act. The inability of the Company to obtain from any regulatory body having jurisdiction the authority, if any, deemed by the Company's legal counsel to be necessary for the lawful issuance and sale of any Shares hereunder will relieve the Company of any liability in respect of the failure to issue such Shares as to which such requisite authority has not been obtained. As a condition to any issuance of Shares hereunder, the Company may require the Participant to satisfy any requirements that may be necessary or appropriate to evidence compliance with any Applicable Law and to make any representation or warranty with respect to such compliance as may be requested by the Company.

9. **Rights as a Stockholder**. The Participant shall have no rights as a stockholder of the Company with respect to any Shares that may become deliverable hereunder unless and until the Participant has become the holder of record of such Shares, and no adjustments shall be made for dividends in cash or other property, distributions or other rights in respect of any such Shares, except as otherwise specifically provided for in the Plan or this Agreement.

10. **Execution of Receipts and Releases**. Any issuance or transfer of Shares or other property to the Participant or the Participant's legal representative, heir, legatee or distributee, in accordance with this Agreement shall be in full satisfaction of all claims of such Person hereunder. As a condition precedent to such payment or issuance, the Company may require the Participant or the Participant's legal representative, heir, legatee or distributee to execute (and not revoke within any time provided to do so) a release and receipt therefor in such form as it shall determine appropriate; *provided*, that any review period under such release will not modify the date of settlement with respect to vested PSUs.

11. **No Right to Continued Employment, Service or Awards**. Nothing in the adoption of the Plan, nor the award of the PSUs thereunder pursuant to the Grant Notice and this Agreement, shall confer upon the Participant the right to continued employment by, or a continued service relationship with, the Company or any Affiliate, or any other entity, or affect in any way the right of the Company or any such Affiliate, or any other entity to terminate such employment or other service relationship at any time. Unless otherwise provided in a written employment agreement or by Applicable Law, the Participant's employment by the Company, or any such Affiliate, or any other entity shall be on an at-will basis, and the employment relationship may be terminated at any time by either the Participant or the Company, or any such Affiliate, or other entity for any or no reason whatsoever, with or without Cause or notice. Any question as to whether and when there has been a termination of such employment, and the cause of such termination, shall be determined by the Committee or its delegate, and such determination shall be final, conclusive and binding for all purposes. The grant of the PSUs is a one-time benefit that was made at the sole discretion of the Company and does not create any contractual or other right to receive a grant of Awards or benefits in the future in lieu of Awards in the future, including any adjustment to wages, overtime, benefits or other compensation. Any future Awards will be granted at the sole discretion of the Company.

12. **Legal and Equitable Remedies**. The Participant acknowledges that a violation or attempted breach of any of the Participant's covenants and agreements in this Agreement will cause such damage as will be irreparable, the exact amount of which would be difficult to ascertain and for which there will be no adequate remedy at law, and accordingly, the parties hereto agree that the Company and its Affiliates shall be entitled as a matter of right to an injunction issued by any court of competent jurisdiction, restraining the Participant or the affiliates, partners or agents of the Participant from such breach or attempted violation of such covenants and agreements, as well as to recover from the Participant any and all costs and expenses sustained or incurred by the Company or any Affiliate in obtaining such an injunction, including reasonable attorneys' fees. The parties to this Agreement agree that no bond or other security shall be required in connection with such injunction. Any exercise by either of the parties to this Agreement of its rights pursuant to this Section 12 shall be cumulative and in addition to any other remedies to which such party may be entitled.

13. **Notices**. All notices and other communications under this Agreement shall be in writing and shall be delivered to the parties at the following addresses (or at such other address for a party as shall be specified by like notice):

1. If to the Company, unless otherwise designated by the Company in a written notice to the Participant (or other holder):

   AEVEX Corp.
   Attn: Chief Legal Officer
   440 Stevens Ave #150
   Solana Beach, CA 92075

If to the Participant, at the Participant's last known address on file with the Company.

Any notice that is delivered personally or by overnight courier or telecopier in the manner provided herein shall be deemed to have been duly given to the Participant when it is mailed by the Company or, if such notice is not mailed to the Participant, upon receipt by the Participant. Any notice that is addressed and mailed in the manner herein provided shall be conclusively presumed to have been given to the party to whom it is addressed at the close of business, local time of the recipient, on the fourth day after the day it is so placed in the mail.

14. **<u>Consent to Electronic Delivery; Electronic Signature</u>**. In lieu of receiving documents in paper format, the Participant agrees, to the fullest extent permitted by law, to accept electronic delivery of any documents that the Company may be required to deliver (including, but not limited to, prospectuses, prospectus supplements, grant or award notifications and agreements, account statements, annual and quarterly reports and all other forms of communications) in connection with this and any other Award made or offered by the Company. Electronic delivery may be via a Company electronic mail system or by reference to a location on a Company intranet to which the Participant has access, or to the Participant's account with the Company's equity plan administrator. The Participant hereby consents to any and all procedures the Company has established or may establish for an electronic signature system for delivery and acceptance of any such documents that the Company may be required to deliver, and agrees that the Participant's electronic signature is the same as, and shall have the same force and effect as, the Participant's manual signature.

15. **<u>Agreement to Furnish Information</u>**. The Participant agrees to furnish to the Company all information requested by the Company to enable it to comply with any reporting or other requirement imposed upon the Company by or under any Applicable Law.

