

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 March 31, 2023

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: 001-36341

V2X, Inc.

(Exact name of registrant as specified in its charter)

Indiana

38-3924636

(State or other jurisdiction of incorporation or organization)

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

7901 Jones Branch Drive, Suite 700, McLean Virginia 22102

(Address of Principal Executive Offices) (Zip Code)

Registrant's telephone number, including area code:

(571) 481-2000

Securities Registered Under Section 12(b) of the Act:

Title of each class	Trading symbol(s)	Name of each exchange on which registered
Common Stock, Par Value \$0.01 Per Share	VVX	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 Exchange Act). Yes ☐

No ☒

As of May 1, 2023, there were 31,005,399 shares of common stock (\$0.01 par value per share) outstanding.

V2X, INC.
QUARTERLY REPORT ON FORM 10-Q
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PART I. FINANCIAL INFORMATION

ITEM 1. FINANCIAL STATEMENTS

V2X, INC.

CONDENSED CONSOLIDATED STATEMENTS OF (LOSS) INCOME (UNAUDITED)

	Three Months Ended	
	March 31, 2023	April 1, 2022
<i>(In thousands, except per share data)</i>		
Revenue	\$ 943,460	\$ 456,471
Cost of revenue	864,630	419,275
Selling, general, and administrative expenses	48,251	31,959
Operating income	30,579	5,237
Loss on extinguishment of debt	(22,052)	—
Interest expense, net	(31,744)	(1,681)
(Loss) income from operations before income taxes	(23,217)	3,556
Income tax (benefit) expense	(5,737)	701
Net (loss) income	\$ (17,480)	\$ 2,855
(Loss) earnings per share		
Basic	\$ (0.57)	\$ 0.24
Diluted	\$ (0.57)	\$ 0.24
Weighted average common shares outstanding - basic	30,927	11,759
Weighted average common shares outstanding - diluted	30,927	11,902

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

V2X, INC.**CONDENSED CONSOLIDATED STATEMENTS OF COMPREHENSIVE (LOSS) INCOME (UNAUDITED)**

<i>(In thousands)</i>	Three Months Ended	
	March 31, 2023	April 1, 2022
Net (loss) income	\$ (17,480)	\$ 2,855
Other comprehensive loss, net of tax		
Changes in derivative instruments:		
Net change in fair value of interest rate swaps	(2,347)	439
Net change in fair value of foreign currency forward contracts	—	30
Tax expense	148	(95)
Net change in derivative instruments	(2,199)	374
Foreign currency translation adjustments, net of tax	1,806	(616)
Other comprehensive loss, net of tax	(393)	(242)
Total comprehensive (loss) income	<u>\$ (17,873)</u>	<u>\$ 2,613</u>

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

V2X, INC.
CONDENSED CONSOLIDATED BALANCE SHEETS (UNAUDITED)

<i>(In thousands, except per share information)</i>	March 31, 2023	December 31, 2022
Assets		
Current assets		
Cash and cash equivalents	\$ 62,145	\$ 116,067
Receivables	759,813	728,582
Prepaid expenses	78,218	74,234
Other current assets	26,016	13,049
Total current assets	926,192	931,932
Property, plant, and equipment, net	82,311	78,715
Goodwill	1,655,545	1,653,822
Intangible assets, net	475,345	497,951
Right-of-use assets	48,577	52,825
Other non-current assets	21,370	17,858
Total non-current assets	2,283,148	2,301,171
Total Assets	\$ 3,209,340	\$ 3,233,103
Liabilities and Shareholders' Equity		
Current liabilities		
Accounts payable	\$ 402,655	\$ 406,706
Compensation and other employee benefits	143,937	168,038
Short-term debt	15,500	11,850
Other accrued liabilities	198,101	196,538
Total current liabilities	760,193	783,132
Long-term debt, net	1,291,969	1,262,811
Deferred tax liabilities	9,927	15,813
Operating lease liabilities	37,082	41,083
Other non-current liabilities	131,698	133,185
Total non-current liabilities	1,470,676	1,452,892
Total liabilities	2,230,869	2,236,024
Commitments and contingencies (Note 8)		
Shareholders' Equity		
Preferred stock; \$0.01 par value; 10,000 shares authorized; No shares issued and outstanding	—	—
Common stock; \$0.01 par value; 100,000 shares authorized; 31,005 and 30,470 shares issued and outstanding as of March 31, 2023 and December 31, 2022, respectively	310	305
Additional paid in capital	748,137	748,877
Retained earnings	235,944	253,424
Accumulated other comprehensive loss	(5,920)	(5,527)
Total shareholders' equity	978,471	997,079
Total Liabilities and Shareholders' Equity	\$ 3,209,340	\$ 3,233,103

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

V2X, INC.

CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS (UNAUDITED)

	Three Months Ended	
	March 31, 2023	April 1, 2022
<i>(In thousands)</i>		
Operating activities		
Net (loss) income	\$ (17,480)	\$ 2,855
Adjustments to reconcile net (loss) income to net cash used in operating activities:		
Depreciation expense	5,412	1,591
Amortization of intangible assets	22,606	2,301
Loss (gain) on disposal of property, plant, and equipment	31	(16)
Stock-based compensation	12,872	2,558
Amortization of debt issuance costs	2,513	204
Loss on extinguishment of debt	22,052	—
Changes in assets and liabilities:		
Receivables	(30,649)	(29,898)
Prepaid expenses	(3,840)	(4,849)
Other assets	(5,938)	4,520
Accounts payable	(4,115)	22,693
Deferred taxes	(6,034)	—
Compensation and other employee benefits	(24,182)	(21,138)
Other liabilities	(11,740)	(7,202)
Net cash used in operating activities	(38,492)	(26,381)
Investing activities		
Purchases of capital assets	(9,076)	(2,195)
Proceeds from the disposition of assets	—	17
Net cash used in investing activities	(9,076)	(2,178)
Financing activities		
Proceeds from issuance of long-term debt	250,000	—
Repayments of long-term debt	(421,013)	(2,600)
Proceeds from revolver	348,750	217,000
Repayments of revolver	(163,750)	(200,000)
Proceeds from exercise of stock options	5	—
Payment of debt issuance costs	(7,507)	(458)
Prepayment premium on early redemption of debt	(1,600)	—
Payments of employee withholding taxes on share-based compensation	(12,806)	(1,626)
Net cash (used in) provided by financing activities	(7,921)	12,316
Exchange rate effect on cash	1,567	729
Net change in cash and cash equivalents	(53,922)	(15,514)
Cash and cash equivalents - beginning of period	116,067	38,513
Cash and cash equivalents - end of period	\$ 62,145	\$ 22,999
Supplemental disclosure of cash flow information:		
Interest paid	\$ 29,066	\$ 1,513
Income taxes paid	\$ 300	\$ 66
Purchase of capital assets on account	\$ 494	\$ 5

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

V2X, INC.
CONDENSED CONSOLIDATED STATEMENTS OF CHANGES TO SHAREHOLDERS' EQUITY (UNAUDITED)

<i>(In thousands)</i>	Common Stock Issued		Additional Paid-in Capital	Retained Earnings	Accumulated Other Comprehensive Loss	Total Shareholders' Equity
	Shares	Amount				
Balance at December 31, 2021	11,738	\$ 117	\$ 88,116	\$ 267,754	\$ (5,900)	\$ 350,087
Net income	—	—	—	2,855	—	2,855
Foreign currency translation adjustments	—	—	—	—	(616)	(616)
Unrealized gain on cash flow hedge	—	—	—	—	374	374
Employee stock awards and stock options	67	1	—	—	—	1
Taxes withheld on stock compensation awards	—	—	(1,626)	—	—	(1,626)
Stock-based compensation	—	—	3,100	—	—	3,100
Balance at April 1, 2022	11,805	\$ 118	\$ 89,590	\$ 270,609	\$ (6,142)	\$ 354,175
Balance at December 31, 2022	30,470	\$ 305	\$ 748,877	\$ 253,424	\$ (5,527)	\$ 997,079
Net loss	—	—	—	(17,480)	—	(17,480)
Foreign currency translation adjustments	—	—	—	—	1,806	1,806
Unrealized loss on cash flow hedge	—	—	—	—	(2,199)	(2,199)
Employee stock awards and stock options	535	5	—	—	—	5
Taxes withheld on stock compensation awards	—	—	(12,806)	—	—	(12,806)
Stock-based compensation	—	—	12,066	—	—	12,066
Balance at March 31, 2023	31,005	\$ 310	\$ 748,137	\$ 235,944	\$ (5,920)	\$ 978,471

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

NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (UNAUDITED)**NOTE 1****DESCRIPTION OF BUSINESS AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES****Our Business**

V2X, Inc., an Indiana Corporation, formerly known as Vectrus, Inc. (Vectrus), is a leading provider of critical mission solutions and support to defense clients globally. The Company operates as one segment and delivers a comprehensive suite of integrated solutions across the operations and logistics, aerospace, training and technology markets to national security, defense, civilian and international clients.

Vectrus was incorporated in the State of Indiana in February 2014. On September 27, 2014, Exelis Inc, an Indiana corporation, spun-off (the Spin-off) Vectrus and Vectrus became an independent, publicly traded company. References in these notes to "Exelis" or "Former Parent" refer to Exelis Inc. and its consolidated subsidiaries (other than Vectrus). Exelis was acquired by a predecessor entity of L3Harris Technologies, Inc. in May 2015.

On March 7, 2022, Vectrus entered into an Agreement and Plan of Merger (the Merger Agreement) with Vertex Aerospace Services Holding Corp., a Delaware corporation (Vertex), Andor Merger Sub Inc., a Delaware corporation (Merger Sub Inc.) and Andor Merger Sub LLC, a Delaware limited liability company (Merger Sub LLC). On July 5, 2022 (the Closing Date), Vectrus completed its merger (Merger) thereby forming V2X, Inc. For a description of the Merger, see Note 3, *Merger*.

Unless the context otherwise requires or unless stated otherwise, references in these notes to "V2X", "we," "us," "our," "combined company", "the Company" and "our Company" refer to V2X, Inc. and all of its consolidated subsidiaries (including, subsequent to the Merger, Vertex and its consolidated subsidiaries), taken together as a whole.

Equity Investments

In 2011, we entered into a joint venture agreement with Shaw Environmental & Infrastructure, Inc., which is now APTIM Federal Services LLC. Pursuant to the joint venture agreement, High Desert Support Services, LLC (HDSS) was established to pursue and perform work on the Ft. Irwin Installation Support Services Contract, which was awarded to HDSS in October 2012. In 2018, we entered into a joint venture agreement with J&J Maintenance. Pursuant to the joint venture agreement, J&J Facilities Support, LLC (J&J) was established to pursue and perform work on various U.S. government contracts. In 2020, we entered into a joint venture agreement with Kuwait Resources House for Human Resources Management and Services Company (KRH). Pursuant to the joint venture agreement, ServCore Resources and Services Solutions, LLC. (ServCore) was established to operate and manage labor and life support services outside of the continental United States at designated locations serviced by V2X and others around the world.

We account for our investments in HDSS, J&J, and ServCore under the equity method as we have the ability to exercise significant influence, but do not hold a controlling interest. We record our proportionate 25%, 50%, and 40% shares, respectively, of income or losses from HDSS, J&J, and ServCore in selling, general and administrative expenses in the Condensed Consolidated Statements of (Loss) Income. Our investment in these joint ventures is recorded in other non-current assets in the Condensed Consolidated Balance Sheets.

When we receive cash distributions from our equity method investments, the cash distribution is compared to cumulative earnings and cumulative cash distributions. Cash distributions received are recorded as a return on investment in operating cash flows within the Condensed Consolidated Statements of Cash Flows to the extent cumulative cash distributions are less than cumulative earnings. Any cash distributions in excess of cumulative earnings are recorded as a return of investment in investing cash flows within the Condensed Consolidated Statements of Cash Flows. As of March 31, 2023 and December 31, 2022 our joint venture investment balance was \$6.5 million and \$7.0 million, respectively. Our proportionate share of income from the HDSS, J&J, and ServCore joint ventures was \$1.8 million for the first quarter of 2023 and not material for the first quarter 2022.

Basis of Presentation

Our quarterly financial periods end on the Friday closest to the last day of the calendar quarter (March 31, 2023 for the first quarter of 2023 and April 1, 2022 for the first quarter of 2022), except for the last quarter of the fiscal year, which ends on December 31. For ease of presentation, the quarterly financial statements included herein are described as three months ended.

The unaudited interim Condensed Consolidated Financial Statements of V2X have been prepared pursuant to the rules and regulations of the U.S. Securities and Exchange Commission (SEC). Accordingly, certain information and note disclosures normally included in annual financial statements prepared in accordance with generally accepted accounting principles (GAAP) in the U.S. have been omitted. These unaudited interim Condensed Consolidated Financial Statements should be read in conjunction with our audited Consolidated Financial Statements and notes thereto included in our Annual Report on Form 10-K for the year ended December 31, 2022.

It is management's opinion that these financial statements include all normal and recurring adjustments necessary for a fair presentation of the Company's financial position and operating results. Revenue and net income for any interim period are not necessarily indicative of future or annual results.

NOTE 2

RECENT ACCOUNTING STANDARDS UPDATE

There have been no accounting standards issued or adopted during the first quarter of 2023 that are expected to have a material impact on the Company's financial statements.

NOTE 3

MERGER

In accordance with ASC Topic 805, *Business Combinations*, we accounted for the below transaction using the acquisition method. We conducted valuations of certain acquired assets and liabilities for inclusion in our Condensed Consolidated Balance Sheets as of the date of the Merger. Assets that normally would not be recorded in ordinary operations, such as intangibles related to contractual relationships, were recorded at their estimated fair values. The excess purchase price over the estimated fair value of the net assets acquired was recorded as goodwill.

On the Closing Date, Vectrus completed its previously announced Merger with Vertex, forming V2X by acquiring all of the outstanding shares of Vertex. On the Closing Date, Vertex and its consolidated subsidiaries became wholly-owned subsidiaries of the Company.

The combined V2X entity from the Merger is a larger and more diversified Company with the ability to compete for more integrated business opportunities and generate revenue across geographies, clients, and contract types in supporting the mission of our customers.

Purchase Price Allocation

The Merger is accounted for as a business combination. As such, the assets acquired and liabilities assumed are accounted for at fair value, with the excess of the purchase price over the fair value of the net identifiable assets acquired and liabilities assumed recorded as goodwill.

The Closing Date fair value of the consideration transferred totaled \$634.0 million, which was comprised of the following:

<i>(In thousands, except share and per share amounts)</i>		Purchase Price
Shares of V2X common stock issued		18,591,866
Market price per share of V2X as of Closing Date	\$	33.92
Fair value of common shares issued	\$	630,636
Fair value of cash consideration		3,315
Total consideration transferred	\$	633,951

The following table summarizes the preliminary fair values of the assets acquired and liabilities assumed in the Merger as of the Closing Date. The estimated fair value of Vertex's assets acquired and liabilities assumed at the acquisition date are determined based on preliminary valuations and analyses. As of March 31, 2023, we considered these amounts to be preliminary because we are still in the process of gathering and reviewing information to support the details surrounding tax matters and assumptions underlying certain existing or potential reserves. The final determination could result in further adjustments.

<i>(In thousands)</i>	Preliminary Fair Value
Cash and cash equivalents	\$ 196,993
Receivables	334,655
Prepaid expenses	49,172
Property, plant, and equipment	53,618
Intangible assets	480,000
Other non-current assets	18,895
Right-of-use assets	21,062
Accounts payable	(121,515)
Debt	(1,352,303)
Compensation and other employee benefits	(45,968)
Other current and non-current liabilities	(334,469)
Total identifiable net assets	(699,860)
Goodwill	1,333,811
Total purchase consideration	\$ 633,951

As a result of the Merger, the Company recognized \$1,333.8 million of goodwill. The goodwill recognized is attributable to operational and general and administrative cost synergies, expanded market opportunities and other benefits that do not qualify for separate recognition. None of the goodwill is expected to be deductible for tax purposes. In addition, we recognized two intangible assets related to backlog and customer contracts arising from the Merger. The fair value of backlog was \$316.0 million, and the fair value of the customer contracts was \$164.0 million with amortization periods of 4.5 years and 14.0 years, respectively. The receivables of \$334.7 million represent fair value and are considered fully collectible.

As part of the Merger, V2X acquired certain contracts, including a Transition Services Agreement (TSA) with Crestview Aerospace LLC (Crestview), which was previously divested to American Industrial Partners Capital Fund VI, L.P. (AIP). As of March 31, 2023, the Company recorded \$0.7 million of income related to the TSA with Crestview, which was recorded as a reduction in cost of sales. AIP held approximately 60.0% of V2X common stock as of March 31, 2023.

The following unaudited information shows the combined actual results of our operations for the three months ended March 31, 2023 and pro forma results for the three months ended April 1, 2022 as if the Merger had occurred on January 1, 2021. The unaudited pro forma information reflects the effects of applying our accounting policies and certain pro forma adjustments to the combined historical financial information of Vertex. The pro forma adjustments include: a) incremental amortization expense associated with identified intangible assets; b) incremental interest expense resulting from fair value adjustments applied to the Vertex debt that we assumed; and c) a reduction of revenues and operating expenses associated with fair value adjustments made to acquire assets and assumed liabilities, such as contract assets and contract liabilities.

This unaudited pro forma information is presented for informational purposes only and may not necessarily reflect the actual results of operations that would have been achieved, nor are they necessarily indicative of future results of operations.

<i>(Unaudited, in thousands)</i>	Three Months Ended	
	March 31, 2023	April 1, 2022
	Actual	Pro forma
Revenue	\$ 943,460	\$ 842,741
Net (loss) income	\$ (17,480)	\$ 11,953

NOTE 4**REVENUE****Performance Obligations**

Performance obligations represent firm orders by the customer and excludes potential orders under indefinite delivery and indefinite quantity (IDIQ) contracts, unexercised contract options and contracts awarded to us that are being protested by competitors with the U.S. Government Accountability Office (GAO) or in the U.S. Court of Federal Claims (COFC). The level of order activity related to programs can be affected by the timing of government funding authorizations and their project evaluation cycles. Year-over-year comparisons could, at times, be impacted by these factors, among others.

Contracts are often modified to account for changes in contract specifications and requirements. If the modification either creates new enforceable rights and obligations or changes the existing enforceable rights and obligations, the modification will be treated as a separate contract. Our contract modifications, except for those to exercise option years, have historically not been distinct from the existing contract and have been accounted for as if they were part of that existing contract.

The Company's performance obligations are satisfied over time as services are provided throughout the contract term. We recognize revenue over time using the input method (e.g., costs incurred to date relative to total estimated costs at completion) to measure progress. Our over-time recognition is reinforced by the fact that our customers simultaneously receive and consume the benefits of our services as they are performed. For most U.S. government contracts, this continuous transfer of control to the customer is supported by contract terms that allow the customer to unilaterally terminate the contract for convenience, pay us for costs incurred plus a reasonable profit and take control of any work in process. This continuous transfer of control requires that we track progress towards completion of performance obligations in order to measure and recognize revenue.

The Company's contracts are multi-year contracts and typically include an initial period of one year or less with annual one-year (or less) option periods. The number of option periods varies by contract, and there is no guarantee that an option period will be exercised. The right to exercise an option period is at the sole discretion of the U.S. government when we are the prime contractor or of the prime contractor when we are a subcontractor. We expect to recognize a substantial portion of our performance obligations as revenue within the next 12 months. However, the U.S. government or the prime contractor may cancel any contract at any time through a termination for convenience or for cause. Substantially all of our contracts have terms that would permit us to recover all or a portion of our incurred costs and fees for work performed in the event of a termination for convenience.

Performance obligations as of March 31, 2023 and December 31, 2022 are presented in the following table:

<i>(In millions)</i>	March 31, 2023	December 31, 2022
Performance Obligations	\$ 3,425	\$ 2,997

We expect to recognize approximately 62% of the performance obligations as of March 31, 2023 as revenue in 2023 and the remaining 38% during 2024.

Contract Estimates

The impact of adjustments in contract estimates on our operating income can be reflected in either revenue or cost of revenue. Cumulative catch-up adjustments for the three months ended March 31, 2023 and April 1, 2022 increased operating income by \$13.1 million and \$0.6 million, respectively.

For the three months ended March 31, 2023 and April 1, 2022, the cumulative catch-up adjustments to operating income increased revenue by \$13.9 million and \$0.6 million, respectively.

Revenue by Category

Generally, the sales price elements for our contracts are cost-plus, cost-reimbursable or firm-fixed-price. We commonly have elements of cost-plus, cost-reimbursable, time-and-materials and firm-fixed-price contracts on a single contract. On a cost-plus contract, we are paid our allowable incurred costs plus a profit, which can be fixed or variable depending on the contract's fee arrangement, up to funding levels predetermined by our customers.

On cost-plus contracts, we do not bear the risks of unexpected cost overruns, provided that we do not incur costs that exceed the predetermined funded amounts. Most of our cost-plus contracts also contain a firm-fixed-price element. Cost-plus contracts with award and incentive fee provisions are our primary variable contract fee arrangement. Award fees provide for a fee based on actual performance relative to contractually specified performance criteria. Incentive fees provide for a fee based on the relationship between total allowable and target cost.

On most of our contracts, a cost-reimbursable element captures consumable materials required for the program. Typically, these costs do not bear fees.

On a time-and-materials contract, we are reimbursed for labor at fixed hourly rates and generally reimbursed separately for allowable materials, costs and expenses at cost. For this contract type, we bear the risk that our labor costs and allocable indirect expenses are greater than the fixed hourly rate defined within the contract.

On a firm-fixed-price contract, we agree to perform the contractual statement of work for a predetermined contract price. A firm-fixed-price contract typically offers higher profit margin potential than a cost-plus contract, which is commensurate with the greater levels of risk we assume on a firm-fixed-price contract. Although a firm-fixed-price contract generally permits us to retain profits if the total actual contract costs are less than the estimated contract costs, we bear the risk that increased or unexpected costs may reduce our profit or cause us to sustain losses on the contract. Although the overall scope of work required under the contract may not change, profit may be adjusted as experience is gained and as efficiencies are realized or costs are incurred.

The following tables present various revenue disaggregations.

