

UNITED STATES SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

Form 10-Q

(Mark One)

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

For the quarterly period ended June 28, 2024

or

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

For the transition period from _____ to _____

Commission File Number: 001-36341

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 July 31, 2024, there were 31,556,383 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		Six Months Ended	
	June 28, 2024	June 30, 2023	June 28, 2024	June 30, 2023
<i>(In thousands, except per share data)</i>				
Revenue	\$ 1,072,183	\$ 977,852	\$ 2,082,747	\$ 1,921,312
Cost of revenue	998,348	890,452	1,938,638	1,755,082
Selling, general, and administrative expenses	46,409	53,130	86,352	101,381
Operating income	27,426	34,270	57,757	64,849
Loss on extinguishment of debt	(1,998)	—	(1,998)	(22,052)
Interest expense, net	(28,807)	(31,950)	(56,381)	(63,694)
Other expense, net	(4,735)	(311)	(6,368)	(311)
(Loss) income from operations before income taxes	(8,114)	2,009	(6,990)	(21,208)
Income tax (benefit) expense	(1,570)	210	(1,590)	(5,527)
Net (loss) income	\$ (6,544)	\$ 1,799	\$ (5,400)	\$ (15,681)
(Loss) earnings per share				
Basic	\$ (0.21)	\$ 0.06	\$ (0.17)	\$ (0.51)
Diluted	\$ (0.21)	\$ 0.06	\$ (0.17)	\$ (0.51)
Weighted average common shares outstanding - basic	31,470	31,033	31,411	30,981
Weighted average common shares outstanding - diluted	31,470	31,605	31,411	30,981

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

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

	Three Months Ended		Six Months Ended	
	June 28, 2024	June 30, 2023	June 28, 2024	June 30, 2023
<i>(In thousands)</i>				
Net (loss) income	\$ (6,544)	\$ 1,799	\$ (5,400)	\$ (15,681)
Other comprehensive (loss) income, net of tax				
Changes in derivative instruments:				
Net change in fair value of interest rate swaps	541	7,658	5,462	5,311
Tax expense	(708)	(1,444)	(278)	(1,296)
Net change in derivative instruments	(167)	6,214	5,184	4,015
Foreign currency translation adjustments, net of tax	(1,451)	274	(4,294)	2,080
Other comprehensive (loss) income, net of tax	(1,618)	6,488	890	6,095
Total comprehensive (loss) income	<u>\$ (8,162)</u>	<u>\$ 8,287</u>	<u>\$ (4,510)</u>	<u>\$ (9,586)</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 data)</i>	June 28, 2024	December 31, 2023
Assets		
Current assets		
Cash, cash equivalents and restricted cash	\$ 44,770	\$ 72,651
Receivables	781,898	705,995
Prepaid expenses and other current assets	149,925	96,223
Total current assets	976,593	874,869
Property, plant, and equipment, net	70,265	85,429
Goodwill	1,655,905	1,656,926
Intangible assets, net	367,148	407,530
Right-of-use assets	35,594	41,215
Other non-current assets	45,718	15,931
Total non-current assets	2,174,630	2,207,031
Total Assets	\$ 3,151,223	\$ 3,081,900
Liabilities and Shareholders' Equity		
Current liabilities		
Accounts payable	\$ 462,496	\$ 453,052
Compensation and other employee benefits	166,409	158,088
Short-term debt	16,878	15,361
Other accrued liabilities	242,398	213,700
Total current liabilities	888,181	840,201
Long-term debt, net	1,141,562	1,100,269
Deferred tax liabilities	11,128	11,763
Operating lease liabilities	31,778	34,691
Other non-current liabilities	86,623	104,176
Total non-current liabilities	1,271,091	1,250,899
Total liabilities	2,159,272	2,091,100
Commitments and contingencies (Note 7)		
Shareholders' Equity		
Preferred stock; \$0.01 par value; 10,000,000 shares authorized; No shares issued and outstanding	—	—
Common stock; \$0.01 par value; 100,000,000 shares authorized; 31,480,227 and 31,191,628 shares issued and outstanding as of June 28, 2024 and December 31, 2023, respectively	315	312
Additional paid in capital	767,982	762,324
Retained earnings	225,451	230,851
Accumulated other comprehensive loss	(1,797)	(2,687)
Total shareholders' equity	991,951	990,800
Total Liabilities and Shareholders' Equity	\$ 3,151,223	\$ 3,081,900

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

V2X, INC.
CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS (UNAUDITED)

	Six Months Ended	
	June 28, 2024	June 30, 2023
<i>(In thousands)</i>		
Operating activities		
Net loss	\$ (5,400)	\$ (15,681)
Adjustments to reconcile net loss to net cash (used in) provided by operating activities:		
Depreciation expense	11,870	11,326
Amortization of intangible assets	45,525	45,211
Amortization of cloud computing arrangements	886	142
Impairment of non-operating long-lived asset	2,192	—
Loss on disposal of property, plant, and equipment	269	522
Stock-based compensation	11,794	20,446
Deferred taxes	(1,207)	(5,143)
Amortization of debt issuance costs	4,163	4,692
Loss on extinguishment of debt	1,998	22,052
Changes in assets and liabilities:		
Receivables	(51,693)	(20,404)
Other assets	(56,734)	(1,351)
Accounts payable	(9,505)	7,647
Compensation and other employee benefits	8,480	(23,150)
Other liabilities	5,811	31,831
Net cash (used in) provided by operating activities	(31,551)	78,140
Investing activities		
Purchases of capital assets	(8,511)	(11,543)
Proceeds from the disposition of assets	11	5
Acquisitions of businesses	(16,939)	—
Net cash used in investing activities	(25,439)	(11,538)
Financing activities		
Proceeds from issuance of long-term debt	—	250,000
Repayments of long-term debt	(7,669)	(424,888)
Proceeds from revolver	648,750	552,750
Repayments of revolver	(602,750)	(467,750)
Proceeds from stock awards and stock options	149	6
Payment of debt issuance costs	(1,188)	(7,507)
Prepayment premium on early redemption of debt	—	(1,600)
Payments of employee withholding taxes on share-based compensation	(5,767)	(14,618)
Net cash provided by (used in) financing activities	31,525	(113,607)
Exchange rate effect on cash	(2,416)	1,252
Net change in cash, cash equivalents and restricted cash	(27,881)	(45,753)
Cash, cash equivalents and restricted cash - beginning of period	72,651	116,067
Cash, cash equivalents and restricted cash - end of period	\$ 44,770	\$ 70,314
Supplemental disclosure of cash flow information:		
Interest paid	\$ 55,374	\$ 58,300
Income taxes paid	\$ 7,946	\$ 2,707
Purchase of capital assets on account	\$ 520	\$ 1,813