16. **<u>Entire Agreement; Amendment</u>**. This Agreement constitutes the entire agreement of the parties with regard to the subject matter hereof, and contains all the covenants, promises, representations, warranties and agreements between the parties with respect to the PSUs granted hereby; *provided*¸ *however*, that (a) the terms of this Agreement shall not modify and shall be subject to the terms and conditions of any employment, consulting and/or severance agreement between the Company (or an Affiliate or other entity) and the Participant in effect as of the date a determination is to be made under this Agreement; and (b) the terms of <u>Exhibit B</u> are in addition to and complement (and do not replace or supersede) all other agreements and obligations between the Company or any Affiliate and the Participant with respect to confidentiality, non-disclosure, non-competition, non-solicitation, non-disparagement and other restrictive covenants. Without limiting the scope of the preceding sentence, except as provided therein, all prior understandings and agreements, if any, among the parties hereto relating to the subject matter hereof are hereby null and void and of no further force and effect. The Committee may, in its sole discretion, amend this Agreement from time to time in any manner that is not inconsistent with the Plan; *provided*, *however*, that except as otherwise provided in the Plan or this Agreement, any such amendment that materially reduces the rights of the Participant shall be effective only if it is in writing and signed by both the Participant and an authorized officer of the Company.

17. **<u>Severability and Waiver</u>**. If a court of competent jurisdiction determines that any provision of this Agreement is invalid or unenforceable, then the invalidity or unenforceability of such provision shall not affect the validity or enforceability of any other provision of this Agreement, and all other provisions shall remain in full force and effect. Waiver by any party of any breach of this Agreement or failure to exercise any right hereunder shall not be deemed to be a waiver of any other breach or right. The failure of any party to take action by reason of such breach or to exercise any such right shall not deprive the party of the right to take action at any time while or after such breach or condition giving rise to such rights continues.

18. **<u>Company Recoupment of Awards</u>**. The Participant's rights with respect to this Award shall in all events be subject to (a) any right that the Company may have under any Company recoupment, clawback or similar policy or other agreement or arrangement with the

Participant, and (b) any right or obligation that the Company may have regarding the clawback of "incentive-based compensation" under Section 10D of the Exchange Act and any applicable rules and regulations promulgated thereunder from time to time by the U.S. Securities and Exchange Commission or any other Applicable Law. The Participant's acceptance of this Award will constitute the Participant's acknowledgment of and consent to the Company's application, implementation and enforcement of any Company recoupment, clawback or similar policy that may apply to the Participant and this Award, whether adopted before or after the Effective Date or Date of Grant (whether though clawback, cancellation, recoupment, rescission, payback, reduction or other similar action in accordance therewith) and any Applicable Law relating to clawback, cancellation, recoupment, rescission, payback or reduction of compensation or other similar action, and the Participant's agreement that the Company may take any actions that may be necessary to effectuate any such policy or Applicable Law, without further consideration or action.

19. **Governing Law**. THIS AGREEMENT SHALL BE GOVERNED BY AND CONSTRUED IN ACCORDANCE WITH THE LAWS OF THE STATE OF DELAWARE APPLICABLE TO CONTRACTS MADE AND TO BE PERFORMED THEREIN, EXCLUSIVE OF THE CONFLICT OF LAWS PROVISIONS OF DELAWARE LAW.

20. **Successors and Assigns**. The Company may assign any of its rights under this Agreement without the Participant's consent. This Agreement will be binding upon and inure to the benefit of the successors and assigns of the Company. Subject to the restrictions on transfer set forth herein and in the Plan, this Agreement will be binding upon the Participant and the Participant's beneficiaries, executors, administrators and the Person(s) to whom the PSUs may be transferred by will or the laws of descent or distribution.

21. **Headings; References; Interpretation**. Headings are for convenience only and are not deemed to be part of this Agreement. The words "hereof," "herein" and "hereunder" and words of similar import, when used in this Agreement, shall refer to this Agreement as a whole, including Exhibit B and Exhibit C attached hereto, and not to any particular provision of this Agreement. All references herein to Sections and Exhibit B and Exhibit C shall, unless the context requires a different construction, be deemed to be references to the Sections and Exhibit B and Exhibit C of this Agreement. The word "or" as used herein is not exclusive and is deemed to have the meaning "and/or." All references to "including" shall be construed as meaning "including without limitation." Unless the context requires otherwise, all references herein to a law, agreement, instrument or other document shall be deemed to refer to such law, agreement, instrument or other document as amended, supplemented, modified and restated from time to time to the extent permitted by the provisions thereof. All references to "dollars" or "$" in this Agreement refer to United States dollars. Whenever the context may require, the singular form of nouns and pronouns shall include the plural and vice versa. Neither this Agreement nor any uncertainty or ambiguity herein shall be construed or resolved against any party hereto, whether under any rule of construction or otherwise. On the contrary, this Agreement has been reviewed by each of the parties hereto and shall be construed and interpreted according to the ordinary meaning of the words used so as to fairly accomplish the purposes and intentions of the parties hereto.

22. **Counterparts**. The Grant Notice may be executed in one or more counterparts, each of which shall be deemed an original and all of which together shall constitute one instrument. Delivery of an executed counterpart of the Grant Notice by facsimile or portable document format (.pdf) attachment to electronic mail or via electronic acceptance in accordance with Section 14 shall be effective as delivery of a manually executed counterpart of the Grant Notice.