Revenue by contract type for the three months ended March 31, 2023 and April 1, 2022 is as follows:

(In thousands)	Three Months Ended		
	March 31, 2023	April 1, 2022	% Change
Cost-plus and cost-reimbursable	\$ 523,030	\$ 311,094	68.1 %
Firm-fixed-price	385,112	128,004	200.9 %
Time-and-materials	35,318	17,373	103.3 %
Total revenue	<u>\$ 943,460</u>	<u>\$ 456,471</u>	

Revenue by geographic region in which the contract is performed for the three months ended March 31, 2023 and April 1, 2022 is as follows:

(In thousands)	Three Months Ended		
	March 31, 2023	April 1, 2022	% Change
United States	\$ 548,770	\$ 167,980	226.7 %
Middle East	281,121	235,754	19.2 %
Asia	64,317	16,206	296.9 %
Europe	49,252	36,531	34.8 %
Total revenue	<u>\$ 943,460</u>	<u>\$ 456,471</u>	

Revenue by contract relationship for the three months ended March 31, 2023 and April 1, 2022 is as follows:

(In thousands)	Three Months Ended		
	March 31, 2023	April 1, 2022	% Change
Prime contractor	\$ 879,179	\$ 427,093	105.9 %
Subcontractor	64,281	29,378	118.8 %
Total revenue	<u>\$ 943,460</u>	<u>\$ 456,471</u>	

Revenue by customer for the three months ended March 31, 2023 and April 1, 2022 is as follows:

(In thousands)	Three Months Ended		
	March 31, 2023	April 1, 2022	% Change
Army	\$ 390,503	\$ 280,113	39.4 %
Navy	292,690	75,217	289.1 %
Air Force	129,981	61,474	111.4 %
Other	130,286	39,667	228.4 %
Total revenue	<u>\$ 943,460</u>	<u>\$ 456,471</u>	

Contract Balances

The timing of revenue recognition, billings, and cash collections results in billed and unbilled accounts receivable (contract assets) and customer advances and deposits (contract liabilities) on the Condensed Consolidated Balance Sheets. Amounts are billed as work progresses in accordance with agreed-upon contractual terms at periodic intervals (e.g., biweekly or monthly). Generally, billing occurs subsequent to revenue recognition, resulting in contract assets. However, we may receive advances or deposits from our customers before revenue is recognized, resulting in contract liabilities. These advance billings and payments are not considered significant financing components because they are frequently intended to ensure that both parties are in conformance with the primary contract terms. These assets and liabilities are reported on the Condensed Consolidated Balance Sheets on a contract-by-contract basis at the end of each reporting period.

As of March 31, 2023 and December 31, 2022, we had contract assets of \$559.3 million and \$487.8 million, respectively. Contract assets primarily consist of unbilled receivables which represent rights to consideration for work completed but not billed as of the reporting date. The balance of unbilled receivables consists of costs and fees that are: (i) billable immediately; (ii) billable on contract completion; or (iii) billable upon other specified events, such as the resolution of a request for equitable adjustment. Refer to Note 5, *Receivables* for additional information regarding the composition of our receivable balances. As of March 31, 2023 and December 31, 2022, our contract liabilities, included in other accrued liabilities in the Condensed Consolidated Balance Sheets, were \$73.1 million and \$76.4 million, respectively.

NOTE 5

RECEIVABLES

Receivables were comprised of the following:

(In thousands)	March 31, 2023	December 31, 2022
Billed receivables	\$ 189,247	\$ 227,718
Unbilled receivables (contract assets)	559,341	487,758
Other	11,225	13,106
Total receivables	<u>\$ 759,813</u>	<u>\$ 728,582</u>

As of March 31, 2023 and December 31, 2022, substantially all billed receivables are due from the U.S. government, either directly as prime contractor to the U.S. government or as subcontractor to another prime contractor to the U.S. government. Because the Company's billed receivables are with the U.S. government, the Company does not believe it has a material credit risk exposure.

Unbilled receivables are contract assets that represent revenue recognized on long-term contracts in excess of amounts billed as of the balance sheet date. We expect to bill customers for the majority of the March 31, 2023 contract assets during 2023. Changes in the balance of receivables are primarily due to the timing differences between our performance and customers' payments.

NOTE 6

DEBT

Senior Secured Credit Facilities

In September 2014, Vectrus and its wholly-owned subsidiary, Vectrus Systems Corporation (VSC), entered into a senior secured credit agreement. The credit agreement was subsequently amended on December 24, 2020 and January 24, 2022 and is collectively referred to as the Prior Credit Agreement. The credit agreement consisted of a term loan (Amended Term Loan) and a \$270.0 million revolving credit facility (Amended Revolver).

On the Closing Date, the outstanding debt from the Amended Term Loan and the Amended Revolver, \$50.2 million and \$40.0 million, respectively, was repaid and related guarantees and liens were discharged and released. Repayment was made

using proceeds from the Vertex First Lien Credit Agreement described below. As of December 31, 2021, the balance outstanding under the Amended Term Loan and the Amended Revolver, was \$55.4 million and \$50.0 million, respectively.

On the Closing Date, certain of our subsidiaries, including VSC (and together with VSC, the Company Guarantor Subsidiaries), that became direct or indirect subsidiaries of Vertex Aerospace Service Corp., a Delaware corporation and wholly-owned indirect subsidiary of Vertex (Vertex Borrower), have provided guarantees of the indebtedness under each of:

- i. the First Lien Credit Agreement, dated as of December 6, 2021 (as amended by the Amendment No. 1 to First Lien Credit Agreement, dated as of the Closing Date, and as further amended, restated, amended and restated, supplemented and otherwise modified from time to time, the Vertex First Lien Credit Agreement), by and among Vertex Borrower, as borrower, Vertex Aerospace Intermediate LLC, a Delaware limited liability company, direct parent entity of Vertex Borrower and wholly-owned indirect subsidiary of Vertex (Vertex Holdings), the lenders from time to time party thereto and Royal Bank of Canada, as administrative agent;
- ii. the Second Lien Credit Agreement, dated as of December 6, 2021 (as amended, restated, amended and restated, supplemented and otherwise modified from time to time, the Vertex Second Lien Credit Agreement), Vertex Borrower, as borrower, Vertex Holdings, the lenders from time to time party thereto and Royal Bank of Canada, as administrative agent; and
- iii. the ABL Credit Agreement, dated as of June 29, 2018 (as amended by the First Amendment to ABL Credit Agreement, dated as of May 17, 2019, as further amended by the Second Amendment to ABL Credit Agreement, dated as of May 17, 2021, and as further amended by the Third Amendment to ABL Credit Agreement, dated as of December 6, 2021, as further amended by the Fourth Amendment to ABL Credit Agreement, dated as of the Closing Date, and as further amended, restated, amended and restated, supplemented and otherwise modified from time to time, the Vertex ABL Credit Agreement), by and among Vertex Borrower, Vertex Holdings, certain other subsidiaries of Vertex Borrower from time to time party thereto as co-borrowers, the lenders from time to time party thereto and Ally Bank, as administrative agent (in such capacity, the ABL Agent).

On February 28, 2023, Vertex Borrower entered into a credit agreement (the 2023 Credit Agreement) among the lenders identified therein and Bank of America, N.A., as administrative agent, collateral agent, swingline lender and letter of credit issuer. The 2023 Credit Agreement provides for \$750.0 million in senior secured financing, with a first lien on substantially all the Borrower's assets, consisting of a \$500.0 million five-year Revolving Credit Facility (2023 Revolver) and a five-year \$250.0 million Term Loan. The proceeds of these Credit Facilities were used to, among other things, (i) repay the First Lien Incremental Term Tranche (as defined below), (ii) repay the entire outstanding amount of the Second Lien Credit Agreement, and (iii) repay the entire outstanding ABL Credit Facility.

Vertex First Lien Credit Agreement

The Vertex First Lien Credit Agreement provides for senior secured first lien term loans in an aggregate principal amount of \$1,185.0 million, consisting of a \$925.0 million term loan "B" tranche, (the First Lien Initial Term Tranche) and a \$260.0 million incremental term loan "B" tranche (the First Lien Incremental Term Tranche and, together with the First Lien Initial Term Tranche, collectively, the First Lien Term Facility). The entire amount of the proceeds from the (i) First Lien Initial Term Tranche were previously used to finance the acquisition of certain subsidiaries of Raytheon Company, a Delaware corporation, and related transaction costs (the Sky Acquisition in December 2021). As provided in the Merger Agreement, the proceeds of the First Incremental Term Tranche were used by the Vertex Borrower to redeem all of the shares of previously issued preferred stock on the Closing Date (but prior to the Merger). The remaining First Lien Incremental Term Tranche proceeds were used to repay in full all outstanding indebtedness under the Prior Credit Agreement, and other transaction costs. Approximately \$54.0 million of cash remained after funding the preferred stock redemption, repayment of the Prior Credit Agreement and other transaction costs.

On February 28, 2023, the outstanding balance of the First Incremental Term Tranche of \$258.7 million was repaid. The balance of unamortized deferred financing costs related to the First Incremental Term Tranche of \$11.9 million was recorded as a loss on extinguishment of debt in the Condensed Consolidated Statements of (Loss) Income for the three months ended March 31, 2023.

The remaining loans under the First Lien Term Facility (consisting solely of the Initial Term Loan Tranche) amortize in an amount equal to approximately \$2.3 million per quarter for the fiscal quarters ending March 31, 2023, through September 30, 2028, with the balance of \$864.9 million due on December 6, 2028.

The Vertex Borrower's obligations under the First Lien Term Facility, which were assumed in the Merger, are guaranteed by Vertex Holdings and Vertex Borrower's wholly-owned domestic subsidiaries (including the Company Guarantor Subsidiaries, collectively, the Guarantors), subject to customary exceptions and limitations. The Vertex Borrower's obligations under the First Lien Term Facility and the Guarantors' obligations under the related guarantees are secured by a first-lien on substantially all of the Vertex Borrower's and the Guarantors' assets which exists on a *pari passu* basis with the lien held by the 2023 Credit Agreement lenders.

The borrowings under the First Lien Initial Term Tranche bear interest at rates that, at the Vertex Borrower's option, can be either a base rate, determined by reference to the greater of (a) the federal funds rate plus 0.50%, (b) the prime lending

rate, or (c) an adjusted Eurodollar rate plus 1.00%, plus a margin of 2.50% to 2.75% per annum, or a Eurodollar rate, determined by reference to LIBOR, plus a margin of 3.50% to 3.75% per annum, in each case, depending on the consolidated first lien net leverage ratio of the Vertex Borrower and its subsidiaries. As of March 31, 2023, the effective interest rate for the First Lien Initial Term Tranche was 9.11%.

The Vertex First Lien Credit Agreement contains customary representations and warranties and affirmative covenants. The Vertex First Lien Credit Agreement also includes negative covenants that limit, among other things, additional indebtedness, additional liens, sales of assets, dividends, investments and advances, prepayments of debt and mergers and acquisitions.

The Vertex First Lien Credit Agreement contains customary events of default, including, but not limited to, payment defaults, breaches of representations and warranties, covenant defaults, events of bankruptcy and insolvency, failure of any guaranty or security document supporting the First Lien Term Facility to be in full force and effect, and a change of control. If an event of default occurs and is continuing, the Vertex Borrower may be required immediately to repay all amounts outstanding under the Vertex First Lien Credit Agreement.

As of March 31, 2023, the carrying value of the First Lien Credit Agreement was \$915.8 million, excluding deferred discount and unamortized deferred financing costs of \$40.8 million. The estimated fair value of the First Lien Credit Agreement as of March 31, 2023 was \$910.0 million. The fair value is based on observable inputs of interest rates that are currently available to us for debt with similar terms and maturities for non-public debt (Level 2).

Vertex Second Lien Credit Agreement

The Vertex Second Lien Credit Agreement provided for senior secured second lien term loans in an aggregate principal amount of \$185.0 million (the Second Lien Term Facility). The entire amount of the proceeds from the Second Lien Term Facility were previously used to finance the Sky Acquisition in December 2021. The Company voluntarily prepaid \$25.0 million of the Second Lien Term Facility on December 30, 2022 (the Voluntary Prepayment). On February 28, 2023, the remaining Second Lien Term Facility balance of \$160.0 million was repaid (the 2023 Payoff) and related guarantees and liens were discharged and released. The balance of unamortized deferred financing costs related to the Second Lien Term Facility of \$7.1 million was recorded as a loss on extinguishment of debt in the Condensed Consolidated Statements of (Loss) Income for the three months ended March 31, 2023.

Under the terms of the Vertex Second Lien Credit Agreement, the Vertex Borrower was required to remit a prepayment premium of \$1.6 million with the 2023 Payoff which was recorded as a loss on extinguishment of debt in the Condensed Consolidated Statements of (Loss) Income for the three months ended March 31, 2023.

Vertex ABL Credit Agreement

The Vertex ABL Credit Agreement provided for a senior secured revolving loan facility (the ABL Facility) of up to an aggregate amount of \$200.0 million (the loans thereunder, the ABL Loans). The Vertex ABL Credit Agreement also provided for (i) a \$30.0 million sublimit of availability for letters of credit, and (ii) a \$10.0 million sublimit for short-term borrowings on a swingline basis. On February 28, 2023, the outstanding ABL Facility borrowings of \$67.5 million were repaid and related guarantees and liens were discharged and released. The balance of unamortized deferred financing costs related to the Vertex ABL Credit Agreement of \$1.5 million which was recorded as a loss on extinguishment of debt in the Condensed Consolidated Statements of (Loss) Income for the three months ended March 31, 2023.

2023 Credit Agreement

The 2023 Credit Agreement provides for \$750.0 million in senior secured financing, with a first lien on substantially all the Borrower's assets and consists of (a) a \$500.0 million five-year Revolving Credit Facility (which includes (i) a \$50.0 million sublimit of availability for letters of credit, and (ii) a \$50.0 million sublimit for short-term borrowings on a swingline basis) and (b) a five-year \$250.0 million Term Loan.

The Term Loan portion of the 2023 Credit Agreement amortizes at approximately \$1.6 million per quarter for the fiscal quarters ending June 30, 2023 through March 31, 2025, increasing to \$3.1 million per quarter for the fiscal quarters ending June 30, 2025 through December 31, 2027, with the balance of \$203.1 million due on February 28, 2028.

The Vertex Borrower's obligations under the 2023 Credit Agreement are guaranteed by the Guarantors, subject to customary exceptions and limitations. The Vertex Borrower's obligations under the 2023 Credit Agreement and the Guarantors' obligations under the related guarantees are secured by a first priority-lien on substantially all of the Vertex Borrower's and the Guarantors' assets (subject to customary exceptions and limitations) which exists on a *pari passu* basis with the lien held by the First Lien Credit Agreement lenders.

The borrowings under the 2023 Credit Agreement bear interest at rates that, at the Vertex Borrower's option, can be either a base rate, determined by reference to the greater of (a) the federal funds rate plus 0.50%, (b) the prime lending rate, or (c) an adjusted Eurodollar rate plus 1.00%, plus a margin of 1.00% to 2.25% per annum, or a Eurodollar rate, determined by reference to SOFR, plus a margin of 2.00% to 3.25% per annum, in each case, depending on the consolidated total net leverage ratio of the Vertex Borrower and its subsidiaries. As of March 31, 2023, the effective interest rates for the 2023 Revolver and Term Loan portion of the 2023 Credit Agreement were 8.15% and 8.35%, respectively.

Unutilized commitments under the 2023 Revolver are subject to a per annum fee ranging from 0.25% to 0.50% depending on the consolidated total net leverage ratio of the Vertex Borrower and its subsidiaries.

The Vertex Borrower is also required to pay a letter of credit fronting fee to each letter of credit issuer equal to 0.125% per annum of the amount available to be drawn under each such letter of credit (or such other amount as may be mutually agreed by the Vertex Borrowers and the applicable letter of credit issuer), as well as a fee to all lenders equal to the applicable margin to SOFR of Revolving Credit loans times the average daily amount available to be drawn under all outstanding letters of credit.

The 2023 Credit Agreement contains customary representations and warranties, which must be accurate for the Vertex Borrower to borrow under the 2023 Credit Agreement, and affirmative covenants. The 2023 Credit Agreement also includes negative covenants that limit, among other things, additional indebtedness, transactions with affiliates, additional liens, sales of assets, dividends, investments and advances, prepayments of debt, mergers and acquisitions.

The 2023 Credit Agreement contains financial covenants requiring (a) the consolidated total net leverage ratio not to exceed 5.00 to 1.00 for the reporting periods ending on or after June 30, 2023, and on or prior to June 30, 2024, with further step downs thereafter, and (b) the consolidated interest coverage ratio be at least 2.00 to 1.00 commencing with the reporting period ending on June 30, 2023.

The 2023 Credit Agreement contains customary events of default, including, but not limited to, payment defaults, breaches of representations and warranties, covenant defaults, events of bankruptcy and insolvency, failure of any guaranty or security document supporting the 2023 Credit Agreement to be in full force and effect, and a change of control. If an event of default occurs and is continuing, the Borrowers may be required immediately to repay all amounts outstanding under the 2023 Credit Agreement.

As of March 31, 2023, there were \$185.0 million of outstanding borrowings and \$14.9 million of outstanding letters of credit under the 2023 Revolver. Availability under the 2023 Revolver was \$300.1 million as of March 31, 2023. Unamortized deferred financing costs related to the 2023 Revolver of \$4.9 million are included in other non-current assets in the Condensed Consolidated Balance Sheets. As of March 31, 2023, the fair value of the 2023 Revolver approximated the carrying value because the debt bears a floating interest rate.

As of March 31, 2023, the carrying value of the Term Loan portion of the 2023 Credit Agreement was \$250.0 million, excluding unamortized deferred financing costs of \$2.5 million. The estimated fair value of the Term Loan portion of the 2023 Credit Agreement as of March 31, 2023 was \$246.3 million. The fair value is based on observable inputs of interest rates that are currently available to us for debt with similar terms and maturities for non-public debt (Level 2).

The aggregate scheduled maturities of the First Lien Credit Agreement and 2023 Credit Agreement as of March 31, 2023 are as follows:

<i>(In thousands)</i>	Payments due
2023 (remainder of the year)	\$ 11,625
2024	15,500
2025	20,188
2026	21,750
2027	21,750
After 2027	1,259,937
Total	<u>\$ 1,350,750</u>

As of March 31, 2023 we were in compliance with all covenants related to the First Lien Credit Agreement and the 2023 Credit Agreement.

NOTE 7**DERIVATIVE INSTRUMENTS**

During the periods covered by this report, we have made no changes to our policies or strategies for the use of derivative instruments and there has been no change in our related accounting methods. For our derivative instruments, which are designated as cash flow hedges, gains and losses are initially reported as a component of accumulated other comprehensive loss and subsequently recognized in earnings with the corresponding hedged item.

Interest Rate Derivative Instruments

The Company is exposed to the risk that the earnings and cash flows could be adversely impacted due to fluctuations in interest rates. To mitigate this risk, the Company entered into interest rate swap contracts in the amount of \$300 million in March 2023. These contracts are designated and qualify as effective cash flow hedges.

The following table summarizes the amount at fair value and location of the derivative instruments in our balance sheet for our interest rate hedges in the Condensed Consolidated Balance Sheets as of March 31, 2023:

(In thousands)	Fair Value (level 2)	
	Balance sheet caption	Amount
Interest rate swap designated as cash flow hedge	Other current assets	\$ 2,839
Interest rate swap designated as cash flow hedge	Other non-current liabilities	\$ 5,186

There were no interest rate swaps designated as cash flow hedges for the period ended December 31, 2022.

We regularly assess the creditworthiness of the counterparty. As of March 31, 2023, the counterparty to the interest rate swaps had performed in accordance with its contractual obligations. Both the counterparty credit risk and our credit risk were considered in the fair value determination.

Net interest rate derivative gains and losses of a nominal amount and \$0.2 million were recognized in interest expense, net, in our Condensed Consolidated Statements of (Loss) Income during the first three months of 2023 and 2022, respectively. We expect \$2.8 million of existing interest rate swap gains reported in accumulated other comprehensive loss as of March 31, 2023 to be recognized in earnings within the next 12 months.

NOTE 8**COMMITMENTS AND CONTINGENCIES****General**

From time to time, we are involved in various investigations, lawsuits, arbitration, claims, enforcement actions and other legal proceedings, including government investigations and claims, which are incidental to the operation of our business. Some of these proceedings seek remedies relating to employment matters, matters in connection with our contracts and matters arising under laws relating to the protection of the environment. Additionally, U.S. government customers periodically advise the Company of claims and penalties concerning certain potential disallowed costs. When such findings are presented, V2X and the U.S. government representatives engage in discussions to enable V2X to evaluate the merits of these claims as well as to assess the amounts being claimed.

Where appropriate, provisions are made to reflect probable losses related to the matters raised by U.S. government representatives. Such assessments, along with any assessments regarding provisions for legal proceedings, are reviewed on a quarterly basis for sufficiency based on the most recent information available to us.

The Company estimated and accrued \$27.6 million as of March 31, 2023 and December 31, 2022 in other accrued liabilities in the Condensed Consolidated Balance Sheets for legal proceedings and for claims with respect to our U.S. government contracts as discussed below, including years where the U.S. government has not completed its incurred cost audits. Although the ultimate outcome of any legal matter or claim cannot be predicted with certainty, based on present information, including our assessment of the merits of the particular claim, we do not expect that any asserted or unasserted legal or contractual claims or proceedings, individually or in the aggregate, including the lawsuit discussed below, will have a material adverse effect on our cash flows, results of operations or financial condition.

U.S. Government Contracts, Investigations and Claims

We have U.S. government contracts that are funded incrementally on a year-to-year basis. Changes in government policies, priorities or funding levels through agency or program budget reductions by the U.S. Congress or executive agencies could have a material adverse effect on our financial condition or results of operations. Furthermore, our contracts with the U.S. government may be terminated or suspended by the U.S. government at any time, with or without cause. Such contract suspensions or terminations could result in non-reimbursable expenses or charges or otherwise adversely affect our financial condition and results of operations.

Departments and agencies of the U.S. government have the authority to investigate various transactions and operations of the Company, and the results of such investigations may lead to administrative, civil or criminal proceedings, the ultimate outcome of which could be fines, penalties, repayments or compensatory or treble damages. U.S. government regulations provide that certain findings against a contractor may lead to suspension or debarment from future U.S. government contracts or the loss of export privileges for a company or an operating division or subdivision. Suspension or debarment could have a material adverse effect on the Company because of its reliance on U.S. government contracts.

U.S. government agencies, including the Defense Contract Audit Agency, the Defense Contract Management Agency and others, routinely audit and review our performance on government contracts, indirect rates and pricing practices, and compliance with applicable contracting and procurement laws, regulations and standards. Accordingly, costs billed or billable to U.S. government customers are subject to potential adjustment upon audit by such agencies. The U.S. government agencies also review the adequacy of our compliance with government standards for our business systems, including our accounting, earned value management, estimating, materials management and accounting, purchasing, and property management systems.

In the performance of our contracts, we routinely request contract modifications that require additional funding from U.S. government customers. Most often, these requests are due to customer-directed changes in the scope of work. While we are entitled to recovery of these costs under our contracts, the administrative process with our U.S. government customer may be protracted. Based on the circumstances, we periodically file requests for equitable adjustments (REAs) that are sometimes converted into claims. In some cases, these requests are disputed by our U.S. government customer. We believe our outstanding modifications, REAs and other claims will be resolved without material adverse impact to our results of operations, financial condition or cash flows.