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

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

(In thousands)	Common Stock Issued		Additional Paid-in Capital	Retained Earnings	Accumulated Other Comprehensive (Loss) Income	Total Shareholders' Equity
	Shares	Amount				
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
Net income	—	—	—	1,799	—	1,799
Foreign currency translation adjustments	—	—	—	—	274	274
Unrealized gain on cash flow hedge	—	—	—	—	6,214	6,214
Employee stock awards and stock options	76	1	—	—	—	1
Taxes withheld on restricted stock unit compensation awards	—	—	(1,812)	—	—	(1,812)
Stock-based compensation	—	—	7,771	—	—	7,771
Balance at June 30, 2023	31,081	\$ 311	\$ 754,096	\$ 237,743	\$ 568	\$ 992,718

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) Income	Total Shareholders' Equity
	Shares	Amount				
Balance at December 31, 2023	31,192	\$ 312	\$ 762,324	\$ 230,851	\$ (2,687)	\$ 990,800
Net income	—	—	—	1,144	—	1,144
Foreign currency translation adjustments	—	—	—	—	(2,843)	(2,843)
Unrealized gain on cash flow hedge	—	—	—	—	5,351	5,351
Employee stock awards and stock options	261	3	—	—	—	3
Taxes withheld on stock compensation awards	—	—	(5,702)	—	—	(5,702)
Stock-based compensation	—	—	4,983	—	—	4,983
Balance at March 29, 2024	31,453	\$ 315	\$ 761,605	\$ 231,995	\$ (179)	\$ 993,736
Net loss	—	—	—	(6,544)	—	(6,544)
Foreign currency translation adjustments	—	—	—	—	(1,451)	(1,451)
Unrealized gain on cash flow hedge	—	—	—	—	(167)	(167)
Employee stock awards and stock options	27	—	146	—	—	146
Taxes withheld on restricted stock unit compensation awards	—	—	(65)	—	—	(65)
Stock-based compensation	—	—	6,296	—	—	6,296
Balance at June 28, 2024	31,480	\$ 315	\$ 767,982	\$ 225,451	\$ (1,797)	\$ 991,951

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****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 and critical service offerings across the operations and logistics, aerospace, training and technology markets to national security, defense, civilian and international clients.

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, taken together as a whole.

Equity Investments

In 2011, the Company 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, the Company 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, the Company entered into a joint venture agreement with Kuwait Resources House for Human Resources Management and Services Company. 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.

The Company accounts for its investments in HDSS, J&J, and ServCore under the equity method and has the ability to exercise significant influence but does not hold a controlling interest. The Company's proportionate 25%, 50%, and 40% shares, respectively, of income or losses from HDSS, J&J, and ServCore are recorded in selling, general and administrative expenses in the Condensed Consolidated Statements of (Loss) Income. The Company's investment in these joint ventures is recorded in other non-current assets in the Condensed Consolidated Balance Sheets.

When cash distributions are received by the Company from its 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 June 28, 2024 and December 31, 2023, the Company's combined investment balance was \$6.7 million and \$5.4 million, respectively. The Company's proportionate share of income from equity method investments was \$4.4 million and \$7.0 million for the three and six months ended June 28, 2024, respectively, and \$2.0 million and \$3.8 million for the three and six months ended June 30, 2023, respectively.

Basis of Presentation

The Company's quarterly financial periods end on the Friday closest to the last day of the calendar quarter (June 28, 2024 for the second quarter of 2024 and June 30, 2023 for the second quarter of 2023), 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 in the U.S. (GAAP) have been omitted. These unaudited interim Condensed Consolidated Financial Statements should be read in conjunction with the audited Consolidated Financial Statements and notes thereto included in the Company's Annual Report on Form 10-K for the year ended December 31, 2023.

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.

Certain prior year amounts have been reclassified to conform to the current year presentation. These reclassifications had no material impact on the results of operations, financial position, or changes in shareholders' equity.

Restricted Cash

As of June 28, 2024, the Company had total cash, cash equivalents, and restricted cash of \$44.8 million which included \$2.1 million of restricted cash. The Company's restricted cash was \$2.0 million as of December 31, 2023.

Cloud Computing Arrangements (CCA)

The Company capitalizes implementation costs associated with its CCA consistent with costs capitalized for internal-use software. Capitalized CCA implementation costs are included in prepaid expenses and other current assets and other non-current assets on the Company's Condensed Consolidated Balance Sheets. The CCA implementation costs are amortized over the term of the related hosting agreement, including renewal periods that are reasonably certain to be exercised. Amortization expense of CCA implementation costs is included in cost of revenue on the Company's Condensed Consolidated Statements of (Loss) Income. The CCA implementation costs are included within operating activities on the Company's Condensed Consolidated Statements of Cash Flows.

As of June 28, 2024, the Company had total capitalized CCA implementation costs, net of accumulated amortization, of \$31.2 million included in prepaid expenses and other current assets and other non-current assets.

Prepaid Expenses and Other Current Assets

The components of prepaid expenses and other current assets are as follows:

<i>(In thousands)</i>	June 28, 2024	December 31, 2023
Inventory, net	\$ 46,580	\$ 46,981
Prepaid expenses	58,851	30,664
Prepaid taxes	11,565	10,715
Other	32,929	7,863
Total	<u>\$ 149,925</u>	<u>\$ 96,223</u>

Related Party Transactions

During the three and six months ended June 28, 2024, the Company recorded income of \$0.2 million and \$0.7 million, respectively, and \$0.7 million and \$1.4 million of income for the three and six months ended June 30, 2023, respectively, related to a Transition Services Agreement with Crestview Aerospace LLC (Crestview). The income was recorded as a reduction in cost of revenue. Crestview is a subsidiary of American Industrial Partners Capital Fund VI, L.P. (AIP), an affiliate of the majority shareholder of the Company.

NOTE 2

RECENT ACCOUNTING STANDARDS UPDATE

In November 2023, the Financial Accounting Standards Board (FASB) issued Accounting Standards Update (ASU) No. 2023-07, Segment Reporting (Topic 280), to improve reportable segment disclosure requirements, primarily through enhanced disclosures about significant segment expenses. Amongst other amendments, the standard requires annual and interim disclosures of significant segment expenses that are regularly provided to the chief operating decision maker (CODM), and interim disclosures about a reportable segment's profit or loss and assets that are currently required annually. This standard does not change how an entity identifies its operating segments, aggregates those operating segments, or applies the quantitative thresholds to determine its reportable segments. The standard is effective for fiscal years beginning after December 15, 2023, and interim periods within fiscal years beginning after December 15, 2024. Early adoption is permitted. The Company is currently evaluating the impact of adoption of this standard on its consolidated financial statements.

In December 2023, the FASB issued ASU No. 2023-09 Income Taxes (Topic 740) to improve income tax disclosures primarily related to the rate reconciliation and income taxes paid information. The amendments in this ASU are effective for fiscal years beginning after December 15, 2024. Early adoption is permitted. The Company is currently evaluating the impact of adoption of this standard on its consolidated financial statements.

NOTE 3

REVENUE

Remaining Performance Obligations

Remaining performance obligations represent firm orders by the customer and exclude 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.