23. **<u>Section 409A</u>**. The Plan, this Agreement and PSUs are intended to comply with or be exempt from the applicable requirements of Section 409A of the Code and shall be limited, construed, and interpreted in accordance with such intent. Notwithstanding any contrary provision in the Plan or this Agreement, any payment(s) of “nonqualified deferred compensation” (within the meaning of Section 409A of the Code) that are otherwise required to be made under the Plan or this Agreement to a “specified employee” (as defined under Section 409A of the Code) as a result of such employee’s separation from service (other than a payment that is not subject to Section 409A of the Code) shall be delayed for the first six (6) months following such separation from service (or, if earlier, until the date of death of the specified employee) and shall instead be paid (in a manner set forth in this Agreement) upon expiration of such delay period. Notwithstanding the foregoing, the Company and its Affiliates make no representations that the PSUs provided under this Agreement are exempt from or compliant with Section 409A of the Code and in no event shall the Company or any Affiliate be liable for all or any portion of any taxes, penalties, interest or other expenses that may be incurred by the Participant on account of non-compliance with Section 409A of the Code.

24.

25. [*Remainder of Page Intentionally Blank*]

26.

EXHIBIT B

RESTRICTIVE COVENANTS

1. **Confidentiality**. In the course of Participant's employment or service with the Company, Participant will be provided with, and will have access to, Confidential Information (as defined below). In consideration of Participant's receipt and access to such Confidential Information, Participant shall comply with this Section 1.

(a) Both during Participant's employment or service with any member of the Company Group (as defined below) and thereafter, except as expressly permitted by this Exhibit B, Participant shall not directly or indirectly disclose, publish, communicate, or make available any Confidential Information, or allow it to be disclosed, published, communicated, or made available, to any person or entity and shall not access or use any Confidential Information except for the benefit of the Company Group. Participant acknowledges and agrees that Participant would inevitably use and disclose Confidential Information in violation of this Section 1 if Participant were to violate any of the covenants set forth in Section 2 of this Exhibit B. Participant shall follow all Company Group policies and protocols regarding the security of all documents and other materials containing Confidential Information (regardless of the medium on which Confidential Information is stored). Except to the extent required for the performance of Participant's duties on behalf of the Company Group, Participant shall not remove from facilities of any member of the Company Group any information, property, equipment, drawings, notes, reports, manuals, invention records, computer software, customer information, or other data or materials that relate in any way to the Confidential Information, whether paper or electronic and whether produced by Participant or obtained by the Company Group. The covenants of this Section 1(a) shall apply to all Confidential Information, whether now known or later to become known to Participant during the period that Participant is employed by or affiliated with the Company or any other member of the Company Group. For purposes of this Exhibit B, "**Company Group**" shall mean, collectively, the Company and its direct and indirect subsidiaries as may exist from time to time.

(b) Notwithstanding any provision of Section 1(a) of this Exhibit B to the contrary, Participant may make the following disclosures and uses of Confidential Information:

(i) disclosures to other employees, officers or directors of a member of the Company Group who have a need to know the information in connection with the businesses of the Company Group;

(ii) disclosures to customers and suppliers when, in the reasonable and good faith belief of Participant, such disclosure is in connection with Participant's performance of Participant's duties under any applicable employment agreement and is in the best interests of the Company Group;

(iii) disclosures and uses that are approved in writing by the Board; or

(iv) disclosures to a person or entity that has (x) been retained by a member of the Company Group to provide services to one or more members of the Company Group and (y) agreed in writing to abide by the terms of a confidentiality agreement.

(c) Upon the Participant's Termination of Service, and at any other time upon request of the Company, Participant shall promptly and permanently surrender and deliver to the Company all documents (including electronically stored information) and all copies thereof and all other materials of any nature containing or pertaining to all Confidential Information and any other Company Group property (including any Company Group-issued computer, mobile device or other equipment) in Participant's possession, custody or control and Participant shall not retain any such documents or other materials or property of the Company Group. Within ten (10) days of any such request, Participant shall certify to the Company in writing that all such documents, materials and property have been returned to the Company. In the event that the Participant later discovers any Company Group property, the Participant shall promptly return such property to the Company. The Participant shall cooperate with Company representatives and allow such representatives to oversee the process of erasing and/or permanently removing any such Confidential Information or other property of the Company Group from any computer, personal digital assistant, phone, or other electronic device, or any cloud-based storage account or other electronic medium owned or controlled by the Participant.

(d) "**Confidential Information**" means all confidential, competitively valuable, non-public or proprietary information that is conceived, made, developed or acquired by or disclosed to Participant (whether conveyed orally, in writing or in any other form or medium), individually or in conjunction with others, during the period that Participant is employed by or otherwise affiliated with the Company or any other member of the Company Group (whether during business hours or otherwise and whether on the Company's premises or otherwise) including: (i) technical information of any member of the Company Group, its affiliates, its investors, customers, vendors, suppliers or other third parties, including computer programs, software, databases, data, ideas, know-how, formulae, compositions, processes, discoveries, machines, inventions (whether patentable or not), designs, developmental or experimental work, techniques, improvements, work in process, research or test results, original works of authorship, training programs and procedures, diagrams, charts, business and product development plans, and similar items; (ii) information relating to any member of the Company Group's businesses or properties, products or services (including all such information relating to corporate opportunities, operations, future plans, methods of doing business, business plans, strategies for developing business and market share, research, financial and sales data, pricing terms, evaluations, opinions, interpretations, acquisition prospects, the identity of customers or acquisition targets or their requirements, the identity of key contacts within customers' organizations or within the organization of acquisition prospects, or marketing and merchandising techniques, prospective names and marks) or pursuant to which any member of the Company Group owes a confidentiality obligation; and (iii) other valuable, confidential information and trade secrets of any member of the Company Group, its affiliates, its customers or other third parties. Moreover, all documents, videotapes, written presentations, brochures, drawings, memoranda, notes, records, files, correspondence, manuals, models, specifications, computer programs, e-mail, voice mail, electronic databases, maps, drawings, architectural renditions, models and all other writings or materials of any type including or embodying any of such information, ideas, concepts, improvements, discoveries, inventions and other similar forms of expression are and shall be the sole and exclusive property of the Company or the other applicable member of the Company Group and be subject to the same restrictions on disclosure applicable to all Confidential Information pursuant to this Exhibit B. For purposes of this Exhibit B, Confidential Information shall not include any information that (A) is generally available to and known by the public other than as a result of a disclosure or wrongful act of Participant or any of Participant's agents; (B) was available to Participant on a non-confidential basis before its disclosure by a member of the Company Group; (C) becomes available to Participant on a non-confidential basis from a source other than a member of the Company Group who, to the Participant's knowledge, rightfully possesses the information and did not obtain it, either directly or indirectly, from a member of the Company Group; *provided*, *however*, that such source is not bound by a confidentiality agreement with, or other obligation with respect to confidentiality to, a member of the Company Group; or (D) is required to be disclosed by Applicable Law.