As a result of final indirect rate negotiations between the U.S. government and our Former Parent, we were subject to adjustments to costs previously allocated by our Former Parent to our business from 2007 through 2014. On July 7, 2022, we accepted an offer by the U.S. government to settle this legal matter involving our payment of an insignificant amount, thereby bringing closure to the matter. With respect to our Former Parent, we believe we are fully indemnified under our distribution agreement and recently reached a final settlement with them on this matter.

NOTE 9

STOCK-BASED COMPENSATION

The Company maintains an equity incentive plan, the 2014 Omnibus Incentive Plan, as amended and restated effective as of October 27, 2022 (the 2014 Omnibus Plan), to govern awards granted to V2X employees and directors, including nonqualified stock options (NQOs), restricted stock units (RSUs), total shareholder return (TSR) awards, performance share units (PSUs) and other awards. We account for NQOs, stock-settled RSUs and PSUs as equity-based compensation awards. TSR awards, described below, are accounted for as liability-based compensation awards. Liability-based awards are revalued at the end of each reporting period to reflect changes in fair value.

Stock-based compensation expense and the associated tax benefits impacting our Condensed Consolidated Statements of (Loss) Income were as follows:

(In thousands)	Three Months Ended	
	March 31, 2023	April 1, 2022
Compensation costs for equity-based awards	\$ 12,066	\$ 3,100
Compensation costs for liability-based awards	806	(542)
Total compensation costs, pre-tax	\$ 12,872	\$ 2,558
Future tax benefit	\$ 2,971	\$ 555

Compensation costs for equity-based awards for the three months ended March 31, 2023, included \$5.6 million related to RSUs issued in connection with the Merger.

As of March 31, 2023, total unrecognized compensation costs related to equity-based awards and liability-based awards were \$34.4 million and \$1.7 million, respectively, which are expected to be recognized ratably over a weighted average period of 1.85 years and 1.59 years, respectively. Total unrecognized compensation costs included \$15.6 million of expense related to RSUs granted in connection with the Merger.

The following table provides a summary of the activities for NQOs, RSUs and PSUs for the three months ended March 31, 2023:

(In thousands, except per share data)	NQOs		RSUs		PSUs	
	Shares	Weighted Average Exercise Price Per Share	Shares	Weighted Average Grant Date Fair Value Per Share	Shares	Weighted Average Grant Date Fair Value Per Share
Outstanding at January 1, 2023	42	\$ 22.86	1,628	\$ 35.47	—	\$ —
Granted	—	\$ —	278	\$ 39.39	254	\$ 35.86
Exercised	—	\$ —	—	\$ —	—	\$ —
Vested	—	\$ —	(839)	\$ 41.86	—	\$ —
Forfeited or expired	—	\$ —	(6)	\$ 40.59	—	\$ —
Outstanding at March 31, 2023	42	\$ 22.86	1,061	\$ 36.41	254	\$ 35.86

Restricted Stock Units

On July 5, 2022, pursuant to the terms of the Merger Agreement, the Company issued an additional 1,346,089 RSUs, with a grant date fair value of \$33.92 per share, to certain employees of Vertex. The RSUs have been or will be settled in shares of the Company's common stock, with 517,918 RSUs vesting on the six-month anniversary following the grant date and a quarter of the remaining 828,171 RSUs vesting or having vested on each of four six-month anniversary dates following the grant date. The fair value of each RSU grant to employees and directors was determined based on the closing price of V2X common stock on the date of grant. Stock compensation expense will be recognized ratably over the vesting period of the awards.

RSUs awarded to employees, excluding the RSU awards awarded under the Merger Agreement, discussed above, vest in one-third increments on each of the three anniversary dates following the grant date subject to continued employment. Director RSUs are granted on the date of an annual meeting of shareholders and vest on the business day immediately prior to the next annual meeting or the one-year anniversary of the grant date, if earlier. The fair value of each RSU grant was determined based on the closing price of V2X common stock on the date of grant. Stock compensation expense will be recognized ratably over the requisite service period of the RSU awards.

As of March 31, 2023, there was \$27.8 million of unrecognized RSU related compensation expense.

Total Shareholder Return Awards

TSR awards are performance-based cash awards that are subject to a three-year performance period. Any payments earned are made in cash following completion of the performance period according to the achievement of specified performance goals. As a result of the Merger and pursuant to the terms of the TSR awards, performance achievement fair value was measured at July 4, 2022 at \$4.6 million and the aggregate future award payouts were fixed at that value. There were no cash-based TSR awards granted in the first quarter of 2023.

As of March 31, 2023, there was \$1.7 million of unrecognized TSR related compensation expense.

Performance Share Units

During the first quarter of 2023, the Company granted two types of performance-based awards with market conditions. The first award will vest and the stock will be issued at the end of a three-year period based on the attainment of certain total shareholder return performance measures relative to Aerospace and Defense companies in the S&P 1500 Index and the employee's continued service through the vest date. The number of shares ultimately awarded, if any, can range up to 200% of the specified target awards. If performance is below the threshold level of performance, no shares will be issued.

The second award will vest and stock will be issued at the end of a three-year period based on achievement of certain stock price targets, shareholder return performance measures relative to certain Aerospace and Defense companies in the S&P 1500 Index and the employee's continued service through the vest date. The numbers of shares ultimately awarded, if any, can range up to the specified target awards.

As of March 31, 2023, there was \$6.5 million of unrecognized PSU related compensation expense.

NOTE 10

INCOME TAXES

Effective Tax Rate

Income tax expense during interim periods is based on an estimated annual effective income tax rate, plus discrete items that may occur in any given interim periods. The computation of the estimated effective income tax rate at each interim period requires certain estimates and judgment including, but not limited to, forecasted operating income for the year, projections of the income earned and taxed in various jurisdictions, newly enacted tax rate and legislative changes, permanent and temporary differences, and the likelihood of recovering deferred tax assets generated in the current year.

For the three months ended March 31, 2023 and April 1, 2022, we recorded an income tax benefit of \$5.7 million and a provision of \$0.7 million, respectively, representing effective income tax rates of 24.7% and 19.7%, respectively. The effective income tax rates vary from the federal statutory rate of 21.0% mainly due to state and foreign taxes, disallowed compensation deduction under Internal Revenue Code Section 162(m), available deductions not reflected in book income, and income tax credits.

Uncertain Tax Positions

As of March 31, 2023 and December 31, 2022, unrecognized tax benefits from uncertain tax positions were \$8.4 million and \$8.6 million, respectively. The decrease in uncertain tax positions was principally the result of the release of a position for lapse of statute of limitation.

NOTE 11

(LOSS) EARNINGS PER SHARE

Basic earnings per share (EPS) is computed by dividing net income, or loss, by the weighted average number of common shares outstanding for the period. Diluted EPS reflects potential dilution that could occur if securities to issue common stock were exercised or converted into common stock. Diluted EPS includes the dilutive effect of stock-based compensation outstanding after application of the treasury stock method.

	Three Months Ended	
	March 31, 2023	April 1, 2022
<i>(In thousands, except per share data)</i>		
Net (loss) income	\$ (17,480)	\$ 2,855
Weighted average common shares outstanding	30,927	11,759
Add: Dilutive impact of stock options	—	27
Add: Dilutive impact of restricted stock units	—	116
Diluted weighted average common shares outstanding	30,927	11,902
(Loss) earnings per share		
Basic	\$ (0.57)	\$ 0.24
Diluted	\$ (0.57)	\$ 0.24

The following table summarizes the weighted average of anti-dilutive securities excluded from the diluted earnings per share calculation.

	Three Months Ended	
	March 31, 2023	April 1, 2022
<i>(In thousands)</i>		
Anti-dilutive restricted stock units	—	5

NOTE 12**POST-EMPLOYMENT BENEFIT PLANS****Deferred Employee Compensation**

The Company sponsors two non-qualified deferred compensation plans. Under these plans, participants are eligible to defer a portion of their compensation on a tax deferred basis. Plan investments and obligations were recorded in other non-current assets and other non-current liabilities, respectively, in the Condensed Consolidated Balance Sheets, representing the fair value related to the deferred compensation plan. Adjustments to the fair value of the plan investments and obligations are recorded in operating expenses. The plan assets and liabilities were \$2.4 million and \$1.5 million as of March 31, 2023 and December 31, 2022, respectively.

Multi-Employer Pension Plans

Certain Company employees who perform work on contracts within the continental United States participate in multi-employer pension plans of which the Company is not the sponsor. Company expenses related to these plans were \$3.3 million and \$0.2 million for the three months ended March 31, 2023 and April 1, 2022, respectively.

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

The following discussion of our financial condition and results of operations should be read in conjunction with the unaudited Condensed Consolidated Financial Statements and notes thereto included in this Quarterly Report on Form 10-Q as well as the audited Consolidated Financial Statements and notes thereto and the information under the heading "Management's Discussion and Analysis of Financial Condition and Results of Operations" included in our Annual Report on Form 10-K for the year ended December 31, 2022. This Quarterly Report provides additional information regarding the Company, our services, industry outlook and forward-looking statements that involve risks and uncertainties, including those related to economic conditions including inflation and rising interest rates, and the impact on us, our operations or our future financial or operational results. The forward-looking statements are not historical facts, but rather are based on current expectations, estimates, assumptions and projections about our industry, business and future financial results. Our actual results could differ materially from the results contemplated by these forward-looking statements. Refer to "Forward-Looking Information" for further information regarding forward-looking statements. Amounts presented in and throughout this Item 2 are rounded and, as such, any rounding differences could occur in period over period changes and percentages reported.

Overview

V2X, Inc. is a leading provider of critical mission solutions primarily to defense clients globally. The Company operates as one segment and provides a comprehensive suite of integrated solutions across the operations and logistics, aerospace, training and technology markets to national security, defense, civilian and international clients.

Our primary customer is the U.S. Department of Defense (DoD). For the three months ended March 31, 2023 and April 1, 2022, we had total revenue of \$943.5 million and \$456.5 million, respectively, substantially all of which was derived from U.S. government customers. For the three months ended March 31, 2023 and April 1, 2022, we generated approximately 41% and 61%, respectively, of our total revenue from the U.S. Army.

Executive Summary

Our revenue increased \$487.0 million, or 106.7%, for the three months ended March 31, 2023 compared to the three months ended April 1, 2022. Revenue increased \$412.5 million due to the Merger and the remaining increase was from organic growth for legacy programs. Revenue from our U.S., Asia, Middle East and Europe programs increased by \$380.8 million, \$48.1 million, \$45.4 million and \$12.7 million, respectively.

Operating income for the three months ended March 31, 2023, was \$30.6 million, an increase of \$25.3 million, or 483.9%, compared to the three months ended April 1, 2022. The increase was due to the Merger and improved performance of legacy programs.

During the performance of our long-term contracts, we periodically review estimated final contract prices and costs and make revisions as required, which are recorded as changes in revenue and cost of revenue in the periods in which they are determined. Additionally, the fees under certain contracts may be increased or decreased in accordance with cost or performance incentive provisions which measure actual performance against established targets or other criteria. Such incentive fee awards or penalties are included in revenue when there is sufficient information to reasonably assess anticipated contract performance. Amounts representing contract change orders or limitations in funding on contracts are recorded only if it is probable the claim will result in additional contract revenue and the amounts can be reliably estimated. Changes in estimated revenue, cost of revenue and the related effect to operating income are recognized using cumulative adjustments, which recognize in the current period the cumulative effect of the changes on current and prior periods based on a contract's percentage of completion. Cumulative adjustments are driven by changes in contract terms, program performance, customer scope changes and changes to estimates in the reported period. These changes can increase or decrease operating income depending on the dynamics of each contract.

Further details related to our financial results for the three months ended March 31, 2023, compared to the three months ended April 1, 2022, are contained in the "Discussion of Financial Results" section.

Merger with Vertex

For a discussion of our Merger and related debt and stock-based compensation obligations, see Note 3, *Merger*, Note 6, *Debt*, and Note 9, *Stock-Based Compensation*, in the Notes to Condensed Consolidated Financial Statements.

Significant Contracts

The following table reflects contracts that accounted for more than 10% of our total revenue for the three months ended March 31, 2023 or April 1, 2022:

Contract Name	% of Total Revenue	
	Three Months Ended	
	March 31, 2023	April 1, 2022
Logistics Civil Augmentation Program (LOGCAP) V - Kuwait Task Order	13.6%	21.6%
Logistics Civil Augmentation Program (LOGCAP) V - Iraq Task Order	8.1%	15.7%

Revenue associated with a contract will fluctuate based on increases or decreases in the work being performed on the contract, award fee payment assumptions, and other contract modifications within the term of the contract resulting in changes to the total contract value.

The LOGCAP V - Kuwait Task Order is currently exercised through June 30, 2023, with three additional twelve-month options and one six-month option through December 31, 2026. The task order provides services to support the Geographical Combatant Commands and Army Service Component Commands throughout the full range of military operations in the Kuwait region. The LOGCAP V - Kuwait Task Order contributed \$127.9 million and \$98.4 million of revenue for the three months ended March 31, 2023 and April 1, 2022, respectively.

The LOGCAP V - Iraq Task Order is currently exercised through June 21, 2023, with three additional twelve-month options and one six-month option through December 21, 2026. The task order provides services to support the Geographical Combatant Commands and Army Service Component Commands throughout the full range of military operations in the Iraq region. The LOGCAP V - Iraq Task Order contributed \$76.5 million and \$71.5 million of revenue for the three months ended March 31, 2023 and April 1, 2022, respectively.

Backlog

Total backlog includes remaining performance obligations, consisting of both funded backlog (firm orders for which funding is contractually authorized and appropriated by the customer) and unfunded backlog (firm orders for which funding is not currently contractually obligated by the customer and unexercised contract options). Total backlog excludes potential orders under IDIQ contracts and contracts awarded to us that are being protested by competitors with the GAO or in the COFC. The value of the backlog is based on anticipated revenue levels over the anticipated life of the contract. Actual values may be greater or less than anticipated. Total backlog is converted into revenue as work is performed. The level of order activity related to programs can be affected by the timing of U.S. government funding authorizations and their project evaluation cycles. Year-over-year comparisons could, at times, be impacted by these factors, among others.

Our contracts are multi-year contracts and typically include an initial period of one year or less with annual one-year or less option periods for the remaining contract period. The number of option periods vary by contract, and there is no guarantee that an option period will be exercised. The right to exercise an option period is at the sole discretion of the U.S. government when we are the prime contractor or of the prime contractor when we are a subcontractor. The U.S. government may also extend the term of a program by issuing extensions or bridge contracts, typically for periods of one year or less.

We expect to recognize a substantial portion of our funded backlog as revenue within the next 12 months. However, the U.S. government or the prime contractor may cancel any contract at any time through a termination for convenience. Substantially all of our contracts have terms that would permit us to recover all or a portion of our incurred costs and fees for work performed in the event of a termination for convenience.

For the three months ended March 31, 2023, total backlog was \$11.8 billion as compared to \$12.3 billion at December 31, 2022. The following is a summary of our backlog as of March 31, 2023 and December 31, 2022:

(In millions)	March 31, 2023	December 31, 2022
Funded backlog	\$ 2,603	\$ 2,567
Unfunded backlog	9,226	9,695
Total backlog	\$ 11,829	\$ 12,262

Funded orders (different from funded backlog) represent orders for which funding was received during the period. We received funded orders of \$982.0 million during the three months ended March 31, 2023, which was an increase of \$732.1 million compared to the three months ended April 1, 2022.

Economic Opportunities, Challenges and Risks

The U.S. government's investment in services and capabilities in response to changing security challenges creates a complex and fluid business environment for V2X and other firms in this market. However, the U.S. continues to face substantial fiscal and economic challenges in addition to a varying political environment which could affect funding. The pace and depth of U.S. government acquisition reform and cost savings initiatives, combined with increased industry competitiveness to win long-term positions on key programs, could add pressure to revenue levels and profit margins. However, we expect the U.S. government will continue to place a high priority on national security and will continue to invest in affordable solutions. We believe that our capabilities, particularly in operations and logistics, aerospace, training and technology, should help our clients increase efficiency, reduce costs, improve readiness, and strengthen national security and, as a result, continue to allow for long-term profitable growth in our business. Further, the DoD budget remains the largest in the world and management believes our addressable portion of the DoD budget offers substantial opportunity for growth.

The U.S. government's Fiscal Year (FY) begins on October 1 and ends on September 30. On December 29, 2022, the FY 2023 Omnibus Appropriations Act was signed into law by the President, providing \$817 billion to the Defense Department. This reflects a \$44 billion increase over the President's FY 2023 budget request. The Fiscal 2024 budget request was submitted to the U.S. Congress on March 9, 2023, and requested \$842 billion for the Department of Defense.

Past congressional actions have suspended and increased the debt ceiling at various times but in January 2023, the current statutory debt ceiling limit of \$31.4 trillion was reached. As a result, the Treasury Department began taking accounting measures to continue financing the U.S. government while avoiding a breach. However, it is expected the U.S. government will exhaust these measures and that statutory action will be needed to increase or suspend the debt ceiling. There could be a material disruption to discretionary budgets and programs if the debt ceiling is not raised as the U.S. government may not be able to satisfy its funding obligations. If this scenario materializes, the effect on individual programs or the Company cannot be predicted at this time. The debt ceiling as well as the overall federal budget are expected to remain major focus points for debate by the U.S. Congress.

While it is difficult to predict the specific course of future defense budgets, we believe many of the core functions we perform are mission-essential and that spending to maintain readiness, improve performance, increase service life, lower cost, and modernize digital and physical environments will continue to be a U.S. government priority. Our focus is on providing integrated solutions across the mission lifecycle that encompass (i) high consequence training; (ii) readiness/logistics/deployment; (iii) mission and infrastructure support, including rapid response contingency efforts; (iv) battlefield connectivity and communications; (v) maintenance, modification, repair, and overhaul of assets and aircraft; (vi) and upgrades and modernization across digital and physical environments. We develop and insert operational technologies across our solutions to improve efficiency and the outcomes of our clients' missions. We believe this aligns with our clients' intent to utilize and harden existing equipment, infrastructure, and assets rather than executing new purchases. While customers may reduce the level of services required from us, we do not currently anticipate the complete elimination of these services.

However, business conditions have become more challenging due to macroeconomic conditions, including inflation and rising interest rates. Given the current pace of inflation and other geopolitical factors, we are monitoring the impact of rising costs on our active and future contracts. To date, we have not experienced broad-based increases due to inflation in the costs of our fixed-price and time and materials contracts that are material to the business as a whole; however, if we begin to experience greater than expected inflation in our supply chain and labor costs, our profit margins, and in particular, our profit margin from fixed-price and time and materials contracts, which represent a substantial portion of our contracts, could be adversely affected. See Item 1A, "Risk Factors".

On August 16, 2022, the U.S. government enacted the Inflation Reduction Act of 2022, which includes, among other provisions, changes to the U.S. corporate income tax system. While we do not currently anticipate any impact on our business, we are continuing to evaluate the Inflation Reduction Act of 2022 and its requirements, as well as any potential impact on our business in future.

The information provided above does not represent a complete list of trends and uncertainties that could impact our business in either the near or long-term and should be considered along with the risk factors identified under the caption "Risk Factors" identified in Part 1, Item 1A in our Annual Report on Form 10-K for the year ended December 31, 2022 and the matters identified under the caption "Forward-Looking Statement Information" herein.

DISCUSSION OF FINANCIAL RESULTS

Three months ended March 31, 2023, compared to three months ended April 1, 2022

Selected financial highlights are presented in the following table:

(In thousands, except for percentages)	Three Months Ended		Change	
	March 31, 2023	April 1, 2022	\$	%
Revenue	\$ 943,460	\$ 456,471	\$ 486,989	106.7 %
Cost of revenue	864,630	419,275	445,355	106.2 %
% of revenue	91.6 %	91.9 %		
Selling, general, and administrative expenses	48,251	31,959	16,292	51.0 %
% of revenue	5.1 %	7.0 %		
Operating income	30,579	5,237	25,342	483.9 %
Operating margin	3.2 %	1.1 %		
Loss on extinguishment of debt	(22,052)	—	(22,052)	*
Interest expense, net	(31,744)	(1,681)	(30,063)	1,788.4 %
(Loss) income from operations before income taxes	(23,217)	3,556	(26,773)	(752.9)%
% of revenue	(2.5)%	0.8 %		
Income tax (benefit) expense	(5,737)	701	(6,438)	(918.4)%
Effective income tax rate	24.7 %	19.7 %		
Net (loss) income	\$ (17,480)	\$ 2,855	\$ (20,335)	(712.3)%

*Percentage change is not meaningful.

Revenue

Revenue increased \$487.0 million, or 106.7%, for the three months ended March 31, 2023 as compared to the three months ended April 1, 2022. Revenue increased \$412.5 million due to the Merger and the remaining increase was from organic growth for legacy programs. Revenue from our U.S., Asia, Middle East and Europe programs increased by \$380.8 million, \$48.1 million, \$45.4 million and \$12.7 million, respectively.

Cost of Revenue

Cost of revenue increased \$445.4 million, or 106.2%, for the three months ended March 31, 2023 as compared to the three months ended April 1, 2022, primarily due to the increased revenue from the Merger and increased amortization of intangible assets.

Selling, General, & Administrative (SG&A) Expenses

SG&A expenses increased \$16.3 million, or 51.0%, for the three months ended March 31, 2023 as compared to the three months ended April 1, 2022, primarily due to the Merger.

Operating Income

Operating income increased \$25.3 million, or 483.9%, for the three months ended March 31, 2023 as compared to the three months ended April 1, 2022. Operating income as a percentage of revenue was 3.2% for the three months ended March 31, 2023, compared to 1.1% for the three months ended April 1, 2022. The increase was due to the Merger and improved performance of legacy programs.

Aggregate cumulative catch-up adjustments increased operating income by \$13.1 million and \$0.6 million for the three months ended March 31, 2023 and April 1, 2022, respectively. The aggregate cumulative catch-up adjustments for the three months ended March 31, 2023 and April 1, 2022 related to changes in contract terms, program performance, customer changes in scope of work and changes to estimates in the reported period. Operating income was also impacted by labor mix and the cost differential between internal resources and subcontractors as well as the volume of other direct cost purchases.

Loss on Extinguishment of Debt

The Company recorded a \$22.1 million loss on extinguishment of debt for the three months ended March 31, 2023. For a discussion of the loss on extinguishment see Note 6, *Debt*, in the Notes to Condensed Consolidated Financial Statements.