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 the Company is the prime contractor or of the prime contractor when the Company is a subcontractor. The Company expects to recognize a substantial portion of its 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 the Company's contracts have terms that would permit recovery of all or a portion of the Company's incurred costs and fees for work performed in the event of a termination for convenience.

Remaining performance obligations are presented in the following table:

<i>(In millions)</i>	June 28, 2024	December 31, 2023
Performance Obligations	\$ 3,838	\$ 3,629

As of June 28, 2024, the Company expects to recognize approximately 47% and 53% of these remaining performance obligations as revenue in 2024 and 2025, respectively.

Contract Estimates

The impact of adjustments in contract estimates on the Company's operating income can be reflected in either revenue or cost of revenue. Cumulative adjustments for the three months ended June 28, 2024 and June 30, 2023 were favorable by \$0.7 million and \$9.1 million, respectively. Cumulative adjustments for the six months ended June 28, 2024 and June 30, 2023 were favorable by \$1.2 million and \$22.2 million, respectively.

For the three and six months ended June 28, 2024, the net adjustments to operating income increased revenue by \$6.0 million and \$9.4 million, respectively. For the three and six months ended June 30, 2023, the net adjustments to operating income increased revenue by \$9.6 million and \$23.5 million, respectively.

Revenue by Category

Generally, the sales price elements for the Company's contracts are cost-plus, cost-reimbursable, firm-fixed-price and time-and-materials, all of which are commonly identified with a single contract.

On a cost-plus contract, the Company is paid 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 the Company's customers. The Company does not bear the risks of unexpected cost overruns, provided that incurred costs do not exceed the predetermined funded amounts. Most of the Company's cost-plus contracts also contain a firm-fixed-price element. Cost-plus contracts with award and incentive fee provisions are primarily variable contract fee arrangements. Award fees provide for a fee based on actual performance relative to contractually specified performance criteria. Incentive fees are based on the relationship between total allowable and target cost.

Most of the Company's contracts include a cost-reimbursable element to capture costs of consumable materials required for the program. Typically, these costs do not bear fees.

On a firm-fixed-price contract, the Company agrees 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 assumed on a firm-fixed-price contract. Although a firm-fixed-price contract generally permits retention of profits if the total actual contract costs are less than the estimated contract costs, the Company bears the risk that increased or unexpected costs may reduce profit or cause the Company 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.

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

The following tables present various revenue disaggregations.

Revenue by contract type is as follows:

(In thousands)	Three Months Ended			Six Months Ended		
	June 28, 2024	June 30, 2023	% Change	June 28, 2024	June 30, 2023	% Change
Cost-plus and cost-reimbursable	\$ 615,837	\$ 507,282	21.4 %	\$ 1,200,659	\$ 1,019,217	17.8 %
Firm-fixed-price	429,182	438,684	(2.2)%	826,433	834,891	(1.0)%
Time-and-materials	27,164	31,886	(14.8)%	55,655	67,204	(17.2)%
Total revenue	<u>\$ 1,072,183</u>	<u>\$ 977,852</u>		<u>\$ 2,082,747</u>	<u>\$ 1,921,312</u>	

Revenue by geographic region in which the contract is performed is as follows:

(In thousands)	Three Months Ended			Six Months Ended		
	June 28, 2024	June 30, 2023	% Change	June 28, 2024	June 30, 2023	% Change
United States	\$ 578,881	\$ 578,514	0.1 %	\$ 1,123,608	\$ 1,127,284	(0.3)%
Middle East	361,064	279,083	29.4 %	704,361	560,204	25.7 %
Asia	84,663	65,533	29.2 %	153,464	129,850	18.2 %
Europe	47,575	54,722	(13.1)%	101,314	103,974	(2.6)%
Total revenue	<u>\$ 1,072,183</u>	<u>\$ 977,852</u>		<u>\$ 2,082,747</u>	<u>\$ 1,921,312</u>	

Revenue by contract relationship is as follows:

(In thousands)	Three Months Ended			Six Months Ended		
	June 28, 2024	June 30, 2023	% Change	June 28, 2024	June 30, 2023	% Change
Prime contractor	\$ 1,006,121	\$ 916,060	9.8 %	\$ 1,951,276	\$ 1,795,239	8.7 %
Subcontractor	66,062	61,792	6.9 %	131,471	126,073	4.3 %
Total revenue	<u>\$ 1,072,183</u>	<u>\$ 977,852</u>		<u>\$ 2,082,747</u>	<u>\$ 1,921,312</u>	

Revenue by customer is as follows:

(In thousands)	Three Months Ended			Six Months Ended		
	June 28, 2024	June 30, 2023	% Change	June 28, 2024	June 30, 2023	% Change
Army	\$ 456,690	\$ 393,499	16.1 %	\$ 890,120	\$ 784,002	13.5 %
Navy	349,824	293,198	19.3 %	671,208	585,888	14.6 %
Air Force	127,467	154,001	(17.2)%	246,036	283,982	(13.4)%
Other	138,202	137,154	0.8 %	275,383	267,440	3.0 %
Total revenue	<u>\$ 1,072,183</u>	<u>\$ 977,852</u>		<u>\$ 2,082,747</u>	<u>\$ 1,921,312</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, the Company may receive advances or deposits from its 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 January 1, 2023, the Company had contract assets of \$487.8 million. As of June 28, 2024 and December 31, 2023, the Company had contract assets of \$662.7 million and \$561.9 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 4, *Receivables* for additional information regarding the composition of the Company's receivable balances. As of January 1, 2023, the Company had contract liabilities of \$76.4 million. As of June 28, 2024 and December 31, 2023, contract liabilities, included in other accrued liabilities in the Condensed Consolidated Balance Sheets, were \$101.0 million and \$109.6 million, respectively.

NOTE 4

RECEIVABLES

Receivables were comprised of the following:

<i>(In thousands)</i>	June 28, 2024	December 31, 2023
Billed receivables	\$ 112,190	\$ 109,318
Unbilled receivables (contract assets)	662,706	561,862
Other	7,002	34,815
Total receivables	<u>\$ 781,898</u>	<u>\$ 705,995</u>

As of June 28, 2024 and December 31, 2023, substantially all billed receivables were 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. The Company expects to bill customers for most of the June 28, 2024 contract assets during 2024. Changes in the balance of receivables are primarily due to the timing differences between performance and customers' payments.

NOTE 5

DEBT

Senior Secured Credit Facilities

First Lien Credit Agreement

On May 30, 2024, the First Lien Credit Agreement was amended to provide, among other things, a new tranche of term loans in an aggregate original principal amount of \$906.6 million (the New Term Loans), in which the New Term Loans replace or refinance in full all the existing term loans outstanding under the First Lien Term Tranche as in effect immediately prior to the amendment (the Existing Term Loans). The loans under the First Lien Credit Agreement, as amended (the First Lien Credit Agreement), amortize in an amount equal to approximately \$2.3 million per quarter through September 30, 2030, with the balance of \$847.6 million due on December 6, 2030. The replacement of the Existing Term Loans with the New Term Loans resulted in a loss on extinguishment of debt of \$2.0 million in the Condensed Consolidated Statement of (Loss) Income for the three and six months ended June 28, 2024.