(e) Notwithstanding the foregoing, nothing in this Exhibit B shall prohibit or restrict Participant from lawfully: (i) initiating communications directly with, cooperating with, providing information to, causing information to be provided to, or otherwise assisting in an investigation by, any governmental or regulatory agency, entity, or official(s) (collectively, "**Governmental Authorities**") regarding a possible violation of any law; (ii) responding to any inquiry or legal process directed to Participant from any Governmental Authority; (iii) testifying, participating or otherwise assisting in any action or proceeding by any Governmental Authority relating to a possible violation of law; or (iv) making any other disclosures that are protected under the whistleblower provisions of any applicable law. Additionally, pursuant to the federal Defend Trade Secrets Act of 2016, the Participant shall not be held criminally or civilly liable under any federal or state trade secret law for the disclosure of a trade secret that: (A) is made (1) in confidence to a federal, state or local government official, either directly or indirectly, or to an attorney and (2) solely for the purpose of reporting or investigating a suspected violation of law; (B) is made to the Participant's attorney in relation to a lawsuit for retaliation against the individual for reporting a suspected violation of law; or (C) is made in a complaint or other document filed in a lawsuit or proceeding, if such filing is made under seal. Nothing in this Exhibit B requires Participant to obtain prior authorization before engaging in any conduct described in this paragraph, or to notify the Company that Participant has engaged in any such conduct. Nothing herein prevents the Participant from discussing or disclosing information about unlawful acts in the workplace, such as harassment or discrimination or any other conduct that the Participant has reason to believe is unlawful.

2. Non-Competition; Non-Solicitation.

(a) The Company shall provide Participant access to Confidential Information for use only during the Participant's employment or service with any member of the Company Group, and Participant acknowledges and agrees that the Company Group will be entrusting Participant, in Participant's unique and special capacity, with developing the goodwill of the Company Group, and in consideration of the Company providing Participant with access to Confidential Information, clients and customers and as an express incentive for the Company to grant Participant an Award under the Plan and Award Agreement, Participant has voluntarily agreed to the covenants set forth in this Section 2. Participant agrees and acknowledges that, due to the nature of the Business of the Company Group, including geographical and temporal restrictions on certain competitive activities, are reasonable in all respects, do not interfere with public interests, will not cause Employee undue hardship, and are material and substantial parts of this Exhibit B intended and necessary to prevent unfair competition and to protect the Company's Confidential Information, customer and employee relationships, goodwill and legitimate business interests.

(b) During the Prohibited Period (as defined below), Participant shall not, and shall cause Participant's affiliates not to, without the prior written approval of the Board, directly or indirectly, for Participant or on behalf of or in conjunction with any other person or entity of any nature:

(i) engage in or participate in (or prepare to engage in or participate in) the Business within the Market Area (each as defined below), which prohibition shall prevent Participant from directly or indirectly: (A) owning, investing in, controlling, managing, operating, participating in, lending Participant's name to, contributing to, providing assistance to or being an officer or director of, any person or entity engaged in or planning to engage in the Business in the Market Area, or (B) joining, becoming an employee or consultant of, or otherwise rendering services for or being affiliated with or engaged by (whether or not for compensation), any person or entity engaged in, or planning to engage in, the Business in the Market Area in any capacity (with respect to this clause (B)) in which Participant's customer or client relationships, duties or responsibilities are the same as or similar to the customer or client relationships, duties or responsibilities that Participant had on behalf of any member of the Company Group, provided, however, that Participant shall be permitted to own a passive interest of any class of securities of any corporation in competition with the Company Group that is traded on a national securities exchange (as long as Participant is not involved in the business activities of such entity).;

(ii) appropriate or interfere with or attempt to appropriate or interfere with any Business Opportunity (as defined below) of, or relating to, any member of the Company Group located in the Market Area;

(iii) solicit, canvass, approach, encourage, entice or induce any customer, vendor or supplier of any member of the Company Group with whom Participant had contact (including oversight responsibility) or learned Confidential Information about during Participant's employment or service with any member of the Company Group to cease or lessen such customer's, vendor's or supplier's business with any member of the Company Group or otherwise adversely affect such relationship, or attempt to do any of the foregoing; or

(iv) solicit, canvass, approach, encourage, entice or induce any employee or contractor of any member of the Company Group which the Participant had contact during the Participant's employment or service with any member of the Company Group or who otherwise worked in the same department as the Participant, to terminate his, her or its employment or engagement with any member of the Company Group, hire or retain any such employee or contractor or otherwise adversely affect such relationship.

Notwithstanding the foregoing, nothing herein shall prohibit Participant from being employed or engaged by any person or entity where such work (i) would not involve any level of strategic, advisory, technical, creative, or sales, or other activity similar to that which Participant provided to any Company Group or (ii) is in connection with an independent business line of such person or entity that is wholly unrelated to the Business and the Confidential Information (subject to protocols to prevent Participant from disclosing Confidential Information).