Interest (Expense) Income, Net

Interest (expense) income, net for the three months ended March 31, 2023 and April 1, 2022 was as follows:

(In thousands, except for percentages)	Three Months Ended		Change	
	March 31, 2023	April 1, 2022	\$	%
Interest income	\$ 208	\$ 43	\$ 165	383.7 %
Interest expense	(31,952)	(1,724)	(30,228)	1,753.4 %
Interest expense, net	\$ (31,744)	\$ (1,681)	\$ (30,063)	1,788.4 %

Interest income is directly related to interest earned on our cash and cash equivalents. Interest expense is directly related to borrowings under our senior secured credit facilities, with the amortization of debt issuance costs, and derivative instruments used to hedge a portion of our exposure to interest rate risk. Interest expense, net increased \$30.1 million for the three months ended March 31, 2023 compared to the three months ended April 1, 2022 due to increased debt assumed with the Merger.

Income Tax (Benefit) Provision

We recorded income tax benefit of \$5.7 million and provision of \$0.7 million for the three months ended March 31, 2023 and April 1, 2022, respectively, representing effective income tax rates of 24.7% and 19.7%, respectively. The effective income tax rates vary from the federal statutory rate of 21.0% mainly due to state and foreign taxes, disallowed compensation deduction under Internal Revenue Code Section 162(m), available deductions not reflected in book income, and income tax credits.

LIQUIDITY AND CAPITAL RESOURCES

Liquidity

We have generated operating cash flows sufficient to fund our working capital, capital expenditures, and financing requirements. We expect to fund our ongoing working capital, capital expenditure and financing requirements and pursue additional growth through new business development and potential acquisition opportunities by using cash flows from operations, cash on hand, our credit facilities, and access to capital markets. When necessary, we will utilize our revolving credit facility to satisfy short-term working capital requirements.

If our cash flows from operations are less than what we expect, we may need to access the long-term or short-term capital markets. Although we believe that our current financing arrangements will permit us to finance our operations on acceptable terms and conditions, our access to and the availability of financing on acceptable terms and conditions in the future will be impacted by many factors, including: (i) our credit ratings, (ii) the liquidity of the overall capital markets, and (iii) the current state of the economy. We cannot provide assurance that such financing will be available to us on acceptable terms or that such financing will be available at all.

As of March 31, 2023, there were \$185.0 million of outstanding borrowings and \$14.9 million of outstanding letters of credit under the 2023 Revolver. Unamortized deferred financing costs related to the 2023 Revolver of \$4.9 million are included in other non-current assets in the Condensed Consolidated Balance Sheets. As of March 31, 2023, the fair value of the 2023 Revolver approximated the carrying value because the debt bears a floating interest rate.

As of March 31, 2023, the carrying value of the Term Loan portion of the 2023 Credit Agreement was \$250.0 million, excluding unamortized deferred financing costs of \$2.5 million. The estimated fair value of the Term Loan portion of the 2023 Credit Agreement as of March 31, 2023 was \$246.3 million. The fair value is based on observable inputs of interest rates that are currently available to us for debt with similar terms and maturities for non-public debt.

The cash presented on our Condensed Consolidated Balance Sheets consists of U.S. and international cash from wholly owned subsidiaries. Approximately \$25.4 million of our total \$62.1 million in cash and cash equivalents at March 31, 2023 is held by our foreign subsidiaries and is not available to fund U.S. operations unless repatriated. We do not currently expect that we will be required to repatriate undistributed earnings of foreign subsidiaries. We expect our U.S. domestic cash resources will be sufficient to fund our U.S. operating activities and cash commitments for financing activities.

Dividends

We do not currently plan to pay a regular dividend on our common stock. The declaration of any future cash dividends and the amount of any such dividends, if declared, will depend upon our financial condition, earnings, capital requirements, financial covenants and other contractual restrictions and the discretion of our Board of Directors. In deciding whether to pay future dividends on our common stock, our Board of Directors may take into account such matters as general business conditions, industry practice, our financial condition and performance, our future prospects, our cash needs and capital investment plans, income tax consequences, applicable law and such other factors as our Board of Directors may deem relevant.

Sources and Uses of Liquidity

Cash, accounts receivable, unbilled receivables, and accounts payable are the principal components of our working capital and are generally driven by our level of revenue with other short-term fluctuations related to payment practices by our customers and the timing of our billings. Our receivables reflect amounts billed to our customers, as well as the revenue that was recognized in the preceding month, which is normally billed the month following each balance sheet date.

Accounts receivable balances can vary significantly over time and are impacted by revenue levels and the timing of payments received from customers. Days sales outstanding (DSO) is a metric used to monitor accounts receivable levels. The Company determines its DSO by calculating the number of days necessary to exhaust its ending accounts receivable balance based on its most recent historical revenue. Our DSO was 70 and 68 days as of March 31, 2023 and December 31, 2022, respectively.

The following table sets forth net cash used in operating activities, investing activities and financing activities:

(In thousands)	Three Months Ended	
	March 31, 2023	April 1, 2022
Operating activities	\$ (38,492)	\$ (26,381)
Investing activities	(9,076)	(2,178)
Financing activities	(7,921)	12,316
Foreign exchange ¹	1,567	729
Net change in cash and cash equivalents	<u>\$ (53,922)</u>	<u>\$ (15,514)</u>

¹ Impact on cash balances due to changes in foreign exchange rates.

Net cash used in operating activities increased for the three months ended March 31, 2023, as compared to the three months ended April 1, 2022, primarily due to net cash outflows in working capital accounts of \$68.7 million, other long-term assets and liabilities of \$17.8 million, and a net operating loss of \$17.5 million, partially offset by cash inflows from non-cash net income items of \$65.5 million.

Net cash used in operating activities for the three months ended April 1, 2022 consisted of cash outflows for working capital requirements of \$29.4 million and other long-term assets and liabilities of \$6.5 million. This was partially offset by cash inflows from net income of \$2.9 million and the favorable impact of non-cash net income items of \$6.6 million. The net working capital outflows were largely from increases in accounts receivable and decreases in accrued compensation, which included an \$8.1 million payment of deferred CARES Act payroll taxes, partially offset by increases in accounts payable.

Net cash used in investing activities for the three months ended March 31, 2023 and April 1, 2022 consisted of \$9.1 million and \$2.2 million, respectively, of capital expenditures for the purchase of software and hardware, vehicles and equipment related to ongoing operations.

Net cash used in financing activities during the three months ended March 31, 2023 consisted of repayments of long-term debt of \$421.0 million, revolver repayments of \$163.8 million, payments for employee withholding taxes on share-based compensation of \$12.8 million, and payments for debt issuance costs of \$7.5 million, partially offset by proceeds from long term debt and the revolver of \$250.0 million and \$348.7 million, respectively.

Net cash provided by financing activities during the three months ended April 1, 2022 consisted of repayments of long-term debt of \$2.6 million, payments of \$1.6 million for employee withholding taxes on share-based compensation and payments \$0.5 million for debt issuance costs. During the three months ended April 1, 2022, we also borrowed and repaid \$217.0 million and \$200.0 million, respectively, on the Amended Revolver.

Capital Resources

At March 31, 2023, we held cash and cash equivalents of \$62.1 million, which included \$25.4 million held by foreign subsidiaries, and had \$300.1 million of available borrowing capacity under the 2023 Revolver, which expires on February 25, 2028. We believe that our cash and cash equivalents at March 31, 2023, as supplemented by cash flows from operations and the 2023 Revolver, will be sufficient to fund our anticipated operating costs, capital expenditures, and current debt repayment obligations for at least the next 12 months.

Contractual Obligations

As of March 31, 2023, our commitments to make future payments under long-term contractual obligations were as follows:

(In thousands)	Payments Due by Period				
	Total	Less than 1 year	1 - 3 Years	3 - 5 Years	More than 5 Years
Operating leases	\$ 61,125	\$ 18,431	\$ 20,710	\$ 12,930	\$ 9,054
Principal payments on Vertex First Lien Credit Agreement ¹	915,750	9,250	18,500	18,500	869,500
Principal payments on 2023 Credit Agreement ¹	435,000	6,250	18,750	410,000	—
Interest on Vertex First Lien and 2023 Credit Agreements	608,378	115,739	226,134	216,382	50,123
Total	\$ 2,020,253	\$ 149,670	\$ 284,094	\$ 657,812	\$ 928,677

¹ Includes unused funds fee and is based on the March 31, 2023 interest rate and outstanding Credit Agreement balance

CRITICAL ACCOUNTING POLICIES, ESTIMATES AND JUDGMENTS

The preparation of financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, 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 periods. Estimates are revised as additional information becomes available. Management believes that the accounting estimates employed and the resulting balances are reasonable; however, actual results in these areas could differ from management's estimates under different assumptions or conditions.

We believe that the assumptions and estimates associated with revenue recognition, business combinations, goodwill and other intangible assets, and income taxes have the greatest potential impact on our financial statements. Therefore, we consider these to be our critical accounting policies and estimates. There have been no material changes in our critical accounting policies and estimates from those discussed in our Annual Report on Form 10-K for the year ended December 31, 2022.

New Accounting Pronouncements

Refer to Part I, Item 1, Note 2, *Recent Accounting Standards Update* in the Notes to Condensed Consolidated Financial Statements included in this Quarterly Report on Form 10-Q for information regarding accounting pronouncements and accounting standards updates.

FORWARD-LOOKING INFORMATION

This Quarterly Report on Form 10-Q and certain information incorporated herein by reference contain forward-looking statements within the meaning of Section 21E of the Securities Exchange Act of 1934, as amended (the Exchange Act), and Section 27A of the Securities Act of 1933, as amended (the Securities Act), and the Private Securities Litigation Reform Act of 1995 and, as such, may involve risks and uncertainties. All statements included or incorporated by reference in this report, other than statements that are purely historical, are forward-looking statements. Forward-looking statements generally can be identified by the use of forward-looking terminology such as "may," "will," "expect," "intend," "estimate," "anticipate," "believe," "could," "potential," "continue" or similar terminology. These statements are based on the beliefs and assumptions of the management of the Company based on information currently available to management. Forward-looking statements are not guarantees of future performance and are subject to risks and uncertainties that could cause actual results to differ materially from the results contemplated by the forward-looking statements.

We undertake no obligation to update any forward-looking statements, whether as a result of new information, future events or otherwise, except as required by law. In addition, forward-looking statements are subject to certain risks and uncertainties that could cause actual results to differ materially from the Company's historical experience and our present expectations or projections. These risks and uncertainties include, but are not limited to: the continued impact of COVID-19 and any variant strains thereof on the global economy; our ability to submit proposals for and/or win all potential opportunities in our pipeline; our ability to retain and renew our existing contracts; our ability to compete with other companies in our market; security breaches and other disruptions to our information technology and operation; our mix of cost-plus, cost-reimbursable, and firm-fixed-price contracts; maintaining our reputation and relationship with the U.S. government; protests of new awards; economic, political and social conditions in the countries in which we conduct our businesses; changes in U.S. or international government defense budgets; government regulations and compliance therewith, including changes to the DoD procurement process; changes in technology; intellectual property matters; governmental investigations, reviews, audits and cost adjustments; contingencies related to actual or alleged environmental contamination, claims and concerns; delays in completion of the U.S. government's budget; our success in extending, deepening, and enhancing our technical capabilities; our success in expanding our geographic footprint or broadening our customer base; our ability to realize the full amounts

reflected in our backlog; impairment of goodwill; misconduct of our employees, subcontractors, agents, prime contractors and business partners; our ability to control costs; our level of indebtedness; terms of our credit agreement; inflation and interest rate risk; subcontractor performance; economic and capital markets conditions; our ability to maintain safe work sites and equipment; our ability to retain and recruit qualified personnel; our ability to maintain good relationships with our workforce; our teaming relationships with other contractors; changes in our accounting estimates; the adequacy of our insurance coverage; volatility in our stock price; changes in our tax provisions or exposure to additional income tax liabilities; risks and uncertainties relating to the Merger; risks and uncertainties relating to the Spin-off; changes in GAAP; and other factors described in Item 1A, "Risk Factors" and elsewhere in our Annual Report on Form 10-K for the year ended December 31, 2022 and described from time to time in our future reports filed with the SEC.

ITEM 3. QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK

Our earnings, cash flows and financial position are exposed to market risks relating to fluctuations in interest rates and foreign currency exchange rates. All of the potential changes noted below are based on information available at March 31, 2023.

Interest Rate Risk

Each one percentage point change associated with the variable rate Vertex First Lien Credit Agreement and would result in a \$8.8 million change in our related annual cash interest expenses.

Assuming our 2023 Revolver was fully drawn to a principal amount equal to \$500.0 million, each one percentage point change in interest rates would result in a \$5.1 million change in our annual cash interest expense.

As of March 31, 2023, the notional value of our interest rate swap agreements totaled \$300.0 million. The difference to be paid or received under the terms of the interest rate swap agreements is accrued as interest rates change and recognized as an adjustment to interest expense for the related debt in the period incurred. Changes in the variable interest rates to be paid pursuant to the terms of the interest rate swap agreements will have a corresponding effect on future cash flows. Refer to Note 8, *Derivative Instruments* in the Notes to Condensed Consolidated Financial Statements included in this Quarterly Report on Form 10-Q for additional information regarding our interest rate swaps.

Foreign Currency Exchange Risk

The majority of our business is conducted in U.S. dollars. However, we are required to transact in foreign currencies for some of our contracts, resulting in some assets and liabilities denominated in foreign currencies. As a result, our earnings may experience volatility related to movements in foreign currency exchange rates. In the past, we entered into forward foreign exchange contracts to buy or sell various foreign currencies to selectively protect against volatility in the value of non-functional currency denominated monetary assets and liabilities. The impact of the related contracts on our Condensed Consolidated Statements of (Loss) Income and our Condensed Consolidated Balance Sheets was immaterial and related hedging was discontinued. Our forward contracts expired in January 2022 and no such contracts are outstanding as of March 31, 2023.

ITEM 4. CONTROLS AND PROCEDURES

Evaluation of Disclosure Controls and Procedures

The Company's management, with the participation of the Company's Chief Executive Officer and Chief Financial Officer, evaluated the effectiveness of the Company's disclosure controls and procedures (as defined in Rules 13a-15(e) and 15d-15(e) under the Exchange Act) as of March 31, 2023. Based on such evaluation, the Chief Executive Officer and Chief Financial Officer concluded that, as of March 31, 2023, the Company's disclosure controls and procedures were effective to ensure that information required to be disclosed in reports the Company files or submits under the Exchange Act is (i) recorded, processed, summarized and reported within the time periods specified in SEC rules and forms, and (ii) accumulated and communicated to management to allow timely decisions regarding required disclosure. Any controls and procedures, no matter how well designed and operated, can provide only reasonable assurance of achieving the desired control objectives.

Changes in Internal Control over Financial Reporting

As discussed in Note 3, *Merger* in the Notes to Condensed Consolidated Financial Statements included in this Quarterly Report on Form 10-Q, the Company completed the Merger with Vertex on July 5, 2022. As permitted by interpretive guidance for newly acquired businesses issued by the SEC Staff, management has excluded the internal control over financial reporting (ICFR) of Vertex and its consolidated subsidiaries from the evaluation of the Company's effectiveness of its disclosure controls and procedures as of March 31, 2023. Since the date of Merger, Vertex's financial results are included in the Company's Consolidated Financial Statements. As part of our post-closing integration activities, we are engaged in the process of assessing the internal controls. The Company has begun to integrate policies, processes, people, technology and operations for the post-acquisition combined company, and it will continue to evaluate the impact of any related changes to ICFR.

Other than the items discussed above, there were no changes in our ICFR that occurred during the three months ended March 31, 2023, that materially affected, or are reasonably likely to materially affect, our ICFR.

PART II. OTHER INFORMATION

ITEM 1. LEGAL PROCEEDINGS

From time to time, we are involved in legal proceedings that are incidental to the operation of our business. Some of these proceedings seek remedies relating to employment matters, matters in connection with our contracts and matters arising under laws relating to the protection of the environment.

Although the ultimate outcome of any legal matter cannot be predicted with certainty, based on present information, including our assessment of the merits of the particular claim, we do not expect that any asserted or unasserted legal claims or proceedings, individually or in the aggregate, will have a material adverse effect on our cash flows, results of operations or financial condition.

Refer to Note 8, *Commitments and Contingencies*, in the Notes to Condensed Consolidated Financial Statements included in this Quarterly Report on Form 10-Q for further information.

ITEM 1A. RISK FACTORS

None.

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

Not applicable.

ITEM 3. DEFAULTS UPON SENIOR SECURITIES

None.

ITEM 4. MINE SAFETY DISCLOSURES

None.

ITEM 5. OTHER INFORMATION

None.

ITEM 6. EXHIBITS

- | | |
|------|--|
| 10.1 | Credit Agreement, Dated as of February 28, 2023, among Vertex Aerospace Services Corp., as the Borrower, Vertex Aerospace Intermediate LLC, as Holdings, the Lenders Party Hereto, and Bank of America, N.A., as Administrative Agent, Swingline Lender, Collateral Agent and L/C Issuer (incorporated by reference to Exhibit 10.1 to V2X, Inc.'s Current Report on Form 8-K filed March 2, 2023). |
| 10.2 | Separation Agreement and Release of Claims, dated April 1, 2023, by and between Richard Mendoza and V2X, Inc. *+ |
| 10.3 | Form of V2X, Inc. Second Amendment and Restatement of 2014 Omnibus Incentive Plan – Restricted Stock Unit Award Agreement (Stock Settled) *+ |
| 10.4 | Form of V2X, Inc. Second Amendment and Restatement of 2014 Omnibus Incentive Plan – Special Performance Stock Unit – 2023 Stock Price Award Agreement *+ |
| 10.5 | Form of V2X, Inc. Second Amendment and Restatement of 2014 Omnibus Incentive Plan – Performance Stock Unit – 2023 TSR Award Agreement *+ |
| 31.1 | Chief Executive Officer Certification pursuant to Rule 13a-14(a)/15d-14(a) of the Securities Exchange Act of 1934, as adopted pursuant to Section 302 of the Sarbanes-Oxley Act of 2002 + |
| 31.2 | Chief Financial Officer Certification pursuant to Rule 13a-14(a)/15d-14(a) of the Securities Exchange Act of 1934, as adopted pursuant to Section 302 of the Sarbanes-Oxley Act of 2002 + |
| 32.1 | Chief Executive Officer Certification Pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002. This Exhibit is intended to be furnished in accordance with Regulation S-K Item 601(b)(32)(ii) and shall not be deemed to be filed for purposes of Section 18 of the Securities Exchange Act of 1934 or incorporated by reference into any future filing under the Securities Act of 1933 or the Securities Exchange Act of 1934, except as shall be expressly set forth by specific reference. + |
| 32.2 | Chief Financial Officer Certification Pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002. This Exhibit is intended to be furnished in accordance with Regulation S-K Item 601(b)(32)(ii) and shall not be deemed to be filed for purposes of Section 18 of the Securities Exchange Act of 1934 or incorporated by reference into any future filing under the Securities Act of 1933 or the Securities Exchange Act of 1934, except as shall be expressly set forth by specific reference. + |
| 101 | The following materials from V2X, Inc.'s Quarterly Report on Form 10-Q for the quarter ended March 31, 2023, formatted in iXBRL (Inline Extensible Business Reporting Language): (i) Unaudited Condensed Consolidated Statements of (Loss) Income, (ii) Unaudited Condensed Consolidated Statements of Comprehensive (Loss) Income, (iii) Unaudited Condensed Consolidated Balance Sheets, (iv) Unaudited Condensed Consolidated Statements of Cash Flows, (v) Unaudited Condensed Consolidated Statements of Changes to Shareholders' Equity and (vi) Notes to Condensed Consolidated Financial Statements. # |
| 104 | Cover Page Interactive Data File (formatted as Inline XBRL and contained in Exhibit 101) # |

* Indicates management contract or compensatory plan or arrangement.

+ Indicates this document is filed as an exhibit herewith.

Submitted electronically with this report.

The Company's Commission File Number for Reports on Form 10-K, Form 10-Q and Form 8-K is 001-36341.

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.

V2X, INC.

/s/ William B. Noon

By: William B. Noon

Corporate Vice President and Chief Accounting Officer

(Principal Accounting Officer)

Date: May 9, 2023

SEPARATION AGREEMENT AND RELEASE OF CLAIMS

This Separation Agreement and Release of Claims ("Agreement") is made by and between Richard Mendoza ("Mr. Mendoza"), and V2X, Inc. ("V2X").