Vertex Aerospace Services LLC (Vertex Borrower) obligations under the First Lien Credit Agreement are guaranteed by Vertex Intermediate LLC and Vertex Borrower's wholly-owned domestic subsidiaries (collectively, the Guarantors), subject to customary exceptions and limitations. The Vertex Borrower's obligations under the First Lien Credit Agreement and the Guarantors' obligations under the related guarantees are secured by a first priority-lien on substantially all 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 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 Secured Overnight Financing Rate (SOFR) rate plus 1.00%, plus a margin of 1.75% per annum, or SOFR, plus a margin of 2.75% per annum. As of June 28, 2024, the effective interest rate for the First Lien Credit Agreement was 8.64%.

The First Lien Credit Agreement contains customary representations and warranties and affirmative covenants. The 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 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 Credit Agreement 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 First Lien Credit Agreement.

As of June 28, 2024, the carrying value of the First Lien Credit Agreement was \$904.3 million, excluding deferred discount and unamortized deferred financing costs of \$32.2 million. The estimated fair value of the First Lien Credit Agreement as of June 28, 2024 was \$905.4 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).

2023 Credit Agreement

The 2023 Credit Agreement provides for \$750.0 million in senior secured financing, with a first lien on substantially all the Vertex Borrower's assets and consists of (a) a \$500.0 million five-year revolving credit facility (2023 Revolver) (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 (2023 Term Loan).

The 2023 Term Loan 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 SOFR rate plus 1.00%, plus a margin of 1.00% to 2.25% per annum, or 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 June 28, 2024, the effective interest rates for the 2023 Revolver and Term Loan were 9.60% and 8.65%, 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 Vertex Borrowers may be required immediately to repay all amounts outstanding under the 2023 Credit Agreement.

As of June 28, 2024, there were \$46.0 million of outstanding borrowings and \$17.8 million of outstanding letters of credit under the 2023 Revolver. Availability under the 2023 Revolver was \$436.2 million as of June 28, 2024. Unamortized deferred financing costs related to the 2023 Revolver of \$3.7 million are included in other non-current assets in the Condensed Consolidated Balance Sheets. As of June 28, 2024, the fair value of the 2023 Revolver approximated the carrying value because the debt bears a floating interest rate.

As of June 28, 2024, the carrying value of the 2023 Term Loan was \$242.2 million, excluding unamortized deferred financing costs of \$1.8 million. The estimated fair value of the 2023 Term Loan as of June 28, 2024 was \$242.5 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 June 28, 2024 are as follows:

<i>(In thousands)</i>	Payments due
2024 (remainder of the year)	\$ 7,658
2025	20,003
2026	21,566
2027	21,566
2028	258,191
After 2028	863,506
Total	\$ 1,192,490

As of June 28, 2024, the Company was in compliance with all covenants related to the First Lien Credit Agreement and the 2023 Credit Agreement.

NOTE 6

DERIVATIVE INSTRUMENTS

During the periods covered by this report, the Company has made no changes to its policies or strategies for the use of derivative instruments and there has been no change in related accounting methods. For the Company's 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 \$350.0 million of interest rate swap contracts during the first six months of 2023. As of June 28, 2024 and December 31, 2023, these contracts had notional values of \$342.2 million and \$345.3 million, respectively. 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 for interest rate hedges in the Condensed Consolidated Balance Sheets:

<i>(In thousands)</i>	Balance sheet caption	Fair Value (level 2)	
		June 28, 2024	December 31, 2023
Interest rate swap designated as cash flow hedge	Prepaid expenses and other current assets	\$ 4,067	\$ 3,381
Interest rate swap designated as cash flow hedge	Other non-current assets	\$ 1,770	\$ —
Interest rate swap designated as cash flow hedge	Other non-current liabilities	\$ —	\$ 3,006
Interest rate swap designated as cash flow hedge	Accumulated other comprehensive income	\$ 5,837	\$ 375

The Company regularly assesses the creditworthiness of the counterparty. As of June 28, 2024, the counterparty to the interest rate swaps had performed in accordance with its contractual obligations. Both the counterparty credit risk and the Company's credit risk were considered in the fair value determination.

Net interest rate derivative gains of \$1.4 million and \$2.9 million were recognized in interest expense, net, in the Condensed Consolidated Statements of (Loss) Income during the three and six months ended June 28, 2024, respectively. Net interest rate derivative gains of \$1.2 million were recognized in interest expense, net, in the Condensed Consolidated Statements of (Loss) Income during both the three and six months ended June 30, 2023. The Company expects \$4.3 million of existing interest rate swap gains reported in accumulated other comprehensive income as of June 28, 2024 to be recognized in earnings within the next 12 months.

NOTE 7**COMMITMENTS AND CONTINGENCIES****General**

From time to time, the Company is involved in various investigations, lawsuits, arbitrations, claims, enforcement actions and other legal proceedings, including government investigations and claims, which are incidental to the operation of its business. Some of these proceedings seek remedies relating to employment matters, matters relating to injuries to people or property damage, matters in connection with the Company's 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 other legal proceedings, are reviewed on a quarterly basis for sufficiency based on the latest information available to us.

The Company estimated and accrued \$13.3 million and \$12.1 million as of June 28, 2024 and December 31, 2023, respectively, in other accrued liabilities in the Condensed Consolidated Balance Sheets for legal proceedings and for claims with respect to its 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 the assessment of the merits of a particular claim, the Company does not expect that any asserted or unasserted legal or contractual claims or proceedings, individually or in the aggregate, will have a material adverse effect on its cash flows, results of operations or financial condition.

U.S. Government Contracts, Investigations and Claims

The Company has 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 the Company's financial condition or results of operations. Furthermore, the Company's 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 affecting the Company's 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 the Company's 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 compliance with government standards for business systems, including accounting, earned value management, estimating, materials management and accounting, purchasing, and property management systems. A finding by a U.S. government agency that the Company's business systems are not adequate could adversely affect the Company's financial condition and results of operations.

In the performance of its contracts, the Company routinely requests 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 the Company is entitled to recovery of these costs under its contracts, the administrative process with the U.S. government customer may be protracted. Based on the circumstances, the Company periodically files requests for equitable adjustments (REAs) that are sometimes converted into claims. In some cases, these requests are disputed by the U.S. government customer. The Company believes its outstanding modifications, REAs and other claims will be resolved without material adverse impact to its results of operations, financial condition or cash flows.