(c) Because of the difficulty of measuring economic losses to the Company Group as a result of a breach or threatened breach of the covenants set forth in Section 1 of this Exhibit B and in this Section 2, and because of the immediate, irreparable and continuing damage that would be caused to the members of the Company Group for which they would have no other adequate remedy, the Company and each other member of the Company Group shall be entitled to enforce the foregoing covenants, in the event of a breach or threatened breach of this Exhibit B. The Participant further agrees that the Company and each member of the Company Group would, by reason of such breach, or threatened breach, be entitled (a) to an injunction, a decree for specific performance, other equitable relief in a court of appropriate jurisdiction, (b) to be indemnified by Participant from any loss or harm; and (c) to recover any costs or attorneys' fees, arising out of or in connection with any breach by Participant or enforcement action relating to Participant's obligations under this Exhibit B and all other relief as may be proper (including money damages if appropriate), to the extent permitted by law, without the need to post any bond. Participant further consents and stipulates to the entry of such injunctive relief in such a court prohibiting Participant from breaching the terms of this Exhibit B. The aforementioned equitable relief shall not be the Company's or any other member of the Company Group's exclusive remedy for a breach but instead shall be in addition to all other rights and remedies available to the Company and each other member of the Company Group at law and equity. Participant further agrees that Participant will not challenge the reasonableness or enforceability of any of the covenants set forth in this Section 2, and that Participant will reimburse the Company Group for all costs (including reasonable attorneys' fees) incurred in connection with any action to enforce any of the provisions of this Section 2 if Participant challenges the reasonableness or enforceability of any of the provisions of this Section 2. Notwithstanding anything to the contrary contained in this Exhibit B, in the event of a breach of any covenant by Participant, the duration of any restriction breached shall be extended for a period equal to any period of time that Participant was in violation of such covenant to the extent permitted by Applicable Law.

(d) The covenants in this Section 2, and each provision and portion hereof, are severable and separate, and the unenforceability of any specific covenant (or portion thereof) shall not affect the provisions of any other covenant (or portion thereof). Moreover, in the event any arbitrator or court of competent jurisdiction shall determine that the scope, time or territorial restrictions set forth are unreasonable, then it is the intention of the parties that such restrictions be enforced to the fullest extent which such arbitrator or court deems reasonable, and this Exhibit B shall thereby be reformed.

(e) The following terms shall have the following meanings:

(i) "**Business**" shall mean the business and operations that are the same or similar to those performed by the Company and any other member of the Company Group for which Participant provides services or about which Participant obtains Confidential Information during the Participant's employment or service with any member of the Company Group, which business and operations include, but are not limited to the design and manufacture of unmanned and counter-unmanned systems, related mission critical products including technology such as CompassX sensor-fusion engine and its derivatives, AI-enabled full-spectrum avionics, airborne ISR, additive manufacturing, and specialized mission aircraft engineering, modification, and testing.

(ii) "**Business Opportunity**" shall mean any actual or potential commercial, investment or other business opportunity of any member of the Company Group or relating to the Business about which Participant learned Confidential Information during Participant's employment or service with any member of the Company Group.

(iii) "**Market Area**" shall mean any country, state, municipality, locale, or jurisdiction in which any member of the Company Group is engaged in providing services and in which the Participant had material responsibilities or made actual contact (whether in person, virtual, or by email, text, or phone) between Participant and a customer or prospective customer with whom Participant dealt on behalf of any member of the Company Group or whose dealings with the Company or any member of the Company Group was coordinated or supervised by Participant, or who received any product or service from the Company or any member of the Company Group that resulted in payment of compensation to Participant, or about whom Participant obtained Confidential Information as a result of Employee's employment with or service to the Company or any member of the Company Group.

(iv) "**Prohibited Period**" shall mean the period during which Participant is employed by, or providing services to, any member of the Company Group and continuing for a period of twelve (12) months following the date that Participant is no longer employed by, or providing services to, any member of the Company Group.

(f) Participant undertakes and agrees that following the date that Participant is no longer employed by, or providing services to, any member of the Company Group and prior to entering into any relationship with any other party to serve as an officer, director, employee, consultant, partner, advisor, joint-venturer or in any other capacity with any other person or entity, Participant shall disclose to such other party the terms of the restrictive covenants set forth herein and hereby consents to the Company making any related disclosures.

3. **Ownership of Intellectual Property**.

(a) Participant agrees that the Company shall own, and Participant shall (and hereby does) assign, all right, title and interest relating to any and all inventions (whether or not patentable), discoveries, developments, improvements, innovations, works of authorship, mask works, designs, know-how, ideas, formulae, processes, techniques, data and information authored, created, contributed to, made, conceived, developed, fabricated, reduced to practice, modified or improved, in whole or in part, by Participant during the period in which Participant is or has been employed by or affiliated with the Company or any other member of the Company Group, whether or not registerable under U.S. law or the laws of other jurisdictions, that either (a) relate in any way to the Business or actual or demonstrably anticipated research or development of the Company or any member of the Company Group, or (b) were developed on any amount of the Company's or any other member of the Company Group's time or with the use of any member of the Company Group's equipment, supplies, facilities or Confidential Information, regardless of when or where the work is prepared, to the fullest extent allowed by Applicable Law (all of the foregoing collectively referred to herein as "**Company Intellectual Property**"), and Participant shall promptly disclose all Company Intellectual Property to the Company in writing. To support Participant's disclosure obligation herein, Participant shall keep and maintain adequate and current written records of all Company Intellectual Property made by Participant (solely or jointly with others) during the period in which Participant is or has been employed by or affiliated with the Company or any other member of the Company Group in such form as may be specified from time to time by the Company. These records shall be available to, and remain the sole property of, the Company at all times. For the elimination of doubt, the foregoing ownership and assignment provisions apply without limitation to patent rights, copyrights, trade secret rights, mask work rights, trademark rights, and all other intellectual and industrial property rights of any sort throughout the world.