WHEREAS, Mr. Mendoza and V2X mutually desire to end Mr. Mendoza's employment with V2X; and

WHEREAS, Mr. Mendoza and V2X desire to settle fully and finally, without admission of liability, any and all claims that Mr. Mendoza could bring against V2X;

NOW, THEREFORE, in consideration of the mutual covenants and promises herein contained and to avoid unnecessary litigation, it is hereby agreed by and between the parties as follows:

1. End of Employment/Consideration. Mr. Mendoza and V2X agree that Mr. Mendoza's employment with V2X ended effective March 12, 2023, when Mr. Mendoza voluntarily resigned his employment as Senior Vice President and Chief People Officer with V2X. Mr. Mendoza also agrees that he is resigning from any and all other positions with V2X and/or any of its affiliated entities.

a. Moreover, in full consideration of Mr. Mendoza's execution of this Agreement and his agreement to be legally bound and abide by its terms, and subject to the terms below, V2X agrees to pay the following:

i. For the period beginning on V2X's first regular payday after the expiration of the seven-day period referred to in paragraph 18 of this Agreement, through one year from that date, V2X agrees to pay Mr. Mendoza the total sum of Three Hundred Thousand Six Hundred Forty Four Dollars and Zero Cents (\$300,644.00), which is twelve months of his base salary, paid in normal bi-weekly payments ("Severance Pay") pursuant to V2X's normal payroll procedures, less required deductions and withholdings.

ii. Except as stated in this sub-paragraph, during the period Mr. Mendoza is receiving Severance Pay, he will be eligible for participation in the V2X Dental and Vision plans that Mr. Mendoza participated in immediately prior to the end of his employment in accordance with the provisions of such plan. The parties agree that V2X will deduct from the Severance Pay being paid to Mr. Mendoza the employee share of any healthcare premium that Mr. Mendoza was paying immediately prior to the termination of his employment. Mr. Mendoza's participation in all other employee benefit plans will cease on March 12, 2023.

iii. Mr. Mendoza understands that V2X will deduct from the Severance Pay provided for in this Agreement, federal, state and local withholding taxes and other deductions V2X is required by law to make from payments to employees. After the termination of his employment, Mr. Mendoza understands that he is not entitled to any compensation or benefits or any other payment from V2X, including but not limited to any severance pay, commissions, termination allowance, notice pay or similar pay or allowance, other than as specifically provided in this Agreement.

iv. V2X agrees to make to Mr. Mendoza a lump sum payment for any accrued, unused Paid Time Off ("PTO") in the form of a direct deposit on the first regular V2X payday, following the end of the next regularly scheduled pay period, following receipt of Mr. Mendoza's final timecard. Mr. Mendoza will not continue to accrue PTO after the termination date of March 12, 2023.

v. V2X agrees to pay to Mr. Mendoza the full amount of his bonus for 2022, which is Two Hundred Twenty Four Thousand, One Hundred Eighty Three Dollars and

Zero Cents (\$224,183.00), pursuant to V2X's policy and/or practice in regard to the awarding of bonuses, on the first regular V2X payday after the expiration of the seven-day period referred to in paragraph 18 of this Agreement; provided, however, that this representation does not constitute a promise or a guarantee of the payment of any such bonus if it would otherwise not be owed to Mr. Mendoza pursuant to V2X's policy and/or practice.

vi. The 54,620 restricted stock units (the "RSUs") that remain outstanding under the Restricted Stock Unit Agreement with Mr. Mendoza, dated July 5, 2022 (the "Award Agreement"), will be treated in accordance with the terms and conditions of the Award Agreement; provided, however, that subject to Mr. Mendoza's continued compliance with Section 2(g) of the Award Agreement and the terms of this Agreement, a total of (i) 18,206 RSUs will vest on July 5, 2023, (ii) a total of 18,207 RSUs will vest on January 5, 2024 and (iii) a total of 18,207 RSUs will vest on July 5, 2024. The terms and conditions of the Award Agreement, including the restrictive covenants contained in Appendix A thereto, are incorporated herein by reference. Mr. Mendoza must seek written approval from V2X prior to entering into any transaction involving V2X, Vectrus or Vertex securities, including the purchase or sale of any stock. Mr. Mendoza will no longer be subject to the requirement for prior approval before the purchase or sale of any such stock after six-months following the termination of his employment. Mr. Mendoza is also subject to the securities laws and V2X's "insider trading" policies in respect of any transaction Mr. Mendoza effects while in possession of material non-public information regarding such stock.

b. The payments provided by this Section are inclusive of all claims Mr. Mendoza had, has, or may have had through the date of this Agreement for any alleged damages against V2X, including, but not limited to, any alleged claims for back pay, lost benefits, liquidated damages, physical injuries, emotional distress, attorney's fees, and costs.

c. The payments provided above shall be governed by applicable federal, state, and local laws and regulations, including but not limited to all applicable tax laws, and Mr. Mendoza shall be solely responsible for the employee's portion of any taxes, and liens, interest, and penalties that he might owe with respect to such payments. Mr. Mendoza acknowledges that he has obtained no advice from V2X or its attorneys and that neither V2X nor its attorneys have made any representations regarding the tax or other financial consequences, if any, regarding the payments provided for above. Mr. Mendoza shall indemnify V2X and hold V2X harmless for the employee's portion of taxes, and all liens, penalties, interest, withholdings, amounts paid in settlement to any governmental authority, and expenses, including but not limited to, defense expenses and attorney fees, with regard to the payments.

d. Payment of the amounts described in paragraph 1.a shall not commence sooner than eight (8) days following Mr. Mendoza's execution of this Agreement, provided that Mr. Mendoza has not revoked this Agreement. Mr. Mendoza agrees that the payments and benefits described in paragraph 1.a. are more than V2X is required to provide under its normal policies and procedures or by law.

2. Acknowledgments. By accepting the payments described in paragraph 1 of this Agreement, Mr. Mendoza acknowledges that he is agreeing to the terms set forth in this Agreement in return for V2X's promise to provide him with money and benefits which he would otherwise not be entitled to receive. Further, Mr. Mendoza is representing, warranting and agreeing that the following statements are true and correct:

a. V2X has paid Mr. Mendoza through the date of his signature below all wages, bonuses and other forms of compensation due to him for work performed on behalf of V2X, other than as described in this Agreement, including any overtime wages due him;

b. Except as otherwise provided in this Agreement, Mr. Mendoza is not entitled to receive compensation, fringe benefits, severance benefits or any other employee benefits of any kind from V2X or its parent or affiliated companies, subsidiaries, divisions, related business entities;

c. V2X has properly provided Mr. Mendoza with leave for him or his family members' health conditions and has not taken any adverse action against him as a result of him requesting or taking any such leave;

d. Mr. Mendoza has not suffered or incurred any workplace injury in the course of his employment with V2X on or before the date of his signature below, other than any injury that was made the subject of an injury report or workers' compensation claim on or prior to the date of his signature below;

e. Mr. Mendoza is not currently aware of, does not have, and has not filed any complaint, charge, lawsuit, or other legal action that is now pending against V2X or any other released party; and

f. Mr. Mendoza has had the opportunity to provide V2X with written notice of any and all concerns regarding suspected ethical and compliance issues or violations on the part of V2X or any other released party, including but not limited to: (i) gross mismanagement, (ii) gross waste of funds, (iii) abuse of authority, (iv) danger to public health or safety, or (v) violation of any law or regulation related to any federal agency contract or grant, and acknowledges that he is not aware of any such concerns, issues or violations.

3. Release of Claims.

a. The Gross Settlement Amount being given to Mr. Mendoza is accepted by him in full and final release and settlement of any and all claims which he may have against V2X and each of its predecessors, subsidiaries, associates, affiliates and equity holders (including, for the avoidance of doubt, Vertex Aerospace Services Holding Corp., Andor Merger Sub, LLC and Vertex Aerospace Holdco LLC), and each of its and their respective former or current directors, managers, officers, employees, trustees, agents, representatives, affiliates, subsidiaries, divisions, related business entities, general or limited partners, members, stockholders, equity holders, controlling persons, successors and assigns, or anyone employed by any of them or acting on any of their behalf, as well as insurers and reinsurers (collectively "Releasees"), relating to his employment and/or separation from employment with V2X and which arise on or before the date of his signature below; provided, however, that it does not include any claim for workers compensation. The claims which he agrees to release and settle include, but are not limited to:

i. any claim of alleged discrimination, harassment, retaliation or failure to accommodate, under Title VII of the Civil Rights Act of 1964, the Civil Rights Act of 1866, the Americans With Disabilities Act, the Age Discrimination in Employment Act ("ADEA"), the Equal Pay Act, the Rehabilitation Act, the Genetic Information Non Discrimination Act, any amendments to the foregoing, or any other federal, state, or local statute, regulation, or ordinance related to any aspect of employment;

ii. any claim of negligence, breach of an express or implied employment contract, violation of public policy, wrongful discharge, conspiracy, fraud, infliction of emotional distress, mental or physical injury, or defamation;

iii. any claim for benefits under any of V2X's employee benefits plans;

iv. any claim for wages, bonuses, commissions, vacation pay, sick pay, severance or compensation of any kind other than those specified in this Agreement, including any claim for amounts payable to Mr. Mendoza in respect of any bonus and/or incentive plan of V2X for the year of his termination from employment or any prior period;

v. any claim or violation under any other federal, state, or local statute or common law that may apply in the context of Mr. Mendoza's employment with V2X, including, but not limited to, the Family and Medical Leave Act, the Employee Retirement

Income Security Act, and the federal Worker Adjustment and Retraining Notification Act (WARN Act) or any other or any similar state or local law governing plant closings or mass layoffs; and

vi. any claim for reinstatement, equitable relief, or damages of any kind whatsoever.

b. Mr. Mendoza also specifically understands that he is releasing any claim he might have under the Age Discrimination in Employment Act, 29 U.S.C. §621 *et seq.*, which prohibits discrimination on the basis of age forty or older.

c. Mr. Mendoza understands that he is releasing potentially unknown claims, and that he has limited knowledge with respect to some of the claims being released. Mr. Mendoza acknowledges that there is a risk that, after signing this Agreement, he may learn information that might have affected his decision to enter into this Agreement. Mr. Mendoza assumes this risk and all other risks of any mistake in entering into this Agreement. Mr. Mendoza agrees that this release is fairly and knowingly made.

d. The release of claims set forth above does not affect Mr. Mendoza's vested rights in and to any benefit plan to which he may be entitled. In addition, the release of claims set forth above does not apply to claims that cannot be released by private agreement; claims for worker's compensation or unemployment benefits; or claims that arise after the date on which he signs this Agreement.

4. **Covenant Not to Sue and Waiver of Additional Remedies.** As further consideration for V2X's payment to Mr. Mendoza, he agrees that he will not institute any court proceeding in order to pursue any claim that he has released in paragraph 3 hereof. Nothing in this Agreement, including the provisions of paragraphs 3, 6, 7, and 8 hereof and any and all of his other covenants herein, shall be construed to prevent Mr. Mendoza, in good faith, from challenging the validity of this Agreement under the ADEA or the Older Worker Benefit Protection Act or from filing a lawsuit of discrimination with, reporting – without prior notice to or consent from – possible waste, fraud, abuse, occupational injury or illness, or violations of any law or regulation to, providing supporting information or documents to, and/or participating in an investigation or testifying in any proceeding conducted by, the Equal Employment Opportunity Commission, National Labor Relations Board, Securities and Exchange Commission, OSHA, and/or any other similar local, state, or federal administrative agency charged with the enforcement of any laws. Nothing in this Agreement precludes Mr. Mendoza from testifying in an administrative, legislative, or judicial proceeding concerning alleged criminal conduct or alleged unlawful employment practices regarding V2X, its agents, or employees, when Mr. Mendoza has been required or requested to do so pursuant to a court order, subpoena, or written request from an administrative agency or the legislature. However, in accordance with his release of claims in paragraph 3 of this Agreement, Mr. Mendoza waives his right to recover any individual relief (excluding the consideration provided to him under this Agreement, but including backpay, frontpay, reinstatement, or other legal or equitable relief) in any lawsuit, complaint, or lawsuit or other proceeding brought by him or on his behalf by any third party, except where such a waiver of individual relief is prohibited by law and except for any right he may have to receive a bounty payment or other award from a government agency (and not V2X or any released parties) for information provided to the government agency. Further, Mr. Mendoza retains the right to challenge the knowing and voluntary nature of this Agreement under the Older Worker's Benefit Protection Act ("OWBPA") and the ADEA before a court, the EEOC, or any state or local agency permitted to enforce those laws, and this release does not impose any penalty or condition for doing so. Notwithstanding Mr. Mendoza's confidentiality and non-disclosure obligations in this Agreement, Mr. Mendoza understands that as provided by the Federal Defend Trade Secrets Act, he will not be held criminally or civilly liable under any federal or state trade secret law for the disclosure of a trade secret made: (1) in confidence to a federal, state, or local government official, either directly or indirectly, or to an attorney, and solely for the purpose of reporting or investigating a suspected violation of law; or (2) in a complaint or other document filed in a lawsuit or other proceeding, if such filing is made under seal.

5. Opportunity to Consider the Agreement and Consult an Attorney. Mr. Mendoza acknowledges that he has been and is in connection with this Agreement advised by V2X to consult his own attorney prior to deciding whether to accept this Agreement and that he was afforded a period of twenty-one (21) days to consider this Agreement and to decide whether to accept it. Mr. Mendoza further acknowledges that no representative of V2X ever stated or implied that he had less than twenty-one (21) days to consider this Agreement. Mr. Mendoza also acknowledges that, to the extent he decided to sign this Agreement prior to the expiration of the full twenty-one (21) day period, such decision was knowing and voluntary on his part and was in no way coerced by V2X. To the extent any changes were made in this Agreement as a result of discussions taking place after the date this Agreement was first provided to Mr. Mendoza, he and V2X agree that such changes, whether material or not, did not restart the running of the period of twenty-one (21) days to consider this Agreement.

6. Non-Disparagement.

a. Mr. Mendoza agrees not to make, now or at any time in the future, any disparaging statements concerning V2X, or any person associated with V2X that he is aware of, including any officer, partner, director, member, employee, expert, or legal representative of V2X, concerning their respective activities that he is aware of, or concerning their respective officers, trustees, directors, employees, representatives, products or services that he is aware of, to the press, to the respective present or former employees of V2X or any affiliate that he is aware of, or to any individual or entity with whom or which V2X has a working or business relationship that he is aware of, including, but not limited to, V2X's respective customers, clients, suppliers, and distributors, or to any other person or entity that he is aware of, where such comment or statement could affect adversely the conduct of V2X's or any affiliate's business or their respective reputations. This paragraph does not prohibit giving information to a government agency.

b. V2X agrees not to disparage Mr. Mendoza, or make, issue, support, or publish any communication of a derogatory nature with respect to him; provided, however, that this restriction shall only apply to V2X employees at the Senior Vice President level and above.

7. Mutual Nondisclosure Obligation.

a. The Parties agree that the terms of this Agreement and the amount of the Settlement Payment are STRICTLY AND COMPLETELY CONFIDENTIAL and shall not be disclosed to any person or entity except as expressly permitted in this Paragraph. The Parties shall make no reference to this Agreement or the termination of Mr. Mendoza's employment on social media. The Parties further represent that they have not, as of the date of this Agreement, disclosed the terms of this Agreement or the amount of the Gross Settlement Amount, except as would have been authorized by this Agreement.

b. Notwithstanding the foregoing provisions of this Paragraph, the Parties shall be entitled to disclose the facts and terms of this Agreement: (i) to their respective attorneys, financial advisers, or accountants, and in the case of the V2X, to the members of the Board of Directors and/or any V2X employee who in his/her/their official capacity has reason to know about the Agreement; (ii) to a government agency and or a verified contractor of a government agency; (iii) in response to a valid and enforceable subpoena; (iv) as otherwise required by law; or (v) in connection with a dispute arising out of this Agreement. In addition, Mr. Mendoza may disclose the facts and/or terms of this Agreement to members of his family.

c. If Mr. Mendoza is required to disclose this Agreement, its terms or underlying facts pursuant to court order and/or subpoena, Mr. Mendoza shall notify V2X, in writing via facsimile, email or overnight mail, within forty-eight (48) hours of his receipt of such court order or subpoena, and simultaneously provide V2X with a copy of such court order or

subpoena. The notice shall be delivered to Susan Deagle, Senior Vice President and Chief Operating Officer, V2X, Inc., 7901 Jones Branch Drive, Suite 700, McLean, Virginia, 22102. Mr. Mendoza agrees to waive any objection to V2X's request that the document production or testimony be done *in camera* and under seal.

d. In the event there is any litigation to enforce this Agreement, the prevailing party in a court of competent jurisdiction will be awarded his/its costs, expenses and reasonable attorneys' fees in addition to any monetary recovery.

8. Confidentiality of Information. Mr. Mendoza acknowledges that, as an employee of V2X, he had access to and possess confidential information and proprietary business information about V2X, and its respective clients, licensors, and suppliers (collectively "Confidential Information"), which information is the property of V2X and not generally known or available to the public. Confidential Information includes, without limitation, V2X's professional, technical and administrative manuals, associated forms, processes and computer systems (including hardware, software, database and information technology systems); marketing, sales and business development plans and strategies; client and prospect files, lists and materials; V2X's sales, costs, profits and other financial information; short- and long-term strategy information; and human resources strategies. Mr. Mendoza agrees that, except as otherwise may be required by law, and only as permitted by paragraphs 4 and 7 of this Agreement, he will not divulge, communicate, or in any way make use of any Confidential Information acquired in the performance of his duties for V2X and maintained as such by V2X. Nothing in this Agreement is intended to or will be used in any way to limit Mr. Mendoza's rights to make truthful statements or disclosures regarding unlawful employment practices.

9. Non-Competition and Non-Solicitation.

a. Noncompete. For a period of one year after the date Mr. Mendoza's employment with V2X ends, he will not provide services to a Competitor in any role or position (as an employee, consultant or otherwise) within or related to the Restricted Area that would involve Competitive Activity.

b. Customer Nonsolicit. For a period of one year after the date Mr. Mendoza's employment with V2X ends, he will not, directly or through assistance to others, participate in soliciting a Covered Customer for the benefit of a Competitor, or for the purpose of causing or encouraging the Covered Customer to cease or reduce the extent to which the customer does business with V2X.

c. Employee Nonsolicit. For a period of one year after the date Mr. Mendoza's employment with V2X ends, he will not, for the benefit of a Competitor, directly or through assistance to others, participate in soliciting a Covered Employee to leave the employment of V2X or assist a Competitor in efforts to hire a Covered Employee.

d. Definitions & Understandings. For purposes of the foregoing Restrictive Covenants, the following definitions and understandings will apply:

i. "Competitor" refers to a person or entity who is engaged in V2X's business and/or provides (or is planning to provide) Competitive Products in the markets where V2X does business.

ii. "Competitive Activity" means job duties or other business-related activities (as an employee, consultant, director, partner, owner or otherwise) that involve the performance of services that are the same as or similar in function or purpose to those Mr. Mendoza performed, supervised or managed for V2X in the Look Back Period.

iii. "Competitive Product" means goods or services of the type conducted, authorized, offered, or provided by V2X within two years prior to the termination of Mr. Mendoza's employment that V2X remains in the business of providing and that would

displace business opportunities for V2X's goods or services (existing or under development) that Mr. Mendoza had involvement with.

iv. "Covered Customer" means a customer of V2X that Mr. Mendoza had material contact with or was provided Confidential Information about during the Look Back Period. Unless it would make the applicable restriction unenforceable, customers will be presumed to include active customer prospects as of the date Mr. Mendoza's employment with V2X ended that he had material contact with.

v. "Covered Employee" means an employee that Mr. Mendoza worked with, gained knowledge of, or was provided Confidential Information about as a result of his employment with V2X during the Look Back Period.'

vi. "Look Back Period" means the last two (2) years of Mr. Mendoza's employment with V2X (including any period of employment with a predecessor entity acquired by V2X) or any lesser period of his employment if employed less than two years.

vii. "Restricted Area" is each geographic territory or region assigned to Mr. Mendoza in the Look Back Period, or if his area of responsibility was not limited to a specific assigned territory or region then each state (or state equivalent) and county (parish or other county equivalent) within the United States where V2X did business during the Look Back Period that Mr. Mendoza had any material involvement in or was provided Confidential Information about, or if this geography is not enforceable then such other geographic area as may be the maximum permissible geographic area of enforceability of the covenant to which the Restricted Area applies. Unless Mr. Mendoza can prove otherwise by clear and convincing evidence, a reasonable Restricted Area shall be presumed to include, at a minimum, the state(s) and county(s) within the United States that Mr. Mendoza actively worked in during such the Look Back Period, and the states and counties where the Covered Customers and Company both do business.

10. Return of Property. By signing this Agreement, Mr. Mendoza agrees and represents that he has either already returned to V2X, or will do so to the extent he has not already done so, all documents, equipment and other materials belonging to V2X, or otherwise containing Confidential Information, that is in his possession or under his control, including but not limited to any information in any tangible form (any documents, memoranda and/or files, faxes, and any means of data storage such as computer disks, CDROMS and the like, and all copies thereof), concerning V2X or its businesses, employees, clients and/or projects, and any keys, credit cards, equipment, computers, portable telephones, identification cards, books, notes, and any other property of V2X. Mr. Mendoza agrees that all memoranda, notes, records, or other documents compiled by him or made available to him during the term of his employment with V2X concerning its businesses or customers is its property, whether or not confidential, and has been returned by Mr. Mendoza to V2X. Mr. Mendoza further agrees that he shall not be entitled to any payments pursuant to this Agreement until such equipment and materials have been returned to V2X. In addition, Mr. Mendoza agrees to provide to Susan Deagle, at the address identified in paragraph 7(c) of this Agreement, with an affidavit (a sample form is attached as Attachment A to this Agreement) stating that he has deleted all V2X, Vectrus, Vertex, and all affiliated entity information from all of his personal technology devices, and that the provision of this affidavit to Ms. Deagle is a precondition to any payments under this Agreement.

11. Unemployment Insurance, Future Employment. V2X agrees that it will not oppose any application by Mr. Mendoza for unemployment benefits. Mr. Mendoza agrees that he will not now or at any time in the future seek employment with V2X, and if for some reason he does so, V2X is entitled to reject any such application without any recourse by Mr. Mendoza.

12. Disqualifying Conduct. If during the period Mr. Mendoza is receiving Severance Pay, Mr. Mendoza, in any material way: (i) breaches the terms of this Agreement; (ii) fails to comply with V2X's Company Covenant Against Disclosure and Assignment of Rights to Intellectual Property executed by Mr. Mendoza or improperly utilizes V2X's confidential or

proprietary information or breaches paragraph 8 of this Agreement; (iii) fails to comply with applicable provisions of the V2X Code of Corporate Conduct or applicable policies, or (iv) engages in fraud, misfeasance or malfeasance, as determined in the sole discretion of V2X (collectively, "Disqualifying Conduct"), then V2X will have no further obligation to provide Severance Pay or make any payments or benefits described in this Agreement. Additionally, if Mr. Mendoza engages in Disqualifying Conduct, Mr. Mendoza agrees that he will, upon demand, return the Severance Pay described in paragraph 1.a.i. And, in the event that V2X has to file suit or take other action to recover this payment, Mr. Mendoza will also be liable to V2X for the legal fees incurred by V2X.

Mr. Mendoza further agrees that, by signing this Agreement, he is certifying that he did not engage in fraud or illegal conduct during his employment with V2X or any of its predecessors or affiliated entities and, if V2X determines that he did engage in such fraud or illegal conduct, that he shall be in breach of this Agreement, and V2X will have no further obligation to provide Severance Pay or make any payments or benefits described in this Agreement, and that he will, upon demand, return the Severance Pay described in paragraph 1.a.i.

In addition, Mr. Mendoza expressly acknowledges that the time and expenses involved in proving in any forum the actual damage or loss suffered by V2X for a breach, as proven in a court of competent jurisdiction, of this Agreement makes liquidated damages appropriate. Accordingly, instead of requiring any proof of damages or losses, Mr. Mendoza agrees that as liquidated damages for any single breach of this Agreement, he shall pay V2X the sum of fifteen percent (15%) of the combined sum of the Severance Pay and his 2022 bonus; provided, however, that if V2X demonstrates that its damages are in excess of this amount, it shall recover the higher amount.

13. Medicare Status and Satisfaction of Any Medicare Reimbursement Obligations

a. Mr. Mendoza represents and warrants that Mr. Mendoza is not enrolled in the Medicare program, was not enrolled in the Medicare program at the time of the Released Matters or anytime thereafter through the date of this Release, and has not received Medicare benefits for medical services or items related to the Released Matters. Mr. Mendoza understands that Releasees have requested certain personal information of Mr. Mendoza, including Mr. Mendoza's Social Security Number, to meet Releasees' reporting obligations under Section 111 of MMSEA. Mr. Mendoza has chosen not to provide such information to Releasees and agrees in paragraph 3 above to indemnify Releasees for any penalties or claims resulting from Releasees' inability to report this settlement as may be required by law.

b. Mr. Mendoza represents and warrants that Mr. Mendoza has not received any medical services or items related to, arising from, or in connection with the Released Matters.

c. Mr. Mendoza acknowledges and agrees that it is Mr. Mendoza's responsibility pursuant to this Release, and not the responsibility of Releasees, to reimburse Medicare for any Conditional Payments made by Medicare on behalf of Mr. Mendoza as of the date of this Agreement or in the future.