NOTE 8

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. The Company accounts 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 the Company's Condensed Consolidated Statements of (Loss) Income were as follows:

	Three Months Ended		Six Months Ended	
	June 28, 2024	June 30, 2023	June 28, 2024	June 30, 2023
<i>(In thousands)</i>				
Compensation costs for equity-based awards	\$ 6,296	\$ 7,771	\$ 11,279	\$ 19,837
Compensation costs for liability-based awards	349	304	515	609
Total compensation costs, pre-tax	\$ 6,645	\$ 8,075	\$ 11,794	\$ 20,446
Future tax benefit	\$ 1,585	\$ 1,756	\$ 2,813	\$ 4,445

As of June 28, 2024, total unrecognized compensation costs related to equity-based awards and liability-based awards were \$22.6 million and \$0.1 million, respectively, which are expected to be recognized ratably over a weighted average period of 1.41 years and 0.51 years, respectively.

The following table provides a summary of the activities for NQOs, RSUs and PSUs for the six months ended June 28, 2024:

	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
<i>(In thousands, except per share data)</i>						
Outstanding at January 1, 2024	40	\$ 22.93	800	\$ 37.29	267	\$ 43.45
Granted	—	\$ —	316	\$ 45.58	161	\$ 45.44
Exercised	(6)	\$ 26.05	(420)	\$ 37.93	—	\$ —
Vested	—	\$ —	—	\$ —	—	\$ —
Forfeited or expired	—	\$ —	(75)	\$ 42.50	(86)	\$ 31.22
Outstanding at June 28, 2024	34	\$ 22.43	621	\$ 41.49	342	\$ 43.36

Restricted Stock Units

RSUs awarded to employees vest in one-third increments on each of the three anniversary dates following the grant date subject to continued employment as described in the RSU award agreement. RSUs issued to directors are typically granted annually and vest approximately one year after the grant date. 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 June 28, 2024, there was \$15.4 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. There were no cash-based TSR awards granted in the first half of 2024. As of June 28, 2024, there was \$0.1 million of unrecognized TSR related compensation expense.

Performance Share Units

During the first half of 2024, the Company granted performance-based awards with market conditions. The awards 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 as compared to peer group companies, and the employee's continued service through the vesting 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.

As of June 28, 2024, there was \$7.2 million of unrecognized PSU related compensation expense.

NOTE 9

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 June 28, 2024 and June 30, 2023, the Company recorded income tax benefits of \$1.6 million and an income tax provision of \$0.2 million, respectively, representing effective income tax rates of 19.3% and 10.5%, respectively. For the six months ended June 28, 2024 and June 30, 2023, the Company recorded income tax benefits of \$1.6 million and \$5.5 million, respectively, representing effective income tax rates of 22.7% and 26.1%, 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), offset by available deductions not reflected in book income and income tax credits.

Uncertain Tax Positions

As of both June 28, 2024 and December 31, 2023, unrecognized tax benefits from uncertain tax positions were \$6.6 million.

NOTE 10

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		Six Months Ended	
	June 28, 2024	June 30, 2023	June 28, 2024	June 30, 2023
<i>(In thousands, except per share data)</i>				
Net (loss) income	\$ (6,544)	\$ 1,799	\$ (5,400)	\$ (15,681)
Weighted average common shares outstanding	31,470	31,033	31,411	30,981
Add: Dilutive impact of stock options	—	18	—	—
Add: Dilutive impact of restricted stock units	—	554	—	—
Diluted weighted average common shares outstanding	31,470	31,605	31,411	30,981
(Loss) earnings per share				
Basic	\$ (0.21)	\$ 0.06	\$ (0.17)	\$ (0.51)
Diluted	\$ (0.21)	\$ 0.06	\$ (0.17)	\$ (0.51)

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

	Three Months Ended		Six Months Ended	
	June 28, 2024	June 30, 2023	June 28, 2024	June 30, 2023
(In thousands)				
Anti-dilutive restricted stock units	11	2	58	2
Total	11	2	58	2

NOTE 11

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 plans. Adjustments to the fair value of the plan investments and obligations are recorded in selling, general, and administrative expenses. The plans assets and liabilities were \$4.8 million and \$3.2 million as of June 28, 2024 and December 31, 2023, 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 \$4.4 million and \$9.4 million for the three and six months ended June 28, 2024, respectively, and \$4.9 million and \$8.2 million for the three and six months ended June 30, 2023, respectively.

NOTE 12

SALE OF RECEIVABLES

The Company has a Master Accounts Receivable Purchase Agreement (MARPA Facility) with MUFG Bank, Ltd. (MUFG) for the sale of certain designated eligible receivables up to a maximum amount of \$200.0 million with the U.S. government. Receivables sold under the MARPA Facility are without recourse for any U.S. government credit risk.

The Company accounts for these receivable transfers under the MARPA Facility as sales under ASC Topic 860, *Transfers and Servicing*, and removes the sold receivables from its balance sheet. The fair value of the sold receivables approximated their book value due to their short-term nature.

	As of and for the Six Months Ended	
	June 28, 2024	June 30, 2023
(In thousands)		
Beginning balance:	\$ 72,715	\$ —
Sale of receivables	1,376,696	112,996
Cash collections	(1,254,816)	—
Outstanding balance sold to MUFG ¹	194,595	112,996
Cash collected, not remitted to MUFG ²	(46,854)	(69,706)
Remaining sold receivables	\$ 147,741	\$ 43,290

¹ For the six months ended June 28, 2024, the Company recorded a net cash inflow from sale of receivables of \$121.9 million from operating activities.

² Includes the cash collected on behalf of, but not yet remitted to, MUFG as of June 28, 2024. This balance is included in other accrued liabilities as of the balance sheet date.

During the six months ended June 28, 2024 and June 30, 2023, the Company incurred purchase discount fees, net of servicing fees, of \$4.2 million and \$0.2 million, respectively, which are presented in other expense, net on the Condensed Consolidated Statements of (Loss) Income and are reflected as cash flows from operating activities on the Condensed Consolidated Statements of Cash Flows.

The Company does not retain an ongoing financial interest in the transferred receivables other than cash collection and administrative services. The Company estimated that its servicing fee was at fair value and therefore has not recognized a servicing asset or liability as of June 28, 2024. Proceeds from the sale of receivables are reflected as cash flows from operating activities on the Condensed Consolidated Statements of Cash Flows.

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 the Company's Annual Report on Form 10-K for the year ended December 31, 2023. This Quarterly Report provides additional information regarding the Company, our services, industry outlook and forward-looking statements that involve risks and uncertainties. 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. See "Forward-Looking Statement Information" for further information. Amounts presented in and throughout this Item 2 are rounded and, as such, rounding differences could occur in period over period changes and percentages reported.

Overview

V2X 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 and critical service offerings 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 six months ended June 28, 2024 and June 30, 2023, the Company had total revenue of \$2.1 billion and \$1.9 billion, respectively, the substantial majority of which was derived from U.S. government customers. For the six months ended June 28, 2024 and June 30, 2023, we generated approximately 43% and 41%, respectively, of our total revenue from the U.S. Army.