(b) All of Participant's works of authorship and associated copyrights created during the period in which Participant is employed by or affiliated with the Company or any other member of the Company Group and in the scope of Participant's employment or engagement shall be deemed to be "works made for hire" within the meaning of the Copyright Act. To the extent any right, title and interest in and to Company Intellectual Property cannot be assigned by Participant to the Company, Participant shall grant, and does hereby grant, to the Company Group an exclusive, perpetual, royalty-free, transferable, irrevocable, worldwide license (with rights to sublicense through multiple tiers of sublicensees) to make, have made, use, sell, offer for sale, import, export, reproduce, practice and otherwise commercialize such rights, title and interest.

(c) Participant recognizes that this Exhibit B will not be deemed to require assignment of any invention or intellectual property that Participant developed entirely on Participant's own time without using the equipment, supplies, facilities, trade secrets, or Confidential Information of any member of the Company Group. In addition, this Exhibit B does not apply to any invention that qualifies fully for protection from assignment to the Company under any specifically applicable state law or regulation.

(d) To the extent allowed by law, this Section 3 applies to all rights that may be known as or referred to as "moral rights," "artist's rights," "droit moral," or the like, including without limitation those rights set forth in 17 U.S.C. §106A (collectively, "**Moral Rights**"). To the extent Participant retains any Moral Rights under Applicable Law, Participant hereby ratifies and consents to any action that may be taken with respect to such Moral Rights by or authorized by the Company or any member of the Company Group, and Participant hereby waives and agrees not to assert any Moral Rights with respect to such Moral Rights. Participant shall confirm any such ratifications, consents, waivers, and agreements from time to time as requested by the Company.

(e) Participant shall perform, during and after the period in which Participant is or has been employed by or affiliated with the Company or any other member of the Company Group, all acts deemed necessary or desirable by the Company to permit and assist each member of the Company Group, at the Company's expense, in obtaining and enforcing the full benefits, enjoyment, rights and title throughout the world in the Company Intellectual Property and Confidential Information assigned, to be assigned, or licensed to the Company under this Exhibit B. Such acts may include execution of documents and assistance or cooperation (i) in the filing, prosecution, registration, and memorialization of assignment of any applicable patents, copyrights, mask work, or other applications, (ii) in the enforcement of any applicable patents, copyrights, mask work, moral rights, trade secrets, or other proprietary rights, and (iii) in other legal proceedings related to the Company Intellectual Property or Confidential Information.

(f) In the event that the Company (or, as applicable, a member of the Company Group) is unable for any reason to secure Participant's signature to any document required to file, prosecute, register, or memorialize the assignment of any patent, copyright, mask work or other applications or to enforce any patent, copyright, mask work, moral right, trade secret or other proprietary right under any Confidential Information or Company Intellectual Property, Participant hereby irrevocably designates and appoints the Company and each of the Company's duly authorized officers and agents as Participant's agents and attorneys-in-fact to act for and on Participant's behalf and instead of Participant, (i) to execute, file, prosecute, register and memorialize the assignment of any such application, (ii) to execute and file any documentation required for such enforcement, and (iii) to do all other lawfully permitted acts to further the filing, prosecution, registration, memorialization of assignment, issuance, and enforcement of patents, copyrights, mask works, moral rights, trade secrets or other rights under the Confidential Information or Company Intellectual Property, all with the same legal force and effect as if executed by Participant. For the avoidance of doubt, the provisions of this Section 3(f) apply fully to all derivative works, improvements, renewals, extensions, continuations, divisionals, continuations in part, continuing patent applications, reissues, and reexaminations of all Company Intellectual Property.

(g) In the event that Participant enters into, on behalf of any member of the Company Group, any contracts or agreements relating to any Confidential Information or Company Intellectual Property, Participant shall assign such contracts or agreements to the Company (or the applicable member of the Company Group) promptly, and in any event, prior to Participant's Termination of Service. If the Company (or the applicable member of the Company Group) is unable for any reason to secure Participant's signature to any document required to assign said contracts or agreements, or if Participant does not assign said contracts or agreements to the Company (or the applicable member of the Company Group) prior to Participant's Termination of Service, Participant hereby irrevocably designates and appoints the Company (or the applicable member of the Company Group) and each of the Company's duly authorized officers and agents as Participant's agents and attorneys-in-fact to act for and on Participant's behalf and instead of Participant to execute said assignments and to do all other lawfully permitted acts to further the execution of said documents.

4. Non-Disparagement. Subject to Section 1(e) above, Participant agrees that Participant will not, and will cause Participant's affiliates to not, make, publish, or communicate any statement, comment or remark, whether written or oral, which in any way disparages or defames or could reasonably be expected to impugn the personal or professional character, reputation or integrity of the Company or any member of the Company Group or their current or former directors, officers, members, managers, partners, executives or direct or indirect owners (including equityholders), and their customers, clients, suppliers, investors and other associated third parties, or their businesses, business practices, prospects, products or services; *provided, however*, that nothing in this Exhibit B shall prevent Participant from engaging in concerted activity relative to the terms and conditions of Participant's employment and in communications protected under the National Labor Relations Act, to the extent applicable, including the ability to file unfair labor practice charges with the National Labor Relations Board or assist others in doing so, and otherwise cooperate with any investigative process by the National Labor Relations Board.