14. No Admissions. Nothing contained herein shall be construed as an admission of wrongdoing, violation of any federal, state, or local law, or violation of any V2X policy or procedure by V2X or any of its divisions, affiliates or any of their respective officers, directors, employees or Mr. Mendoza.

15. Entire Agreement. This Agreement, along with the attachments and other V2X policies and agreements referred to herein, and any other agreement applicable to Mr. Mendoza, including but not limited to the Award Agreement referred to in paragraph 1.a.vi, above, sets forth the entire agreement between Mr. Mendoza and V2X relating to his employment with and separation from V2X; provided, however, that if there is a conflict between

any of these other policies and/or agreements and this Agreement, the terms of this Agreement shall govern the parties. Mr. Mendoza acknowledges that in entering into this Agreement he has not relied upon any representation, oral or written, not set forth in this Agreement.

16. Severability. By signing this Agreement, Mr. Mendoza acknowledges that he understands that in the event that any provision contained herein, except paragraphs 3 and 4, becomes or is declared by a court or other tribunal of competent jurisdiction to be illegal, unenforceable, or void, this Agreement shall continue in full force and effect without said provision. In the event that paragraph 3 and/or paragraph 4 is declared by a court or other tribunal of competent jurisdiction to be illegal, unenforceable or void, then this Agreement shall be deemed null and void, and he agrees to re-pay to V2X the payment provided to him in this Agreement.

17. Cooperation. By signing this Agreement, Mr. Mendoza agrees to reasonably cooperate with V2X and its attorneys in the prosecution and/or defense of any legal action wherein V2X is a party and that involves any facts or circumstances arising during the course of his employment with V2X, including its subsidiaries and affiliated entities. Such cooperation includes, but is not limited to, meeting with V2X's attorneys at reasonable times and places to discuss his knowledge of pertinent facts, appearing as required at deposition, arbitration, trial, or other proceeding to testify as to those facts and testifying to the best of his abilities at any such proceeding. Mr. Mendoza will be reimbursed for all reasonable costs and expenses incurred during his cooperation. Mr. Mendoza also agrees that, for a period of six months after his employment with V2X ends, he will make himself reasonably available to V2X for any assistance with transition issues as is needed by V2X. Mr. Mendoza will not be compensated for any such time.

18. Right to Revoke Agreement. Mr. Mendoza understands and agrees that he: (a) has carefully read and fully understands all of the provisions of this Agreement; (b) has been given a full twenty-one (21) days within which to consider this Agreement before executing it; (c) is, through this Agreement, releasing V2X, and the parties identified in paragraph 3, from any and all claims he may have against them, to the maximum extent permitted by law; (d) knowingly and voluntarily agrees to all of the terms set forth in this Agreement; (e) knowingly and voluntarily intends to be legally bound by this Agreement; (f) had the opportunity to consult with an attorney before executing this Agreement; (g) had a full seven (7) calendar days following his execution of this Agreement to revoke this Agreement; (h) understands that rights or claims under the ADEA that may arise after the effective date of this Agreement are not waived; and (i) understands that this Agreement shall not become effective or enforceable until the Effective Date, which is the first calendar day after the expiration of the seven-day revocation period described above. No money and/or benefits payable solely by virtue of this Agreement shall be made during the seven-day revocation period. In order to revoke this Agreement, Mr. Mendoza must deliver or cause to be delivered to Susan Deagle, at the address identified in paragraph 7(c), above, an express written revocation, no later than 11:59 p.m. EDT on the seventh calendar day following the date Mr. Mendoza signs this Agreement.

19. No Reliance. Mr. Mendoza acknowledges that he has had the opportunity to conduct an investigation into the facts and evidence relevant to his decision to sign this Agreement. Mr. Mendoza acknowledges that, in deciding to enter into this Agreement, he has not relied on any promise, representation, or other information not contained in this Agreement, and also has not relied on any expectation that V2X has disclosed all material facts to him. By entering into this Agreement, Mr. Mendoza is assuming all risks that he may be mistaken as to the true facts, that he may have been led to an incorrect understanding of the true facts, or that facts material to his decision to sign this Agreement may have been withheld from him. Mr. Mendoza will have no claim to rescind this Agreement on the basis of any alleged mistake, misrepresentation, or failure to disclose any fact. None of the foregoing, however, will affect his right to challenge the validity of this Agreement under the Older Worker Benefit Protection Act.

20. Authority.

a. Mr. Mendoza represents and warrants that he has all necessary authority to enter into this Agreement (including, if he is married or in a domestic partnership, on behalf of his marital community or domestic partnership community) and that he has not transferred any interest in any claims to his spouse or domestic partner or to any other third party.

b. This Agreement shall be binding upon and inure to the benefit of Mr. Mendoza and V2X and their respective heirs, executors, successors, representatives, and agents.

21. Choice of Law. This Agreement shall be governed and interpreted by the laws of the Commonwealth of Virginia, without regard to any conflict of laws principles that would apply another jurisdiction's laws. The parties also agree that any action to enforce this Agreement shall be brought exclusively in a court located in Virginia encompassing the geographic area of V2X's headquarters office. The parties consent to the personal jurisdiction of any such court, and waive any objections to lack of personal jurisdiction or inconvenience of this forum.

22. Compliance with IRC 409A. This Agreement is intended to comply with I.R.C. Section 409A and will be interpreted in a manner intended to comply with Section 409A. Each payment made under this Agreement shall be designated as a "separate payment" within the meaning of Section 409A. If, as of the last day worked by Mr. Mendoza, he is a "specified employee" as defined in Section 409A and the deferral of any other payment or commencement of any other payments or benefits otherwise payable by V2X to Mr. Mendoza as a result of Mr. Mendoza's separation of service is necessary in order to prevent any accelerated or additional tax under Section 409A, then V2X will defer the commencement of the payment of any such payments or benefits until the date that is six months following his last day of employment.

23. Effective Date. This Agreement shall be effective upon full execution by all parties.

24. Counterparts and Signatures. This Agreement may be signed in counterparts, each of which shall be deemed an original, but all of which, taken together, shall constitute the same instrument. A signature made on a faxed or electronic copy of the Agreement or a signature transmitted by facsimile or email shall have the same effect as an original signature.

**PLEASE READ CAREFULLY. THIS AGREEMENT CONTAINS
A RELEASE OF KNOWN AND UNKNOWN CLAIMS.**

V2X, Inc. Richard Mendoza

/s/ Kevin Boyle /s/ Richard Mendoza
Kevin Boyle

April 1, 2023 April 1, 2023
Date Date

ATTACHMENT A

AFFIDAVIT OF RICHARD MENDOZA

I, Richard Mendoza, being duly sworn, state as follows:

1. I am over eighteen and am competent to give testimony.
2. I make this Affidavit based on my personal knowledge.
3. I have deleted all V2X, Vectrus, Vertex and all affiliated entity information from all of my personal technology devices.

Further Affiant sayeth not.

/s/ Richard Mendoza
Richard Mendoza

Sworn to and subscribed
before me this 31 day of
March, 2023.

/s/ Christopher Weidner
Notary Public

My Commission expires: 10/13/2026

V2X, INC.
Second Amendment and Restatement of the V2X, Inc. 2014 Omnibus Incentive Plan,
as amended and restated as of October 27, 2022

RESTRICTED STOCK UNIT AWARD AGREEMENT
(Stock Settled)

THIS AGREEMENT (the "Agreement"), effective as of **###GRANT_DATE###**, by and between V2X, Inc. (the "Company") and **###PARTICIPANT_NAME###** (the "Grantee"), WITNESSETH:

WHEREAS, the Grantee is now employed by the Company or an Affiliate (as defined in the Second Amendment and Restatement of the V2X, Inc. 2014 Omnibus Incentive Plan, as amended and restated as of October 27, 2022, (the "Plan")) as an employee, and in recognition of the Grantee's valued services, the Company, through the Compensation and Personnel Committee of its Board of Directors (the "Committee"), desires to provide an inducement to remain in service of the Company and as an incentive for increased efforts during such service pursuant to the provisions of the Plan and this Agreement.

NOW, THEREFORE, in consideration of the terms and conditions set forth in this Agreement and the provisions of the Plan, a copy of which is attached hereto and incorporated herein as part of this Agreement, and any administrative rules and regulations related to the Plan as may be adopted by the Committee, the parties hereto hereby agree as follows:

1. **Grant of Restricted Stock Units.** In accordance with, and subject to, the terms and conditions of the Plan and this Agreement, the Company hereby confirms the grant on **###GRANT_DATE###** (the "Grant Date") to the Grantee of **###TOTAL_AWARDS###** Restricted Stock Units. The Restricted Stock Units are notional units of measurement denominated in Shares of common stock of the Company (*i.e.*, one Restricted Stock Unit is equivalent in value to one share of common stock of the Company (a "Share")).

The Restricted Stock Units represent an unfunded, unsecured right to receive Shares in the future if the conditions set forth in the Plan and this Agreement are satisfied.

2. **Terms and Conditions.** It is understood and agreed that the Restricted Stock Units are subject to the following terms and conditions:

- (a) **Restrictions.** Except as otherwise provided in the Plan and this Agreement, neither this Award nor any Restricted Stock Units subject to this Award may be sold, assigned, pledged, exchanged, transferred, hypothecated or encumbered, other than to the Company as a result of forfeiture of the Restricted Stock Units.
- (b) **Stockholder Rights.** The Grantee shall not have any privileges of a stockholder of the Company with respect to the Restricted Stock Units or any Shares that may be delivered hereunder, including without limitation any right to vote such Shares or to receive dividends or dividend equivalents, unless and until such Shares are delivered upon vesting of the Restricted Stock Units.
- (c) **Vesting of Restricted Stock Units and Payment.** Subject to subsections 2(d) and 2(e) below, the Restricted Stock Units shall vest (meaning the Period of Restriction shall lapse with respect to the applicable vesting Restricted Stock Units) as follows:
 - (i) 1/3 of the Restricted Stock Units shall vest on **March 10, 2024**
 - (ii) 1/3 of the Restricted Stock Units shall vest on **March 10, 2025**, and
 - (iii) 1/3 of the Restricted Stock Units shall vest on **March 10, 2026**.

Except as provided in subsections 2(j)(i) and 2(j)(ii) below, upon vesting of the Restricted Stock Units (including vesting pursuant to subsections 2(d) or 2(e) below), the Company will deliver to the Grantee one Share for each vested Restricted Stock Unit, with any fractional Share resulting from proration resulting from the fractional

vesting set forth above or otherwise set forth herein to be rounded to the nearest whole Share (with 0.5 to be rounded up), less any Shares and/or cash withheld in accordance with subsection 2(f) below.

- (d) **Effect of Acceleration Event.** Notwithstanding anything in this Agreement to the contrary, the Restricted Stock Units shall, to the extent outstanding and unvested, immediately become 100% vested if, on the date of, or within twenty- four months following, an Acceleration Event which occurs following the Grant Date, the Grantee's employment is terminated by the Company (or an Affiliate or any successor, as the case may be), without Cause (as defined below) or by the Grantee for Good Reason (as defined below).

For purposes of this Agreement, the term "Cause" shall mean (1) the Grantee's misconduct, (2) the Grantee's violation of Company policies, rules or Code of Conduct or any other terms or conditions relating to the Grantee's employment or any agreement with the Grantee or (3) any other conduct of the Grantee that the Committee in its sole discretion determines constitutes Cause for purposes of this Agreement.

For purposes of this Agreement, the term "Good Reason" shall mean, without the Grantee's express written consent and excluding for this purpose any action which is remedied by the Company (or an Affiliate or any successor, as the case may be) within thirty (30) days after receipt of notice thereof given by the Grantee, (i) a reduction in the Grantee's annual base compensation (whether or not deferred); (ii) the assignment to the Grantee of any duties inconsistent in any material respect with the Grantee's position (including status, offices, titles and reporting requirements), authority, duties or responsibilities; (iii) any other action by the Company (or an Affiliate or any successor, as the case may be) which results in a material diminution in such position, authority, duties or responsibilities; or (iv) the Company's (or an Affiliate or any successor, as the case may be) requiring the Grantee's work location to be other than within thirty-five (35) miles of the location where such Grantee was principally working immediately prior to the Acceleration Event; provided that "Good Reason" shall cease to exist for an event on the 90th day following the later of its occurrence or the Grantee's knowledge thereof, unless the Grantee has given the Company (or an Affiliate or any successor, as the case may be) notice thereof prior to such date, and the date of the Grantee's termination of employment for Good Reason must occur, if at all, within one hundred and eighty (180) days following the later of the occurrence of the Good Reason event or the Grantee's knowledge thereof.

(e) **Effect of Death, Disability and Termination of Employment**

- (i) Death or Disability. If the Grantee dies or becomes Disabled (as defined below) while employed, the Restricted Stock Units shall immediately become 100% vested as of the date of the death or the date the Grantee becomes Disabled, as the case may be. For purposes of this Agreement, the term "Disability" shall mean the complete and permanent inability of the Grantee to perform all of his or her duties under the terms of his or her employment, as determined by the Company upon the basis of such evidence, including independent medical reports and data, as the Company deems appropriate or necessary; provided however, that with respect to any portion of the Award that constitutes deferred compensation for purposes of Section 409A of the Code and any related regulations or other effective guidance promulgated thereunder ("Section 409A"), the Grantee shall not be deemed to be Disabled unless and until the date the Grantee becomes "disabled" as that term is used in Section 409A.
- (ii) Termination by the Company Without Cause. If the Grantee's employment terminates due to an involuntary termination of employment by the Company (or an Affiliate, as the case may be) for other than Cause (provided that subsection 2(d) is not applicable and the termination is not deemed a Retirement pursuant to subsection 2(e)(iii)), the Grantee shall be entitled to vest in a prorated portion of the Restricted Stock Units (as described below), with any remaining unvested portion of the Award expiring as of the date of the termination of the Grantee's employment. Such prorated vesting shall occur on the original vesting schedule set forth in subsection 2(c), not at the time of the Grantee's termination of employment. The prorated portion of the Restricted Stock Units to which the Grantee is entitled

pursuant to this paragraph shall be determined by (A) multiplying the total number of Restricted Stock Units subject to this Award by a fraction, the numerator of which is the number of full months during which the Grantee has been continually employed since the Grant Date (not to exceed 36 in the aggregate), and the denominator of which is 36, and (B) reducing the product thereof by the number of Restricted Stock Units that had already become vested as of the date of the termination of the Grantee's employment. For this purpose, full months of employment shall be based on monthly anniversaries of the Grant Date, not calendar months.

- (iii) **Termination due to Retirement.** If the Grantee's employment terminates due to Retirement (as defined below), the Grantee shall be entitled to vest in the entire Award which shall continue to vest on the original vesting schedule as if the Grantee had remained employed through any remaining vesting dates; provided that the Grantee has not at any time violated the terms of any restrictive covenant set forth in Appendix A. If the Grantee does violate such restrictive covenant at any time prior to the date that the Award would otherwise have vested under its original grant terms, the Award will terminate and expire in all respects, without further action by the Company and the Grantee hereby agrees that the Company shall have all of the remedies and rights set forth in subsection 2(h) below.

For purposes of this Agreement, the term "Retirement" shall mean the termination of the Grantee's employment following the one-year anniversary of the Grant Date if, at the time of such termination, the Grantee is at least age 60 with at least 5 years of service. For this purpose, "years of service" means service as an Employee of the Company or of the Predecessor Corporation. For the avoidance of doubt, (i) the Grantee shall not be considered employed during any period in which the Grantee is receiving severance payments, (ii) termination of the Grantee's employment (a) by the Company for Cause, (b) due to the Grantee's death or Disability or (c) described in subsection 2(d) shall not constitute Retirement, regardless of the Grantee's age and years of service, and (iii) if the Grantee's employment is terminated by the Company or an Affiliate other than for Cause and before an Acceleration Event and on the termination date one year has elapsed from the Date of Grant and the Grantee is at least age 60 with at least five years of service, such termination shall be treated as a termination due to Retirement for purposes of subsection 2(e)(ii).

- (iii) **Termination for Any Other Reason.** If the Grantee's employment with the Company and its Affiliates is terminated for any reason not described in subsection 2(d) or 2(e)(ii) or (iii), and the termination is not due to the Grantee's death or Disability, any unvested Restricted Stock Units shall be immediately forfeited as of the date of such termination.

- (f) **Tax Withholding.** In accordance with Article 14 of the Plan, the Company may make such provisions and take such actions as it may deem necessary for the withholding of all applicable taxes attributable to the Restricted Stock Units. Unless the Committee determines otherwise, the minimum statutory tax withholding required to be withheld upon delivery of the Shares shall be satisfied by withholding a number of Shares having an aggregate Fair Market Value equal to the minimum statutory tax required to be withheld. If such withholding would result in a fractional Share being withheld, the number of Shares so withheld shall be rounded up to the nearest whole Share. Notwithstanding the foregoing, the Grantee may elect to satisfy such tax withholding requirements by timely remittance of such amount by cash or check or such other method that is acceptable to the Company, rather than by withholding of Shares, provided such election is made in accordance with such conditions and restrictions as the Company may establish. If FICA taxes are required to be withheld while the Award is outstanding, such withholding shall be made in the manner described in the second sentence of this subsection 2(f).

- (g) **Grantee Bound by Plan and Rules.** The Grantee hereby acknowledges receipt of a copy of the Plan and this Agreement and agrees to be bound by the terms and provisions thereof. The Grantee agrees to be bound by any rules and regulations for administering the Plan as may be adopted by the Committee prior to the date the Restricted Stock Units vest. Capitalized terms used herein and not otherwise defined shall be as defined in the Plan.

- (h) **Restrictive Covenant Violation.** Grantee acknowledges and recognizes the highly competitive nature of the businesses of the Company and its Affiliates and accordingly agrees to the provisions of Appendix A to this Agreement. If the Grantee breaches such restrictions in Appendix A to this Agreement, the Grantee hereby agrees that, in addition to any other remedy available to the Company in respect of such activity or breach, (i) the Grantee's Restricted Stock Units will be forfeited, (ii) upon demand by the Company, the Grantee shall return to the Company any Shares issued upon vesting of any of the Restricted Stock Units, and (iii) if the Grantee has sold or otherwise disposed of all or any portion of such Shares, the Grantee shall repay to the Company an amount equal to the aggregate after-tax proceeds (taking into account all amounts of tax that would be recoverable upon a claim of loss for payment of such proceeds in the year of repayment) the Grantee received upon the sale or other disposition of, or distributions in respect of, such Shares.
- (i) **Governing Law.** This Agreement (including Appendix A) shall be governed by the laws of the Commonwealth of Virginia, excluding any conflicts or choice of law rule or principle that might otherwise refer construction or interpretation of this Agreement to the substantive law of another jurisdiction.
- (j) **Section 409A Compliance.** To the extent applicable, it is intended that the Plan and this Agreement comply with the requirements of Section 409A, and the Plan and this Agreement shall be interpreted accordingly.
- (i) If it is determined that all or a portion of the Award constitutes deferred compensation for purposes of Section 409A, and if the Grantee is a "specified employee," as defined in Section 409A(a)(2)(B)(i) of the Code, at the time of the Grantee's separation from service, then, to the extent required under Section 409A, any Shares that would otherwise be distributed upon the Grantee's separation from service, shall instead be delivered on the date determined by the Company within the thirty (30) day period following the earlier of (x) the first business day of the seventh month following the date of the Grantee's separation from service or (y) the date of the Grantee's death.
- (ii) If it is determined that all or a portion of the Award constitutes deferred compensation for purposes of Section 409A, to the extent required to comply with Section 409A, an Acceleration Event shall not be deemed to have occurred for purposes of Section 2(d) unless it also constitutes a "change in control event" (as that term is used in Treasury Regulation Section 1.409A-3(i)(4)).
- (iii) Each portion of this Award that could vest pursuant to subsection 2(c) and/or 2(e)(ii) is intended to constitute a separate payment for purposes of Treasury Regulation Section 1.409A-2(b)(2).

IN WITNESS WHEREOF, the Company has caused this instrument to be executed by its Chief Executive Officer and President, or a Senior Vice President, as of **###GRANT_DATE###**.

Agreed to:

V2X, INC.

###PARTICIPANT_NAME###

Grantee

(Online acceptance constitutes agreement)

Charles L. Prow

Dated: **###ACCEPTANCE_DATE###**

Dated: **###GRANT_DATE###**

Enclosures



Appendix A
Restrictive Covenants

1. Non-Solicit.

- (a) Grantee acknowledges and recognizes the highly competitive nature of the businesses of the Company and its affiliates and accordingly agrees as follows:
- (i) Grantee will not, within twelve months following the termination of his employment with the Company for any reason (the "Post-Termination Period") or during Grantee's employment (collectively with the Post-Termination Period, the "Restricted Period"), influence or attempt to influence customers of the Company or its subsidiaries or any of its present or future subsidiaries or affiliates, either directly or indirectly, to divert their business to any individual, partnership, firm, corporation or other entity then in competition with the business of the Company or any subsidiary or affiliate of the Company.
 - (ii) During the Restricted Period, Grantee will not, and will not, directly or indirectly, cause any other person to, initiate or respond to communications with or from, any employee of the Company or its subsidiaries during the twelve-month period prior to the termination of such employee's employment with the Company, for the purpose of soliciting such employee, or facilitating the hiring of any such employee, to work for any other business, individual, partnership, firm, corporation, or other entity; and
- (b) It is expressly understood and agreed that although Grantee and the Company consider the restrictions contained in Section 1 of this Appendix A to be reasonable, if a final judicial determination is made by a court of competent jurisdiction, that the time or territory or any other restriction contained in this Agreement is an unenforceable restriction against Grantee, the provisions of this Agreement shall not be rendered void but shall be deemed amended to apply as to such maximum time and territory and to such maximum extent as such court may judicially determine or indicate to be enforceable. Alternatively, if any court of competent jurisdiction finds that any restriction contained in this Agreement is unenforceable, and such restriction cannot be amended so as to make it enforceable, such finding shall not affect the enforceability of any of the other restrictions contained herein.
- (c) The period of time during which the provisions of Section 1 of this Appendix A shall be in effect shall be extended by the length of time during which Grantee is in breach of the terms hereof as determined by any court of competent jurisdiction on the Company's application for injunctive relief.