Executive Summary

Our revenue increased \$94.3 million, or 9.6%, for the three months ended June 28, 2024 as compared to the three months ended June 30, 2023. Revenue increased primarily due to organic growth for legacy programs. Revenue from our programs in the Middle East, Asia and the U.S. increased by \$82.0 million, \$19.1 million, and \$0.4 million, respectively, partially offset by a decrease in revenue from our programs in Europe of \$7.2 million, during the three months ended June 28, 2024 as compared to the three months ended June 30, 2023.

During the performance of long-term contracts, estimated final contract prices and costs are reviewed periodically, and revisions are made 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. These incentive fees 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 a 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 consolidated financial results for the three and six months ended June 28, 2024, compared to the three and six months ended June 30, 2023, are contained in the "Discussion of Financial Results" section.

Significant Contracts

The following table reflects contracts that accounted for more than 10% of total revenue:

Contract Name	% of Total Revenue	
	Six Months Ended	
	June 28, 2024	June 30, 2023
Logistics Civil Augmentation Program (LOGCAP) V - Kuwait Task Order	10.5%	13.4%

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, 2025, with one additional twelve-month option 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 \$218.5 million and \$257.1 million of revenue for the six months ended June 28, 2024 and June 30, 2023, 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 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. Most of our contracts have terms that would permit recovery of all or a portion of our incurred costs and fees for work performed in the event of a termination for convenience.

The following is a summary of funded and unfunded backlog:

<i>(In millions)</i>	June 28, 2024	December 31, 2023
Funded backlog	\$ 2,867	\$ 2,778
Unfunded backlog	9,379	10,011
Total backlog	<u>\$ 12,246</u>	<u>\$ 12,789</u>

Funded orders (different from funded backlog) represent orders for which funding was received during the period. We received funded orders of \$2.1 billion during the six months ended June 28, 2024, which was a decrease of \$0.3 billion compared to the six months ended June 30, 2023.

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, the Company expects the U.S. government will continue to place a high priority on national security and will continue to invest in affordable solutions. V2X believes that its capabilities, particularly in operations and logistics, aerospace, training and technology, should help its clients increase efficiency, reduce costs, improve readiness, and strengthen national security and, as a result, continue to allow for long-term profitable growth in the business. Further, the DoD budget remains the largest in the world and management believes the Company's 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 March 23, 2024, the President signed into law the Further Consolidated Appropriations Act for FY 2024, which provides \$825 billion in funding for the DoD, through September 30, 2024. On April 24, 2024, the President signed a bill providing \$95 billion in additional supplemental funding for Ukraine, Israel and the Indo-Pacific region.

The Fiscal 2025 budget request was submitted to the U.S. Congress on March 11, 2024, and requested \$895 billion for National Defense, with \$850 billion of the total allocated to the DoD. Congress, over the coming months, will need to approve or revise the Fiscal 2025 budget request through enactment of appropriations and other legislation, which would require final approval from the President to become law.

In January 2023, the statutory debt ceiling limit of \$31.4 trillion was reached and on June 3, 2023, the President signed "The Fiscal Responsibility Act" (FRA) into law, which suspends the debt ceiling until January 1, 2025. The FRA places caps on defense and non-defense discretionary spending in FY 2024 and FY 2025. The FRA cap on discretionary spending for National Defense in FY 2024 and FY 2025 is \$886 billion and \$895 billion, respectively. The \$95 billion in additional supplemental funding described above is not subject to the FRA caps.

While it is difficult to predict the specific course of future defense budgets, V2X believes the core functions the Company performs are mission-essential and 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. The Company's 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. The Company develops and inserts operational technologies across its solutions to improve efficiency and the outcomes of its clients' missions. The Company believes this aligns with its 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, the Company does not currently anticipate the complete elimination of these services, and the Company continues to focus on contract expansion and capturing new business opportunities.

However, business conditions have become more challenging and uncertain due to macroeconomic conditions, including inflation and rising interest rates, as well as recent international events. For example, global hostilities could create additional demand for our products and services, however, any such demand, and the timing and extent of any incremental contract activity resulting from that demand, remains uncertain. Further, given the current level of inflation and geopolitical factors, the Company is monitoring the impact of rising costs on its active and future contracts and its financial results, and actively evaluating opportunities for cost reductions and deleveraging. In recent quarters of 2023, the Company's cost-plus and cost-reimbursable contracts have been increasing sequentially as a percentage of total contract mix and revenue. The Company's earnings and profitability may vary materially depending on the total mix of contracts. To date, the Company has not experienced broad-based increases from inflation or geopolitical hostilities in the costs of its fixed-price and time and materials contracts that are material to the business. However, if the geopolitical conditions worsen or if the Company experiences greater than expected inflation in its supply chain and labor costs, then profit margins, and in particular, the profit margin from fixed-price and time and materials contracts, which represent a substantial portion of its contracts, could be adversely affected.

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 the Company does not currently anticipate any impact on its business, evaluation of the Inflation Reduction Act of 2022 and its requirements continues, as well as any potential impact on its business in the future.

The information provided above does not represent a complete list of trends and uncertainties that could impact the Company's business in either the near or long-term and should be considered along with the risk factors identified in Part I, "Item 1A. Risk Factors" in the Company's Annual Report on Form 10-K for the year ended December 31, 2023, and updated, as necessary, on subsequent Quarterly Reports on Form 10-Q, and the matters identified under the caption "Forward-Looking Statement Information" herein.

DISCUSSION OF FINANCIAL RESULTS

Three months ended June 28, 2024, compared to three months ended June 30, 2023

Selected financial highlights are presented in the following table:

	Three Months Ended		Change	
	June 28, 2024	June 30, 2023	\$	%
<i>(In thousands, except for percentages)</i>				
Revenue	\$ 1,072,183	\$ 977,852	\$ 94,331	9.6 %
Cost of revenue	998,348	890,452	107,896	12.1 %
% of revenue	93.1 %	91.1 %		
Selling, general, and administrative expenses	46,409	53,130	(6,721)	(12.7)%
% of revenue	4.3 %	5.4 %		
Operating income	27,426	34,270	(6,844)	(20.0)%
Operating margin	2.6 %	3.5 %		
Loss on extinguishment of debt	(1,998)	—	(1,998)	*
Interest expense, net	(28,807)	(31,950)	3,143	(9.8)%
Other expense, net	(4,735)	(311)	(4,424)	1422.5 %
(Loss) income from operations before income taxes	(8,114)	2,009	(10,123)	(503.9)%
% of revenue	(0.8)%	0.2 %		
Income tax (benefit) expense	(1,570)	210	(1,780)	(847.6)%
Effective income tax rate	19.3 %	10.5 %		
Net (loss) income	\$ (6,544)	\$ 1,799	\$ (8,343)	(463.8)%

*Percentage change is not meaningful.

Revenue

Revenue increased \$94.3 million, or 9.6%, for the three months ended June 28, 2024 as compared to the three months ended June 30, 2023. Revenue increased primarily due to organic growth for legacy programs. Revenue from our programs in the Middle East, Asia, and the U.S. increased by \$82.0 million, \$19.1 million, and \$0.4 million, respectively, partially offset by a decrease in revenue from our programs in Europe of \$7.2 million.