EXHIBIT C

PERFORMANCE-VESTING CONDITIONS

A. **General**. This Exhibit C sets forth the performance-vesting and time-vesting conditions applicable to the PSUs. Subject to the terms and conditions set forth in the Grant Notice, the Agreement and the Plan, the PSUs subject to this Award are eligible to (x) become performance vested in accordance with this Exhibit C based on achievement of the applicable Performance Conditions (as defined below), which achievement will be determined upon the Committee's certification of the achievement of such Performance Conditions over the three-year performance period beginning on the Date of Grant (the "**Cumulative Performance Period**"), which certification shall occur within thirty (30) days following the last day of the Cumulative Performance Period (the actual date of such certification, the "**Vesting Date**") and (y) become time vested subject to the Participant not having incurred a Termination of Service prior to the Vesting Date, in each case, other than as otherwise set forth herein. Capitalized terms used but not defined herein shall have the same meaning as is ascribed thereto in the Grant Notice, the Agreement or the Plan, as applicable. Consistent with the terms of the Plan, all designations, determinations, interpretations, and other decisions under or with respect to the terms of the Plan or the Agreement, including this Exhibit C, shall be within the sole discretion of the Committee, and shall be final, conclusive, and binding upon all persons.

B. **Performance Vesting**. Subject to Paragraph D of this Exhibit C, one-third of the PSUs shall be eligible to performance vest during each of (i) calendar year 2026 (the "**First Performance Period**"); (ii) calendar year 2027 (the "**Second Performance Period**") and (iii) calendar year 2028 (the "**Third Performance Period**", and each of the First Performance Period, the Second Performance Period and Third Performance Period, a "**Performance Period**") pursuant to achievement of the applicable Revenue and Adjusted EBITDA targets (each, a "**Performance Condition**") set forth in this Exhibit C, provided that, for the avoidance of doubt, any PSUs that become performance vested in accordance with this Exhibit C shall not become fully vested unless the Participant has not incurred a Termination of Service prior to the Vesting Date. Achievement of the Performance Conditions with respect to any Performance Period shall be assessed only for such Performance Period and in no event will over-achievement of Performance Conditions in any Performance Period affect achievement of Performance Conditions of an unrelated Performance Period.

1) With respect to each Performance Period, the PSUs shall be eligible to performance vest pursuant to the applicable Performance Condition as set forth below, each weighted as to 50%.

2) With respect to the First Performance Period, the PSUs shall be eligible to performance vest pursuant to the Performance Conditions set forth below:

First Performance Period			
Performance Condition	**Threshold (50%)**	**Target (100%)**	**Maximum (200%)**

Revenue	$528,630,000	$587,370,000	$728,330,000
Adjusted EBITDA	$79,040,000	$87,820,000	$140,520,000

Linear interpolation shall be applied in the event performance is achieved between threshold and maximum performance levels; provided, for the avoidance of doubt, that achievement below the threshold level shall result in no payout in respect of the PSUs.

3) With respect to the Second Performance Period, the PSUs shall be eligible to performance vest, (x) with respect to the Revenue Performance Condition, based on a target equal to a 15% increase over the Revenue actually achieved during the First Performance Period (as determined by the Committee) (the "Second Performance Period Revenue Target"), and with the threshold and maximum performance levels equal to 90% and 115%, respectively, of the Second Performance Period Revenue Target, subject to linear interpolation for achievement between threshold and maximum, and (y) with respect to the Adjusted EBITDA Performance Condition, based on a target equal to the sum of (A) the product of (i) the Adjusted EBITDA Margin Percentage for the First Performance Period (as determined by the Committee) and (ii) 15%, plus (B) the Adjusted EBITDA Margin Percentage, with the resulting sum multiplied by the Second Performance Period Revenue Target (the "Second Performance Period Adjusted EBITDA Target"), and with the threshold and maximum performance levels equal to 80% and 130%, respectively, of the Second Performance Period Adjusted EBITDA Target, subject to linear interpolation for achievement between threshold and maximum.

   Illustrative Example of Calculation of the Second Performance Period Adjusted EBITDA Threshold, Target and Maximum:

   Assume for the First Performance Period, actual Revenue achieved of $500,000,000 and actual Adjusted EBITDA achieved of $100,000,000. The Second Performance Period Revenue Target is equal to $500,000,000 + ($500,000,000 x 0.15) = $575,000,000. Adjusted EBITDA Margin Percentage for the First Performance Period is equal to $100,000,000/$500,000,000 =20%.

Second Performance Period Adjusted EBITDA Target	((20% * 15%) + 20%) * $575,000,000 = 132,250,000
Second Performance Period Adjusted EBITDA Threshold	132,250,000 * 80% = 105,800,000
Second Performance Period Adjusted EBITDA Maximum	132,250,000 * 130% = 171,925,000

4) With respect to the Third Performance Period, the PSUs shall be eligible to performance vest, (x) with respect to the Revenue Performance Condition, based on a target equal to a 15% increase over the Revenue actually achieved during the Second Performance Period (as determined by the Committee) (the "Third Performance Period Revenue Target"), and with the threshold and maximum performance levels equal to 90% and 115%, respectively, of the Third Performance Period Revenue Target, subject to linear interpolation for achievement between threshold and maximum, and (y) with respect to the Adjusted EBITDA Performance Condition, based on a target equal the sum of (A) the product of (i) the Adjusted EBITDA Margin Percentage for the Second Performance Period (as determined by the Committee) and (ii) 15%, plus (B) the Adjusted EBITDA Margin Percentage, with the resulting sum multiplied by the Third Performance Period Revenue Target (the "Third Performance Period Adjusted EBITDA Target"), and with the threshold and maximum performance levels equal to 80% and 130%, respectively, of the Third Performance Period Adjusted EBITDA Target, subject to linear interpolation for achievement between threshold and maximum.