2. Non-Competition.

- (a) Grantee acknowledges and recognizes the highly competitive nature of the businesses of the Company and its affiliates and agrees as follows:
- (i) Grantee will not, during Grantee's employment or engagement with the Company and during the twelve month period immediately following the termination of Grantee's engagement or employment with the Company for any reason (collectively, the "Competition Restricted Period"), accept any employment or consulting relationship with (or own or have any financial interest in), directly or indirectly, any entity engaged in any business area in which the Company or any of its Affiliates engage in business or are actively planning to engage in business during Grantee's employment or engagement with the Company.

Notwithstanding anything to the contrary in this Agreement, Grantee may, directly or indirectly own, solely as an investment, securities of any Person which are publicly traded on a national or regional stock exchange or on the over-the-counter market if Grantee (i) is not a controlling person of, or a member of a group which controls, such person and (ii) does not, directly or indirectly, own 5% or more of any class of securities of such Person.

- (b) It is expressly understood and agreed that although Grantee and the Company consider the restrictions contained in Section 2 of this Appendix A to be reasonable, if a final judicial determination is made by a court of competent jurisdiction, that the time or territory or any other restriction contained in this Agreement is an unenforceable restriction against Grantee, the provisions of this Agreement shall not be rendered void but shall be deemed amended to apply as to such maximum time and territory and to such maximum extent as such court may judicially determine or indicate to be enforceable. Alternatively, if any court of competent jurisdiction finds that any restriction contained in this Agreement is unenforceable, and such restriction cannot be amended so as to make it enforceable, such finding shall not affect the enforceability of any of the other restrictions contained herein.
- (c) The period of time during which the provisions of Section 2 of this Appendix A shall be in effect shall be extended by the length of time during which Grantee is in breach of the terms hereof as determined by any court of competent jurisdiction on the Company's application for injunctive relief.

3. Survival.

The provisions of this Appendix A shall survive the termination of Grantee's employment for any reason.

V2X, INC.
SPECIAL PERFORMANCE STOCK UNIT – 2023 STOCK PRICE AWARD AGREEMENT

THIS AGREEMENT (the “Agreement”), effective as of **###GRANT_DATE###**, by and between V2X, Inc. (the “Company”) and **###PARTICIPANT_NAME###** (the “Participant” or “Executive”), WITNESSETH:

WHEREAS, the Participant is now employed by the Company or an Affiliate of the Company as an employee, and in recognition of the Participant’s valued services, the Company, through the Compensation and Personnel Committee of its Board of Directors (the “Committee”), desires to provide an opportunity for the Participant to receive a performance-based long-term incentive award, pursuant to the provisions of the Second Amendment and Restatement of the V2X, Inc. 2014 Omnibus Incentive Plan, as amended and restated as of October 27, 2022 (the “Plan”).

NOW, THEREFORE, in consideration of the terms and conditions set forth in this Agreement and the provisions of the Plan, a copy of which is attached hereto and incorporated herein as part of this Agreement, and any administrative rules and regulations related to the Plan as may be adopted by the Committee, the parties hereto hereby agree as follows:

1. **Grant of Award.** In accordance with, and subject to, the terms and conditions of the Plan and this Agreement, the Company hereby grants to the Participant an award of **###TOTAL_AWARDS###** special Performance Stock Units (the “Award”). The Performance Stock Units are notional units of measurement denominated in Shares of common stock of the Company (i.e., one Performance Stock Unit is equivalent in value to one share of common stock of the Company (a “Share”)).

The Performance Stock Units represent an unfunded, unsecured right to receive Shares (and dividend equivalent payments pursuant Section 2(b) hereof) in the future if the conditions set forth in the Plan and this Agreement are satisfied.

2. **Terms and Conditions.** It is understood and agreed that this Award is subject to the following terms and conditions:
 - (a) **Restrictions.** Except as otherwise provided in the Plan and this Agreement, neither this Award nor any Performance Stock Units subject to this Award may be sold, assigned, pledged, exchanged, transferred, hypothecated or encumbered, other than to the Company as a result of forfeiture of the Performance Stock Units.
 - (b) **Stockholder Rights.** The Participant shall not have any rights or privileges of a stockholder of the Company with respect to the Performance Stock Units or any Shares that may be delivered hereunder, including without limitation any right to vote such Shares or to receive dividends or dividend equivalents, unless and until such Shares are delivered upon vesting of the Performance Stock Units (in which case the Participant shall be entitled to receive dividend equivalents with respect to any dividends which were declared with respect to Shares following the date hereof any prior to such delivery).

3. **Vesting and Settlement of Performance Stock Units.**

- (a) **Normal Vesting and Settlement.**

- (i) The number of Performance Stock Units that become eligible to vest will be determined in accordance with the performance metrics set forth on Exhibit 1.
 - (ii) Except as provided in the Agreement, each Performance Stock Unit that becomes eligible to vest in accordance with Exhibit 1 will vest in full on the later of (x) December 31, 2025, or (y) the date the Compensation and Personnel Committee certifies the performance set forth on Exhibit 1 (the “Vesting Date”), subject to the Participant’s continuous employment with the Company or an Affiliate through the Vesting Date. For the avoidance of doubt, continuous employment of the Participant by the Company or an Affiliate for purposes of vesting and earning the Performance Stock Units granted hereunder shall include continuous employment with either the Company or an Affiliate for so long as the Grantee continues working at any such entity

- (iii) Except as provided in the Agreement, the Company will deliver to the Participant one Share for each Performance Stock Unit that fully vests in accordance with Section 3(a)(i) as soon as practicable after the Vesting Date and in no event later than March 15, 2026. Any fractional Share will be rounded to the nearest whole Share (with 0.5 to be rounded up).
- (b) **Effect of Termination of Employment.** Except as otherwise provided below, if the Participant's employment with the Company (and all Affiliates) is terminated for any reason before the Vesting Date, the Award shall be immediately forfeited.
 - (i) Termination due to Death or Disability. If the Participant's termination of employment is due to death or Disability (as defined below), then the Participant shall receive settlement of the applicable number of Performance Stock Units determined in accordance with the methodology set forth in Section 3(c) except that the date of such termination shall be substituted for the Acceleration Date for purposes of making such calculation (and disregarding any subsequent time vesting requirement), which settlement shall be made on or as soon as practicable (but in all events within 30 days) following the date the Participant's employment terminates. Any fractional Share will be rounded to the nearest whole Share (with 0.5 to be rounded up).
 - (ii) Qualifying Terminations On or Following an Acceleration Event. Notwithstanding anything in this Agreement to the contrary, if (a) the Participant's employment is terminated by the Company (or an Affiliate or any successor, as the case may be) without Cause (as defined below) or by the Participant for Good Reason (as defined below), and (b) such termination occurs on the date of, or within twenty-four months following, an Acceleration Event which occurs following the date hereof and on or before December 31, 2025, then the Participant shall receive settlement of the applicable number of Performance Stock Units set forth in Section 3(c) on or as soon as practicable (but in all events within 30 days) following the date the Participant's employment terminates. Any fractional Share will be rounded to the nearest whole Share (with 0.5 to be rounded up).
- (c) **Acceleration Event.** Notwithstanding anything in this Agreement to the contrary, if an Acceleration Event occurs following the date hereof and on or before December 31, 2025, then the Performance Stock Units shall be converted to time-based Performance Stock Units, subject to the Participant's continuous employment with the Company or an Affiliate through December 31, 2025 unless otherwise provided in Section 3(b)(ii); provided, that (x) the number of Performance Stock Units will be based on the actual achievement of the Per Share targets (as set forth on Exhibit 1) over the thirty trading days preceding the date on which the Acceleration Event occurs as certified by the Compensation and Personnel Committee; provided, further that if the Per Share Average has achieved the \$90 target or higher at the time of the Acceleration Event, then the TSR Ranking target (as set forth on Exhibit 1) shall be determined as provided below in this Section 3(c); and (y) the remaining portion of the Award, if any, shall be forfeited as of the date of the Acceleration Event.
 - (i) The average Vesting Factor in respect of the TSR Ranking described in subpart (x) above shall be equal to the sum of the Vesting Factors for any completed Performance Periods and the open (including the final) Performance Periods in which the Acceleration Event occurs (with Vesting Factor for the open (including the final) Performance Periods in which the Acceleration Event occurs determined based on the achievement of the applicable performance measures through the date preceding the date on which the Acceleration Event occurs), divided by the number of such Performance Periods, in each case, as certified by the Compensation and Personnel Committee.
 - (ii) The vested Performance Stock Units in accordance with this Section 3(c) shall be delivered to the Participant as soon as practicable after December 31, 2025, and in no event later than March 15, 2026. Any fractional Share will be rounded to the nearest whole Share (with 0.5 to be rounded up).

- (iii) For the avoidance of doubt, this Section 3(c) is intended only to apply if an Acceleration Event occurs on or before December 31, 2025. The Award shall otherwise remain subject to the terms and conditions set forth in this Agreement.

(d) **Defined Terms.**

- (i) **Cause.** For purposes of this Agreement, the term "Cause" shall mean (1) the Participant's misconduct, (2) the Participant's violation of Company policies, rules or Code of Conduct or any other terms or conditions relating to the Participant's employment or any agreement with the Participant or (3) any other conduct of the Participant that the Committee in its sole discretion determines constitutes Cause for purposes of this Agreement.
- (ii) **Disability.** For purposes of this Agreement, the term "Disability" shall mean the complete and permanent inability of the Participant to perform all of his or her duties under the terms of his or her employment, as determined by the Company upon the basis of such evidence, including independent medical reports and data, as the Company deems appropriate or necessary.
- (iii) **Good Reason.** For purposes of this Agreement, the term "Good Reason" shall mean, without the Participant's express written consent and excluding for this purpose any action which is remedied by the Company (or an Affiliate or any successor, as the case may be) within thirty (30) days after receipt of notice thereof given by the Participant, (i) a reduction in the Participant's annual base compensation (whether or not deferred); (ii) the assignment to the Participant of any duties inconsistent in any material respect with the Participant's position (including status, offices, titles and reporting requirements), authority, duties or responsibilities; (iii) any other action by the Company (or an Affiliate or any successor, as the case may be) which results in a diminution in such position, authority, duties or responsibilities; or (iv) the Company's (or an Affiliate or any successor, as the case may be) requiring the Participant's work location to be other than within thirty-five (35) miles of the location where such Participant was principally working immediately prior to the Acceleration Event; provided that "Good Reason" shall cease to exist for an event on the 90th day following the later of its occurrence or the Participant's knowledge thereof, unless the Participant has given the Company (or an Affiliate or any successor, as the case may be) notice thereof prior to such date, and the date of the Participant's termination of employment for Good Reason must occur, if at all, within one hundred and eighty (180) days following the later of the occurrence of the Good Reason event or the Participant's knowledge thereof.

4. **Additional Provisions.**

- (a) **Tax Withholding.** In accordance with Article XIV of the Plan, the Company may make such provisions and take such actions as it may deem necessary for the withholding of all applicable taxes attributable to the Performance Stock Units. Unless the Committee determines otherwise, the minimum statutory tax withholding required to be withheld upon delivery of the Shares shall be satisfied by withholding a number of Shares having an aggregate Fair Market Value equal to the minimum statutory tax required to be withheld. If such withholding would result in a fractional Share being withheld, the number of Shares so withheld shall be rounded up to the nearest whole Share. Notwithstanding the foregoing, the Grantee may elect to satisfy such tax withholding requirements by timely remittance of such amount by cash or check or such other method that is acceptable to the Company, rather than by withholding of Shares, provided such election is made in accordance with such conditions and restrictions as the Company may establish. If FICA taxes are required to be withheld while the Award is outstanding, such withholding shall be made in a manner determined by the Company.
- (b) **Participant Bound by Plan and Rules.** The Participant hereby acknowledges receipt of a copy of the Plan and this Agreement and agrees to be bound by the terms and provisions thereof. The Participant agrees to be bound by any rules and regulations for administering the Plan as may be adopted by the Committee before the date the

Performance Stock Units become vested and earned. Terms used herein and not otherwise defined shall be as defined in the Plan.

- (c) **Restrictive Covenant Violation.** Participant acknowledges and recognizes the highly competitive nature of the businesses of the Company and its Affiliates and accordingly agrees to the provisions of Appendix A to this Agreement. If the Participant breaches such restrictions in Appendix A to this Agreement, the Participant hereby agrees that, in addition to any other remedy available to the Company in respect of such activity or breach, the Participant's Performance Stock Units will be forfeited and, if the Participant has disposed of all or any portion of such Performance Stock Units before the date of such forfeiture, then, in respect of all or any portion of such Performance Stock Units, the Participant shall repay to the Company an amount equal to the aggregate after-tax proceeds (taking into account all amounts of tax that would be recoverable upon a claim of loss for payment of such proceeds in the year of repayment) the Participant received upon the sale or other disposition of, or distributions in respect of, the Grantee's Performance Stock Units.
- (d) **Governing Law.** This Agreement (including Appendix A) shall be governed by the laws of the Commonwealth of Virginia, excluding any conflicts or choice of law rule or principle that might otherwise refer construction or interpretation of this Agreement to the substantive law of another jurisdiction.
- (e) **Section 409A Compliance.** To the extent applicable, it is intended that the Plan and this Agreement comply with the requirements of Section 409A, and the Plan and this Agreement shall be interpreted accordingly.
 - (i) If it is determined that all or a portion of the Award constitutes deferred compensation for purposes of Section 409A, and if the Participant is a "specified employee," as defined in Section 409A(a)(2)(B)(i) of the Code, at the time of the Participant's separation from service, then, to the extent required under Section 409A, any Shares that would otherwise be distributed upon the Participant's separation from service, shall instead be delivered on the date determined by the Company within the thirty (30) day period following the earlier of (x) the first business day of the seventh month following the date of the Participant's separation from service or (y) the date of the Participant's death.
 - (ii) If it is determined that all or a portion of the Award constitutes deferred compensation for purposes of Section 409A, upon an Acceleration Event that does not constitute a "change in the ownership" or a "change in the effective control" of the Company or a "change in the ownership of a substantial portion of a corporation's assets" (as those terms are used in Section 409A), the Performance Stock Units shall vest at the time of the Acceleration Event, but distribution of any Performance Stock Units that constitute deferred compensation for purposes of Section 409A shall not be accelerated (i.e., distribution shall occur when it would have occurred absent the Acceleration Event).
 - (iii) Each portion of this Award that could vest is intended to constitute a separate payment for purposes of Treasury Regulation Section 1.409A-2(b)(2).

Signature Page Follows

IN WITNESS WHEREOF, the Company has caused this instrument to be executed by its Chief Executive Officer and President, or a Senior Vice President, as of **###GRANT_DATE###**.

Agreed to:

V2X, INC.

###PARTICIPANT_NAME###

Grantee
(Online acceptance constitutes agreement)

Charles L. Prow

Dated: **###ACCEPTANCE_DATE###**

Dated: **###GRANT_DATE###**

Enclosures

Exhibit 1
Performance Metrics

1. **Vesting.** The number of Performance Stock Units that become eligible to vest will be determined as follows:

Per Share Average*	Vesting
Less than \$60	0%
\$60	30%
\$75	60%
\$90 or Greater	80%

*No interpolation between stock prices.

“Per Share Average” means the average closing stock price of a Share over any thirty (30) trading day period prior to (and including) December 31, 2025. In the case of a termination due to death or Disability prior to December 31, 2025, the date of such termination shall be used instead of December 31, 2025.

In addition, the Performance Stock Units shall be eligible to vest in full (100%) if (i) the Per Share achieves at least \$90 **and** (ii) the average TSR Ranking over each of the Performance Periods referenced below (determined by adding the TSR Rankings for each Performance Period and dividing the sum by four) is above the 50th percentile.

“TSR Ranking” means the Company’s TSR performance (as determined below) relative to that of the Aerospace & Defense companies in the S&P 1500 Index with revenue less than \$10 billion, as approved annually by the Company.

2. **Performance Periods.** The four performance periods applicable to the TSR Ranking (each, a “Performance Period”) are as follows:

Period 1: January 1, 2023, to December 31, 2023
Period 2: January 1, 2024, to December 31, 2024
Period 3: January 1, 2025, to December 31, 2025
Period 4: January 1, 2023, to December 31, 2025

In the case of a termination due to death or Disability prior to December 31, 2025, TSR Ranking shall be determined based on the number of full and partial Performance Periods which have been completed or commenced as of the date of death or Disability.

3. **TSR Performance.** With respect to each Performance Period, the TSR is the percentage change in value of a shareholder’s investment in the applicable entity’s common stock from the beginning to the end of the Performance Period, assuming reinvestment of dividends and any other shareholder payouts during the Performance Period. For purposes of this Agreement, the stock price at the beginning of the Performance Period will be the average closing stock price over the trading days in the month immediately preceding the start of the Performance Period, and the stock price at the end of the Performance Period will be the average closing stock price over the trading days in the last month of the Performance Period. Any company included in the measurement group which (i) ceases to be publicly traded during the Performance Period shall be removed from the measurement group or (ii) subsequently reorganizes under the United States Bankruptcy Code (or any successor or comparable law) shall remain in the measurement group and all such companies (if any) shall be deemed to be ranked below all other companies in the measurement group.

Appendix A
Restrictive Covenants

1. Non-Solicit.

- (a) Executive acknowledges and recognizes the highly competitive nature of the businesses of the Company and its Affiliates and accordingly agrees as follows:
 - (i) Executive will not, within twelve months following the termination of his or her employment with the Company for any reason (the "Post-Termination Period") or during Executive's employment (collectively with the Post-Termination Period, the "Restricted Period"), influence or attempt to influence customers of the Company or its Affiliates or any of its present or future Affiliates, either directly or indirectly, to divert their business to any individual, partnership, firm, corporation or other entity then in competition with the business of the Company or any Affiliate of the Company.
 - (ii) During the Restricted Period, Executive will not, and will not directly or indirectly, cause any other person to, initiate or respond to communications with or from, any employee of the Company or its Affiliates during the twelve-month period before the termination of such employee's employment with the Company or an Affiliate, for the purpose of soliciting such employee, or facilitating the hiring of any such employee, to work for any other business, individual, partnership, firm, corporation, or other entity; and
- (b) It is expressly understood and agreed that although Executive and the Company consider the restrictions contained in Section 1 of this Appendix A to be reasonable, if a final judicial determination is made by a court of competent jurisdiction, that the time or territory or any other restriction contained in this Agreement is an unenforceable restriction against Executive, the provisions of this Agreement shall not be rendered void but shall be deemed amended to apply as to such maximum time and territory and to such maximum extent as such court may judicially determine or indicate to be enforceable. Alternatively, if any court of competent jurisdiction finds that any restriction contained in this Agreement is unenforceable, and such restriction cannot be amended so as to make it enforceable, such finding shall not affect the enforceability of any of the other restrictions contained herein.
- (c) The period of time during which the provisions Section 1 of this Appendix A shall be in effect shall be extended by the length of time during which Executive is in breach of the terms hereof as determined by any court of competent jurisdiction on the Company's application for injunctive relief.

2. Non-Competition.

- (a) Executive acknowledges and recognizes the highly competitive nature of the businesses of the Company and its Affiliates and accordingly agrees as follows:
 - (i) Executive will not, during Executive's employment or engagement with the Company and during the twelve month period immediately following the termination of Executive's engagement or employment with the Company for any reason (collectively, the "Competition Restricted Period"), accept any employment or consulting relationship with (or own or have any financial interest in), directly or indirectly, any entity engaged in any business area in which the Company or any of its Affiliates engage in business or are actively planning to engage in business during Executive's employment or engagement with the Company..

Notwithstanding anything to the contrary in this Agreement, Executive may, directly or indirectly own, solely as an investment, securities of any Person which are publicly traded on a national or regional stock exchange or on the over-the- counter market if Executive (i) is not a controlling person of, or a member of a group which controls, such Person and
 - (ii) does not, directly or indirectly, own 5% or more of any class of securities of such Person.
- (b) It is expressly understood and agreed that although Executive and the Company consider the restrictions contained in this Section 2 of this Appendix A to be reasonable, if a final judicial determination is made by a court of competent jurisdiction, that the time or territory or any other restriction contained in this Agreement is an unenforceable restriction against Executive, the provisions of this Agreement shall not be rendered void but shall be deemed amended to apply as to such maximum time and territory and to such maximum extent as such court may judicially determine or indicate to be enforceable. Alternatively, if any court of competent jurisdiction finds that any restriction contained in this Agreement is unenforceable, and such restriction cannot be amended so as to make it enforceable, such finding shall not affect the enforceability of any of the other restrictions contained herein.
- (c) The period of time during which the provisions of this Section 2 of this Appendix A shall be in effect shall be extended by the length of time during which Executive is in breach of the terms hereof as determined by any court of competent jurisdiction on the Company's application for injunctive relief.

3. Survival.

- (a) The provisions of this Appendix A shall survive the termination of Executive's employment for any reason.

V2X, INC.
PERFORMANCE STOCK UNIT – 2023 TSR AWARD AGREEMENT

THIS AGREEMENT (the “Agreement”), effective as of **###GRANT_DATE###**, by and between V2X, Inc. (the “Company”) and **###PARTICIPANT_NAME###** (the “Participant” or “Executive”), WITNESSETH:

WHEREAS, the Participant is now employed by the Company or an Affiliate of the Company as an employee, and in recognition of the Participant’s valued services, the Company, through the Compensation and Personnel Committee of its Board of Directors (the “Committee”), desires to provide an opportunity for the Participant to receive a performance-based long-term incentive award, pursuant to the provisions of the Second Amendment and Restatement of the V2X, Inc. 2014 Omnibus Incentive Plan, as amended and restated as of October 27, 2022 (the “Plan”).

NOW, THEREFORE, in consideration of the terms and conditions set forth in this Agreement and the provisions of the Plan, a copy of which is attached hereto and incorporated herein as part of this Agreement, and any administrative rules and regulations related to the Plan as may be adopted by the Committee, the parties hereto hereby agree as follows:

1. **Grant of Target Award and Performance Periods.** In accordance with, and subject to, the terms and conditions of the Plan and this Agreement, the Company hereby grants to the Participant a target award of **###TOTAL_AWARDS###** Performance Stock Units (the “Target Award”) relating to the four performance periods described on Exhibit 1 (each a “Performance Period” and together the “Performance Periods”). The number of Performance Stock Units that become vested and earned may range from 0% to 200% of the Target Award, with the number of Performance Stock Units that become vested and earned dependent upon the degree to which the performance goals described in Section 3 are achieved. The Performance Stock Units are notional units of measurement denominated in Shares of common stock of the Company (i.e., one Performance Share Unit is equivalent in value to one share of common stock of the Company (a “Share”)).

The Performance Stock Units represent an unfunded, unsecured right to receive Shares (and dividend equivalent payments pursuant Section 2(b) hereof) in the future if the conditions set forth in the Plan and this Agreement are satisfied.