Cost of Revenue

Cost of revenue increased \$107.9 million, or 12.1%, for the three months ended June 28, 2024 as compared to the three months ended June 30, 2023, primarily driven by increases in revenue and changes in contract mix.

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

SG&A expenses decreased \$6.7 million, or 12.7%, for the three months ended June 28, 2024 as compared to the three months ended June 30, 2023, primarily due to cost optimization and lower integration-related costs.

Operating Income

Operating income decreased \$6.8 million, or 20.0%, for the three months ended June 28, 2024 as compared to the three months ended June 30, 2023. Operating income as a percentage of revenue was 2.6% for the three months ended June 28, 2024, compared to 3.5% for the three months ended June 30, 2023, primarily driven by changes in aggregate cumulative adjustments and contract mix, partially offset by decreased SG&A expenses.

Aggregate cumulative adjustments increased operating income by \$0.7 million and \$9.1 million for the three months ended June 28, 2024 and June 30, 2023, respectively. The aggregate cumulative adjustments for the three months ended June 28, 2024 and June 30, 2023 related to changes in contract terms, program performance, customer changes in scope of work and changes to estimates in the reported period.

Loss on Extinguishment of Debt

A loss on extinguishment of debt of \$2.0 million was recorded for the three months ended June 28, 2024 due to a refinancing of the First Lien Credit Agreement.

Six months ended June 28, 2024, compared to six months ended June 30, 2023

Selected financial highlights are presented in the following table:

	Six Months Ended		Change	
	June 28, 2024	June 30, 2023	\$	%
<i>(In thousands, except for percentages)</i>				
Revenue	\$ 2,082,747	\$ 1,921,312	\$ 161,435	8.4 %
Cost of revenue	1,938,638	1,755,082	183,556	10.5 %
% of revenue	93.1 %	91.3 %		
Selling, general, and administrative expenses	86,352	101,381	(15,029)	(14.8)%
% of revenue	4.1 %	5.3 %		
Operating income	57,757	64,849	(7,092)	(10.9)%
Operating margin	2.8 %	3.4 %		
Loss on extinguishment of debt	(1,998)	(22,052)	20,054	(90.9)%
Interest expense, net	(56,381)	(63,694)	7,313	(11.5)%
Other expense, net	(6,368)	(311)	(6,057)	1,947.6 %
Loss from operations before income taxes	(6,990)	(21,208)	14,218	(67.0)%
% of revenue	(0.3)%	(1.1)%		
Income tax benefit	(1,590)	(5,527)	3,937	(71.2)%
Effective income tax rate	22.7 %	26.1 %		
Net loss	\$ (5,400)	\$ (15,681)	\$ 10,281	(65.6)%

Revenue

Revenue increased \$161.4 million, or 8.4%, for the six months ended June 28, 2024 as compared to the six months ended June 30, 2023. Revenue increased primarily due to organic growth for legacy programs. Revenue from programs located in the Middle East and Asia increased by \$144.2 million and \$23.6 million, respectively, partially offset by a decrease in revenue from programs located in the U.S. and Europe of \$3.7 million and \$2.7 million, respectively.

Cost of Revenue

Cost of revenue increased \$183.6 million, or 10.5%, for the six months ended June 28, 2024 as compared to the six months ended June 30, 2023, primarily driven by increases in revenue and changes in contract mix.

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

SG&A expenses decreased \$15.0 million, or 14.8%, for the six months ended June 28, 2024 as compared to the six months ended June 30, 2023 primarily due to cost optimization and lower integration-related costs.

Operating Income

Operating income decreased \$7.1 million, or 10.9%, for the six months ended June 28, 2024 as compared to the six months ended June 30, 2023. Operating income as a percentage of revenue was 2.8% for the six months ended June 28, 2024, compared to 3.4% for the six months ended June 30, 2023. The decrease in operating income was primarily driven by changes in aggregate cumulative adjustments and contract mix, partially offset by decreased SG&A expenses.

Aggregate cumulative adjustments increased operating income by \$1.2 million and \$22.2 million for the six months ended June 28, 2024 and June 30, 2023, respectively. The aggregate cumulative adjustments for the six months ended June 28, 2024 and June 30, 2023 related to changes in contract terms, program performance, customer changes in scope of work and changes to estimates in the reported period.

Interest (Expense) Income, Net

Interest (expense) income, net for the three and six months ended June 28, 2024 and June 30, 2023 was as follows:

(In thousands, except for percentages)	Three Months Ended		Change		Six Months Ended		Change	
	June 28,	June 30,	\$	%	June 28,	June 30,	\$	%
	2024	2023			2024	2023		
Interest income	\$ 298	\$ 141	\$ 157	111 %	\$ 589	\$ 349	\$ 240	69 %
Interest expense	(29,105)	(32,091)	2,986	(9)%	(56,970)	(64,043)	7,073	(11)%
Interest expense, net	<u>\$ (28,807)</u>	<u>\$ (31,950)</u>	<u>\$ 3,143</u>	<u>(10)%</u>	<u>\$ (56,381)</u>	<u>\$ (63,694)</u>	<u>\$ 7,313</u>	<u>(11)%</u>

Interest income is related to interest earned on cash and cash equivalents. Interest expense is 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 exposure to interest rate risk. Interest expense, net decreased \$7.3 million for the six months ended June 28, 2024 compared to the six months ended June 30, 2023 due to both a decrease in our debt balance in the first half of 2024 compared to the first half of 2023, and our interest rate swap contracts, which we entered into at the end of the first quarter of 2023.

Other Expense, Net

During the three and six months ended June 28, 2024, we incurred purchase discount fees and other expenses of \$2.5 million and \$4.2 million, respectively, related to the sale of accounts receivable through the MARPA Facility. In addition, during the three and six months ended June 28, 2024, we incurred a \$2.2 million impairment charge on a non-operating, long-lived asset, primarily due to a decreased fair market value. During the three and six months ended June 30, 2023, we incurred purchase discount fees and other expenses of \$0.2 million and \$0.1 million, respectively, related to the sale of accounts receivable through the MARPA Facility.

Income Tax Benefit

We recorded income tax benefits of \$1.6 million and an income tax provision of \$0.2 million for the three months ended June 28, 2024 and June 30, 2023, respectively. Our effective income tax rates for the three months ended June 28, 2024 and June 30, 2023, were 19.3% and 10.5%, respectively. For the six months ended June 28, 2024 and June 30, 2023, the Company recorded income tax benefits of \$1.6 million and \$5.5 million, representing effective income tax rates of 22.7% and 26.1%, 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), offset by available deductions not reflected in book income, and income tax credits.

LIQUIDITY AND CAPITAL RESOURCES

Liquidity

We are not aware of any known trends, demands, commitments, events or uncertainties that will result in, or that are reasonably likely to result in, a material decrease in our liquidity. In addition, other than items discussed, there are no known material trends, favorable or unfavorable, in our capital resources and no expected material changes in the mix of such resources.