C. **Defined Terms**. For purposes of this Exhibit C:

"Revenue" consists entirely of revenue from contracts with customers, net of sales discounts. The Company's revenue is derived from a combination of cost-plus contracts, fixed price contracts, and time and materials contracts for both U.S. Government and commercial and international deliverables. The Company accounts for a contract when it has approval and commitment from both parties, the rights of the parties are identified, payment terms are identified, the contract has commercial substance and collectability of consideration is probable. The Company recognizes revenue upon satisfying the performance obligations identified in the contract, which is achieved as services are rendered, upon completion of a service, or through the transfer of control of the promised good or service to the customer either at a point in time or over time. Contracts can range from short-term periods of less than twelve (12) months to multi-year obligations.

"Adjusted EBITDA" means net income (loss) before interest income and expense, income tax expense (benefit), depreciation and amortization expense, stock expense, other income (expense), changes in the fair value of contingent consideration liabilities, IPO-related costs, asset impairments, business acquisition costs, and restructuring costs, as well as certain non-recurring items. The Company believes that Adjusted EBITDA is an important metric for management and investors as it removes the impact of items that the Company does not believe are indicative of its core operating results or the overall health of the Company and allows for consistent comparison of its operating results over time and relative to the Company's peers.

"Adjusted EBITDA Margin Percentage" means, with respect to the applicable Performance Period, the quotient of (x) Adjusted EBITDA (for the applicable Performance Period) by (y) Revenue (for the applicable Performance Period), expressed as a percentage.

D. **Change in Control; Death and Disability**. Notwithstanding anything in the Grant Notice, the Agreement or the Plan to the contrary, subject to Section 10 of the Agreement:

(i) upon a Change in Control prior to the Vesting Date, the PSUs shall be deemed vested as of the date of such Change in Control, in a number determined as follows: (x) with respect to any Performance Period that has lapsed in full prior to the date of such Change in Control, the number of PSUs that were performance vested based on actual performance achieved for such Performance Period (as determined by the Committee), and (y) with respect to any Performance Period during which such Change in Control occurs or any future Performance Period, the number of PSUs based on the target level of performance for such Performance Period, subject to continued employment through the date of the Change in Control; and

(ii) upon the Participant's Termination of Service due to the Participant's death or Disability prior to the Vesting Date, the PSUs shall be deemed vested as of the date of such Termination of Service, in a number determined as follows: (x) with respect to any Performance Period that has lapsed in full prior to the date of such Termination of Service, the number of PSUs that were performance vested based on actual performance achieved for such Performance Period (as determined by the Committee), and (y) with respect to any Performance Period during which such Termination of Service occurs or any future Performance Period, the number of PSUs based on the target level of performance for such Performance Period.

E. Upon the Participant's Termination of Service prior to the Vesting Date (but after giving effect to any accelerated vesting pursuant to Paragraph D), any unvested PSUs (and all rights arising from such PSUs and from being a holder thereof) will terminate automatically without any further action by the Company and will be forfeited without further notice and at no cost to the Company.

EXHIBIT 31.1

**CERTIFICATION OF CHIEF EXECUTIVE OFFICER
PURSUANT TO SECTION 302 OF THE SARBANES-OXLEY ACT OF 2002**

I, Roger Wells, certify that:

1. I have reviewed this Quarterly Report on Form 10-Q for the quarter ended June 30, 2026 of AEVEX Corp.;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) 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) [Omitted];

   (c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

   (d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):
   (a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

   (b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: August 12, 2026

/s/ Roger Wells

Roger Wells
Chief Executive Officer

EXHIBIT 31.2

CERTIFICATION OF CHIEF EXECUTIVE OFFICER
PURSUANT TO SECTION 302 OF THE SARBANES-OXLEY ACT OF 2002

I, Todd Booth, certify that:

1. I have reviewed this Quarterly Report on Form 10-Q for the quarter ended June 30, 2026 of AEVEX Corp.;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) 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) [Omitted];

   (c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

   (d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):
   (a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

   (b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: August 12, 2026

/s/ Todd Booth
Todd Booth
Chief Financial Officer

EXHIBIT 32.1

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

In connection with the Quarterly Report on Form 10-Q for the quarter ended June 30, 2026 of AEVEX Corp. (the “Registrant”), as filed with the Securities and Exchange Commission on the date hereof (the “Report”), I, Roger Wells, Chief Executive Officer of the Registrant, certify, pursuant to 18 U.S.C. § 1350, as adopted pursuant to § 906 of the Sarbanes-Oxley Act of 2002, that:

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

2. The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Registrant.

Date: August 12, 2026

/s/ Roger Wells
Roger Wells
Chief Executive Officer

EXHIBIT 32.2

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

In connection with the Quarterly Report on Form 10-Q for the quarter ended June 30, 2026 of AEVEX Corp. (the “Registrant”), as filed with the Securities and Exchange Commission on the date hereof (the “Report”), I, Todd Booth, Chief Financial Officer of the Registrant, certify, pursuant to 18 U.S.C. § 1350, as adopted pursuant to § 906 of the Sarbanes-Oxley Act of 2002, that:

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

2. The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Registrant.

Date: August 12, 2026

/s/ Todd Booth
Todd Booth
Chief Financial Officer