2. **Terms and Conditions.** It is understood and agreed that this Award is subject to the following terms and conditions:

- (a) **Restrictions.** Except as otherwise provided in the Plan and this Agreement, neither this Award nor any Performance Stock Units subject to this Award may be sold, assigned, pledged, exchanged, transferred, hypothecated or encumbered, other than to the Company as a result of forfeiture of the Performance Stock Units.
- (b) **Stockholder Rights.** The Participant shall not have any rights or privileges of a stockholder of the Company with respect to the Performance Stock Units or any Shares that may be delivered hereunder, including without limitation any right to vote such Shares or to receive dividends or dividend equivalents, unless and until such Shares are delivered upon vesting of the Performance Stock Units (in which case the Participant shall be entitled to receive dividend equivalents with respect to any dividends which were declared with respect to Shares following the date hereof any prior to such delivery).

3. **Vesting and Settlement of Performance Stock Units.**

- (a) **Normal Vesting and Settlement.**

- (i) The number of Performance Stock Units that become eligible to vest will be determined in accordance with the TSR calculations set forth on Exhibit 1.
- (ii) Except as provided in the Agreement, each Performance Share Unit that becomes eligible to vest in accordance with Exhibit 1 will vest in full on the later of (x) December 31, 2025 or (y) the date the Compensation and Personnel Committee certifies the performance set forth on Exhibit 1 (the “Vesting Date”), subject to the Participant’s continuous employment with the Company or an

Affiliate through the Vesting Date. For the avoidance of doubt, continuous employment of the Participant by the Company or an Affiliate for purposes of vesting and earning the Performance Stock Units granted hereunder shall include continuous employment with either the Company or an Affiliate for so long as the Grantee continues working at any such entity.

- (iii) Except as provided in the Agreement, the Company will deliver to the Participant one Share for each Performance Share Unit that fully vests in accordance with Section 3(a)(i) as soon as practicable after the Vesting Date and in no event later than March 15, 2026. Any fractional Share will be rounded to the nearest whole Share (with 0.5 to be rounded up).
- (b) **Effect of Termination of Employment.** Except as otherwise provided below, if the Participant's employment with the Company (and all Affiliates) is terminated for any reason before the Vesting Date, the Award shall be immediately forfeited.
 - (i) Termination due to Death or Disability. If the Participant's termination of employment is due to death or Disability (as defined below), then the Participant shall receive settlement of the applicable number of Performance Stock Units determined in accordance with the methodology set forth in Section 3(c) except that the date of such termination shall be substituted for the Acceleration Date for purposes of making such calculation, which settlement shall be made on or as soon as practicable (but in all events within 30 days) following the date the Participant's employment terminates. Any fractional Share will be rounded to the nearest whole Share (with 0.5 to be rounded up).
 - (ii) Termination by the Company for Other than Cause. If the Participant's termination of employment is by the Company (or an Affiliate) for other than Cause, then the number of Performance Stock Units that vest, if any, will be equal to the product of (x) the number of Performance Stock Units that become eligible to vest in accordance with Exhibit 1 (or if an Acceleration Event occurs following the date hereof and on or before December 31, 2025, in accordance with Section 3(c)) as if the termination had not occurred and (y) a fraction, the numerator of which is the number of calendar days the Participant has been continually employed from (and including) January 1, 2023 to (and including) the date of termination, and the denominator of which is 1,095, and such number of vested Performance Stock Units shall be delivered at the time and in the form set forth in Section 3(a)(iii).
 - (iii) Termination Due to Retirement. If the Participant's termination of employment is due to Retirement (as defined below), then the number of Performance Stock Units that vest, if any, will be equal to the number of Performance Stock Units that become eligible to vest in accordance with Exhibit 1 (or if an Acceleration Event occurs following the date hereof and on or before December 31, 2025, in accordance with Section 3(c)) as if the termination had not occurred and so long as the Participant complies with the covenants in Appendix A, then the number of Performance Stock Units that become vested and earned shall be determined in accordance with Exhibit 1 (or if an Acceleration Event occurs on or before December 31, 2025, in accordance with Section 3(c)) as if the termination had not occurred, and if the Participant violates any such restrictive covenant at any time before the delivery of the Shares underlying the vested Performance Stock Units, the Award will terminate and expire in all respects, without further action by the Company, and the Participant hereby agrees that the Company shall have all of the remedies and rights set forth in Section 4. Any Performance Stock Units that become vested under this Section 3(b)(iii) shall be delivered at the time and in the form set forth in Section 3(a)(iii).
 - (iv) Qualifying Terminations On or Following an Acceleration Event. Notwithstanding anything in this Agreement to the contrary, if (a) the Participant's employment is terminated by the Company (or an Affiliate or any successor, as the case may be) without Cause (as defined below) or by the Participant for Good Reason (as defined below), and (b) such termination occurs on the date of, or within twenty-four months following, an Acceleration Event which occurs following the date

hereof and on or before December 31, 2025, then the Participant shall receive settlement of the applicable number of Performance Stock Units set forth in Section 3(c) on or as soon as practicable (but in all events within 30 days) following the date the Participant's employment terminates. Any fractional Share will be rounded to the nearest whole Share (with 0.5 to be rounded up).

- (c) **Acceleration Event.** Notwithstanding anything in this Agreement to the contrary, if an Acceleration Event occurs following the date hereof and on or before December 31, 2025, then (x) a pro-rated portion of the Performance Stock Units shall be eligible to vest based on the actual performance through the date of the Acceleration Event (determined as provided below in this Section 3(c)) and (y) the remaining portion of the Award shall be determined by reference to the Target Award (determined as provided below in this Section 3(c)).
- (i) The portion of the Award described in subpart (x) above shall be determined by multiplying (A) the number of Performance Stock Units that become eligible to vest in accordance with Exhibit 1 but with the average Vesting Factor equal to the sum of the Vesting Factors for any completed Performance Periods and the open (including the final) Performance Periods in which the Acceleration Event occurs (with Vesting Factor for the open (including the final) Performance Periods in which the Acceleration Event occurs determined based on the achievement of the applicable performance measures over the thirty trading days preceding the date on which the Acceleration Event occurs), divided by the number of such Performance Periods, by (B) a fraction, the numerator of which is the number of calendar days from (and including) January 1, 2023 to (and including) the date preceding the date on which the Acceleration Event occurs, and the denominator of which is 1,095.
 - (ii) The portion of the Award described in subpart (y) in the first sentence of this Section 3(c) shall be determined by multiplying (A) the Target Award by (B) a fraction, the numerator of which is the number of calendar days from the date of the Acceleration Event (including day of the Acceleration Event) to (and including) December 31, 2025, and the denominator of which is 1,095.
 - (iii) The Performance Stock Units eligible to vest in accordance with this Section 3(c) shall be subject to the Participant's continuous employment with the Company or an Affiliate through December 31, 2025, subject to Section 3(b)(iv). Upon such vesting, the vested Performance Stock Units shall be delivered to the Participant as soon as practicable after December 31, 2025 and in no event later than March 15, 2026. Any fractional Share will be rounded to the nearest whole Share (with 0.5 to be rounded up).
 - (iv) For the avoidance of doubt, this Section 3(c) is intended only to apply if an Acceleration Event occurs on or before December 31, 2025. The Award shall otherwise remain subject to the terms and conditions set forth in this Agreement.

(d) **Defined Terms.**

- (i) **Cause.** For purposes of this Agreement, the term "Cause" shall mean (1) the Participant's misconduct, (2) the Participant's violation of Company policies, rules or Code of Conduct or any other terms or conditions relating to the Participant's employment or any agreement with the Participant or (3) any other conduct of the Participant that the Committee in its sole discretion determines constitutes Cause for purposes of this Agreement.
- (ii) **Disability.** For purposes of this Agreement, the term "Disability" shall mean the complete and permanent inability of the Participant to perform all of his or her duties under the terms of his or her employment, as determined by the Company upon the basis of such evidence, including independent medical reports and data, as the Company deems appropriate or necessary.
- (iii) **Good Reason.** For purposes of this Agreement, the term "Good Reason" shall mean, without the Participant's express written consent and excluding for this

purpose any action which is remedied by the Company (or an Affiliate or any successor, as the case may be) within thirty (30) days after receipt of notice thereof given by the Participant, (i) a reduction in the Participant's annual base compensation (whether or not deferred); (ii) the assignment to the Participant of any duties inconsistent in any material respect with the Participant's position (including status, offices, titles and reporting requirements), authority, duties or responsibilities; (iii) any other action by the Company (or an Affiliate or any successor, as the case may be) which results in a material diminution in such position, authority, duties or responsibilities; or (iv) the Company's (or an Affiliate or any successor, as the case may be) requiring the Participant's work location to be other than within thirty-five (35) miles of the location where such Participant was principally working immediately prior to the Acceleration Event; provided that "Good Reason" shall cease to exist for an event on the 90th day following the later of its occurrence or the Participant's knowledge thereof, unless the Participant has given the Company (or an Affiliate or any successor, as the case may be) notice thereof prior to such date, and the date of the Participant's termination of employment for Good Reason must occur, if at all, within one hundred and eighty (180) days following the later of the occurrence of the Good Reason event or the Participant's knowledge thereof.

- (iv) **Retirement.** For purposes of this Agreement, the term "Retirement" shall mean the termination of the Participant's employment following the first anniversary of the date hereof if, at the time of such termination, the Participant is at least age 60 with at least five years of service. For this purpose, "years of service" means service as an Employee of the Company or an Affiliate and, if applicable, service as an employee of a Predecessor Corporation (or an Affiliate). For the avoidance of doubt, (1) the Participant shall not be considered employed during any period in which the Participant is receiving severance payments, (2) termination of the Participant's employment (a) by the Company (or an Affiliate or successor, as the case may be) for Cause, (b) due to the Participant's death or Disability or (c) described in subsection 3(b)(iv) shall not constitute Retirement, regardless of the Participant's age and years of service, and (3) if the Participant's employment is terminated by the Company or an Affiliate before an Acceleration Event and on the termination date the Participant is at least age 60 with at least five years of service, such termination shall be treated as a termination due to Retirement for purposes of subsection 3(b)(iii).

4. Additional Provisions.

- (a) **Tax Withholding.** In accordance with Article XIV of the Plan, the Company may make such provisions and take such actions as it may deem necessary for the withholding of all applicable taxes attributable to the Performance Stock Units. Unless the Committee determines otherwise, the minimum statutory tax withholding required to be withheld upon delivery of the Shares shall be satisfied by withholding a number of Shares having an aggregate Fair Market Value equal to the minimum statutory tax required to be withheld. If such withholding would result in a fractional Share being withheld, the number of Shares so withheld shall be rounded up to the nearest whole Share. Notwithstanding the foregoing, the Grantee may elect to satisfy such tax withholding requirements by timely remittance of such amount by cash or check or such other method that is acceptable to the Company, rather than by withholding of Shares, provided such election is made in accordance with such conditions and restrictions as the Company may establish. If FICA taxes are required to be withheld while the Award is outstanding, such withholding shall be made in a manner determined by the Company.
- (b) **Participant Bound by Plan and Rules.** The Participant hereby acknowledges receipt of a copy of the Plan and this Agreement and agrees to be bound by the terms and provisions thereof. The Participant agrees to be bound by any rules and regulations for administering the Plan as may be adopted by the Committee before the date the Performance Stock Units become vested and earned. Terms used herein and not otherwise defined shall be as defined in the Plan.
- (c) **Restrictive Covenant Violation.** Participant acknowledges and recognizes the highly competitive nature of the businesses of the Company and its Affiliates and accordingly

agrees to the provisions of Appendix A to this Agreement. If the Participant breaches such restrictions in Appendix A to this Agreement, the Participant hereby agrees that, in addition to any other remedy available to the Company in respect of such activity or breach, the Participant's Performance Stock Units will be forfeited and, if the Participant has disposed of all or any portion of such Performance Stock Units before the date of such forfeiture, then, in respect of all or any portion of such Performance Stock Units, the Participant shall repay to the Company an amount equal to the aggregate after-tax proceeds (taking into account all amounts of tax that would be recoverable upon a claim of loss for payment of such proceeds in the year of repayment) the Participant received upon the sale or other disposition of, or distributions in respect of, the Grantee's Performance Stock Units.

- (d) **Governing Law.** This Agreement (including Appendix A) shall be governed by the laws of the Commonwealth of Virginia, excluding any conflicts or choice of law rule or principle that might otherwise refer construction or interpretation of this Agreement to the substantive law of another jurisdiction.
- (e) **Section 409A Compliance.** To the extent applicable, it is intended that the Plan and this Agreement comply with the requirements of Section 409A, and the Plan and this Agreement shall be interpreted accordingly.
 - (i) If it is determined that all or a portion of the Award constitutes deferred compensation for purposes of Section 409A, and if the Participant is a "specified employee," as defined in Section 409A(a)(2)(B)(i) of the Code, at the time of the Participant's separation from service, then, to the extent required under Section 409A, any Shares that would otherwise be distributed upon the Participant's separation from service, shall instead be delivered on the date determined by the Company within the thirty (30) day period following the earlier of (x) the first business day of the seventh month following the date of the Participant's separation from service or (y) the date of the Participant's death.
 - (ii) If it is determined that all or a portion of the Award constitutes deferred compensation for purposes of Section 409A, upon an Acceleration Event that does not constitute a "change in the ownership" or a "change in the effective control" of the Company or a "change in the ownership of a substantial portion of a corporation's assets" (as those terms are used in Section 409A), the Performance Stock Units shall vest at the time of the Acceleration Event, but distribution of any Performance Stock Units that constitute deferred compensation for purposes of Section 409A shall not be accelerated (i.e., distribution shall occur when it would have occurred absent the Acceleration Event).
 - (iii) Each portion of this Award that could vest is intended to constitute a separate payment for purposes of Treasury Regulation Section 1.409A-2(b)(2).

Signature Page Follows

IN WITNESS WHEREOF, the Company has caused this instrument to be executed by its Chief Executive Officer and President, or a Senior Vice President, as of **###GRANT_DATE###**.

Agreed to:

###PARTICIPANT_NAME###

Grantee
(Online acceptance constitutes agreement)

V2X, INC.

Charles L. Prow

Dated: **###ACCEPTANCE_DATE###**

Dated: **###GRANT_DATE###**

Enclosures

**Exhibit 1
TSR Calculations**

The number of Performance Stock Units that become eligible to vest will be determined as follows:

1. **TSR Group 1 Units.** A total of 50% of the Performance Stock Units subject to the Target Award (the “Target TSR Group 1 Units”) shall become eligible to vest in accordance with the following table (with vesting determined by linear interpolation for performance between the designated percentiles):

**If the Company’s TSR performance relative to that
of the Aerospace & Defense companies
in the S&P 1500 Index is**

	The Vesting Factor is
less than the 35th percentile	0%
at the 35th percentile	50%
at the 50th percentile	100%
at or above the 80th percentile	200%

The actual number of Performance Stock Units that become eligible to vest, if any, under this Paragraph 1 shall be equal to the product of (i) the average Vesting Factor over each of the Performance Periods referenced below (determined by adding the Vesting Factors for each Performance Period and dividing the sum by four) and (ii) the number of Target TSR Group 1 Units.

2. **TSR Group 2 Units.** A total of 50% of the Performance Stock Units subject to the Target Award (the “Target TSR Group 2 Units”) shall become eligible to vest in accordance with the following table (with vesting determined by linear interpolation for performance between the designated percentiles):

**If the Company’s TSR performance relative to that
of the Aerospace & Defense companies
in the S&P 1500 Index with Revenue Less Than \$10 Billion, as Approved Annually
by the Company, is**

	The Vesting Factor is
less than the 35th percentile	0%
at the 35th percentile	50%
at the 50th percentile	100%
at or above the 80th percentile	200%

The actual number of Performance Stock Units that become eligible to vest, if any, under this Paragraph 2 shall be equal to the product of (i) the average Vesting Factor over each of the Performance Periods referenced below (determined by adding the Vesting Factors for each Performance Period and dividing the sum by four) and (ii) the number of Target TSR Group 2 Units.

3. **Performance Periods.** The four performance periods applicable to the Performance Stock Units (each, a “Performance Period”) are as follows:

Period 1: January 1, 2023 to December 31, 2023
Period 2: January 1, 2024 to December 31, 2024
Period 3: January 1, 2025 to December 31, 2025
Period 4: January 1, 2023 to December 31, 2025

4. **TSR Determination.** With respect to each Performance Period, TSR is the percentage change in value of a shareholder’s investment in the applicable entity’s common stock from the beginning to the end of the Performance Period, assuming reinvestment of dividends and any other shareholder payouts during the Performance Period. For purposes of this Agreement, the stock price at the beginning of the Performance Period will be the average closing stock price over the trading days in the month

immediately preceding the start of the Performance Period, and the stock price at the end of the Performance Period will be the average closing stock price over the trading days in the last month of the Performance Period. Any company included in the measurement group which (i) ceases to be publicly traded during the Performance Period shall be removed from the measurement group or (ii) subsequently reorganizes under the United States Bankruptcy Code (or any successor or comparable law) shall remain in the measurement group and all such companies (if any) shall be deemed to be ranked below all other companies in the measurement group.

Appendix A
Restrictive Covenants

1. Non-Solicit.

- (a) Executive acknowledges and recognizes the highly competitive nature of the businesses of the Company and its Affiliates and accordingly agrees as follows:
 - (i) Executive will not, within twelve months following the termination of his or her employment with the Company for any reason (the "Post-Termination Period") or during Executive's employment (collectively with the Post-Termination Period, the "Restricted Period"), influence or attempt to influence customers of the Company or its Affiliates or any of its present or future Affiliates, either directly or indirectly, to divert their business to any individual, partnership, firm, corporation or other entity then in competition with the business of the Company or any Affiliate of the Company.
 - (ii) During the Restricted Period, Executive will not, and will not directly or indirectly, cause any other person to, initiate or respond to communications with or from, any employee of the Company or its Affiliates during the twelve-month period before the termination of such employee's employment with the Company or an Affiliate, for the purpose of soliciting such employee, or facilitating the hiring of any such employee, to work for any other business, individual, partnership, firm, corporation, or other entity; and
- (b) It is expressly understood and agreed that although Executive and the Company consider the restrictions contained in Section 1 of this Appendix A to be reasonable, if a final judicial determination is made by a court of competent jurisdiction, that the time or territory or any other restriction contained in this Agreement is an unenforceable restriction against Executive, the provisions of this Agreement shall not be rendered void but shall be deemed amended to apply as to such maximum time and territory and to such maximum extent as such court may judicially determine or indicate to be enforceable. Alternatively, if any court of competent jurisdiction finds that any restriction contained in this Agreement is unenforceable, and such restriction cannot be amended so as to make it enforceable, such finding shall not affect the enforceability of any of the other restrictions contained herein.
- (c) The period of time during which the provisions of Section 1 of this Appendix A shall be in effect shall be extended by the length of time during which Executive is in breach of the terms hereof as determined by any court of competent jurisdiction on the Company's application for injunctive relief.

2. **Non-Competition.**

- (a) Executive acknowledges and recognizes the highly competitive nature of the businesses of the Company and its Affiliates and accordingly agrees as follows:
 - (i) Executive will not, during Executive's employment or engagement with the Company and during the twelve month period immediately following the termination of Executive's engagement or employment with the Company for any reason (collectively, the "Competition Restricted Period"), accept any employment or consulting relationship with (or own or have any financial interest in), directly or indirectly, any entity engaged in any business area in which the Company or any of its Affiliates engage in business or are actively planning to engage in business during Executive's employment or engagement with the Company.

Notwithstanding anything to the contrary in this Agreement, Executive may, directly or indirectly own, solely as an investment, securities of any Person which are publicly traded on a national or regional stock exchange or on the over-the-counter market if Executive (i) is not a controlling person of, or a member of a group which controls, such Person and
 - (ii) does not, directly or indirectly, own 5% or more of any class of securities of such Person.
- (b) It is expressly understood and agreed that although Executive and the Company consider the restrictions contained in Section 2 of this Appendix A to be reasonable, if a final judicial determination is made by a court of competent jurisdiction, that the time or territory or any other restriction contained in this Agreement is an unenforceable restriction against Executive, the provisions of this Agreement shall not be rendered void but shall be deemed amended to apply as to such maximum time and territory and to such maximum extent as such court may judicially determine or indicate to be enforceable. Alternatively, if any court of competent jurisdiction finds that any restriction contained in this Agreement is unenforceable, and such restriction cannot be amended so as to make it enforceable, such finding shall not affect the enforceability of any of the other restrictions contained herein.
- (c) The period of time during which the provisions of Section 2 of this Appendix A shall be in effect shall be extended by the length of time during which Executive is in breach of the terms hereof as determined by any court of competent jurisdiction on the Company's application for injunctive relief.

3. **Survival.**

- (a) The provisions of this Appendix A shall survive the termination of Executive's employment for any reason.

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

I, Charles L. Prow, certify that:

1. I have reviewed this quarterly report on Form 10-Q of V2X, Inc.;
 2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
 3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
 4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
 - a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
 - b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
 - c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
 - d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
 5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):
 - a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
 - b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.
-

Date: May 9, 2023

/s/ Charles L. Prow

Charles L. Prow

President and Chief Executive Officer

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

I, Susan D. Lynch, certify that:

1. I have reviewed this quarterly report on Form 10-Q of V2X, Inc.;
 2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
 3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
 4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
 - a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
 - b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
 - c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
 - d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
 5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):
 - a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
-

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

Date: May 9, 2023

/s/ Susan D. Lynch

Susan D. Lynch

Senior Vice President and Chief Financial Officer

Certification of President and Chief Executive Officer

**CERTIFICATION PURSUANT TO
SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002
(18 U.S.C. SECTION 1350)**

In connection with the Quarterly Report on Form 10-Q of V2X, Inc. (the “Company”) for the period ended March 31, 2023 as filed with the Securities and Exchange Commission on the date hereof (the “Report”), the undersigned certifies, pursuant to 18 U.S.C. § 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that to his knowledge:

- (1) The Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934, as amended; and
- (2) The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

Date: May 9, 2023

/s/ Charles L. Prow

Charles L. Prow

President and Chief Executive Officer

Certification of Senior Vice President and Chief Financial Officer

**CERTIFICATION PURSUANT TO
SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002
(18 U.S.C. SECTION 1350)**

In connection with the Quarterly Report on Form 10-Q of V2X, Inc. (the “Company”) for the period ended March 31, 2023 as filed with the Securities and Exchange Commission on the date hereof (the “Report”), the undersigned certifies, pursuant to 18 U.S.C. § 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that to her knowledge:

- (1) The Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934, as amended; and
- (2) The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

Date: May 9, 2023

/s/ Susan D. Lynch

Susan D. Lynch

Senior Vice President and Chief Financial Officer