Our major source of funding for 2024 and beyond will be our operating cash flow, our existing balances of cash and cash equivalents and proceeds from any issuances of debt. We believe we have sufficient liquidity to fund operations, acquisitions, capital expenditures and scheduled debt repayments. 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, its credit facilities, and access to capital markets. When necessary, the 2023 Revolver and MARPA Facility are available to satisfy short-term working capital requirements.

If cash flows from operations are less than expected, we may need to access the long-term or short-term capital markets. Although we believe our current financing arrangements will permit financing of our operations on acceptable terms and conditions, 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 on acceptable terms or that such financing will be available at all.

As of June 28, 2024, there were \$46.0 million of outstanding borrowings and \$17.8 million of outstanding letters of credit under the 2023 Revolver. Unamortized deferred financing costs related to the 2023 Revolver of \$3.7 million are included in other non-current assets in the Condensed Consolidated Balance Sheets. As of June 28, 2024, the fair value of the 2023 Revolver approximated the carrying value because the debt bears a floating interest rate.

As of June 28, 2024, the carrying value of the 2023 Term Loan portion was \$242.2 million, excluding unamortized deferred financing costs of \$1.8 million. The estimated fair value of the 2023 Term Loan as of June 28, 2024 was \$242.5 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 the Condensed Consolidated Balance Sheets consists of U.S. and international cash from wholly owned subsidiaries. Approximately \$36.6 million of our \$44.8 million in cash, cash equivalents and restricted cash as of June 28, 2024 is held by foreign subsidiaries and is not available to fund U.S. operations unless repatriated. We do not currently expect 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.

Sources and Uses of Liquidity

Cash, accounts receivable, unbilled receivables, and accounts payable are the principal components of the Company's working capital and are generally driven by revenue with other short-term fluctuations related to payment practices by customers, sales of accounts receivable through the MARPA Facility and the timing of billings. Our receivables reflect amounts billed to 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. We determine our DSO by calculating the number of days necessary to exhaust our ending accounts receivable balance based on our most recent historical revenue. DSO was 65 and 58 days as of June 28, 2024 and December 31, 2023, respectively.

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

	Six Months Ended	
	June 28, 2024	June 30, 2023
(in thousands)		
Operating activities	\$ (31,551)	\$ 78,140
Investing activities	(25,439)	(11,538)
Financing activities	31,525	(113,607)
Foreign exchange ¹	(2,416)	1,252
Net change in cash, cash equivalents and restricted cash	<u>\$ (27,881)</u>	<u>\$ (45,753)</u>

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

Net cash used in operating activities for the six months ended June 28, 2024 primarily consisted of net cash outflows in working capital accounts of \$198.9 million, net cash outflows in other long-term assets and liabilities of \$26.6 million and net loss of \$5.4 million, partially offset by cash inflows from the sale of receivables through the MARPA Facility of \$121.9 million and cash inflows from non-cash net income items of \$77.5 million.

Net cash provided by operating activities for the six months ended June 30, 2023, primarily consisted of cash inflows from non-cash net income items of \$104.3 million and sales of accounts receivable through the MARPA Facility of \$113.0 million, partially offset by net cash outflows in working capital accounts of \$123.5 million and a net loss of \$15.7 million.

Net cash used in investing activities for the six months ended June 28, 2024 consisted of \$16.9 million for the acquisition of businesses and \$8.5 million of capital expenditures for the purchase of software and hardware, vehicles and equipment related to ongoing operations.

Net cash used in investing activities for the six months ended June 30, 2023 consisted of \$11.5 million of capital expenditures for the purchase of software and hardware, vehicles and equipment related to ongoing operations.

Net cash provided by financing activities during the six months ended June 28, 2024 consisted of proceeds from the revolver of \$648.8 million, partially offset by revolver repayments of \$602.8 million, payments for employee withholding taxes on share-based compensation of \$5.8 million, repayments of long-term debt of \$7.7 million, and payments for debt issuance costs of \$1.2 million.

Net cash used in financing activities during the six months ended June 30, 2023 consisted of repayments of long-term debt of \$424.9 million, revolver repayments of \$467.8 million, payments for employee withholding taxes on share-based compensation of \$14.6 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 \$552.8 million, respectively.

Capital Resources

As of June 28, 2024, we held cash, cash equivalents and restricted cash of \$44.8 million, which included \$36.6 million held by foreign subsidiaries, and had \$436.2 million of available borrowing capacity under the 2023 Revolver, which expires on February 25, 2028. We believe that our cash, cash equivalents and restricted cash as of June 28, 2024, as supplemented by operating cash flows, the 2023 Revolver, and the MARPA Facility 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 June 28, 2024, 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	\$ 47,690	\$ 6,382	\$ 20,630	\$ 12,406	\$ 8,272
Principal payments on Vertex First Lien Credit Agreement ¹	904,302	9,066	18,131	18,131	858,974
Principal payments on 2023 Credit Agreement ¹	288,188	7,813	25,000	255,375	—
Interest on Vertex First Lien and 2023 Credit Agreements	559,795	102,055	197,954	159,421	100,365
Total	\$ 1,799,975	\$ 125,316	\$ 261,715	\$ 445,333	\$ 967,611

¹ Includes unused funds fee and is based on the June 28, 2024 interest rate and outstanding 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 impairment, 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 the critical accounting policies and estimates from those discussed in our Annual Report on Form 10-K for the year ended December 31, 2023.

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 STATEMENT 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 our management 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.

The forward-looking statements included or incorporated by reference in this report are subject to additional risks and uncertainties further identified and discussed in Part I, "Item 1A. Risk Factors" of our Annual Report on Form 10-K for the year ended December 31, 2023, and updated, as necessary, on subsequent quarterly reports on Form 10-Q and are based on information available to us on the filing date of this report. Readers are cautioned not to place undue reliance on forward-looking statements, which speak only as of the date of this report. New risks and uncertainties arise from time to time, and we cannot predict those events or how they may affect us.

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: 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, cyber-attacks or cyber intrusions, and other disruptions to our information technology and operation; our mix of cost-plus, cost-reimbursable, firm-fixed-price and time-and-materials 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 business; changes in U.S. or international government defense budgets; government regulations and compliance therewith, including changes to the DoD procurement process; changes in technology; our ability to protect our intellectual property rights; 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 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 agreements; inflation and interest rate risk; geopolitical risk, including as a result of recent global hostilities; our subcontractors' 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 integrating and refining internal control systems post-merger; changes in GAAP; and other factors described in Part I, "Item 1A. Risk Factors" and elsewhere in our Annual Report on Form 10-K for the year ended December 31, 2023 and described from time to time in our future reports filed with the SEC.

ITEM 3. QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK

Earnings, cash flows and financial position are exposed to market risks relating to fluctuations in interest rates and foreign currency exchange rates. All potential changes noted below are based on information available at June 28, 2024.

Interest Rate Risk

Each one percentage point change associated with the variable rate Vertex First Lien Credit Agreement would result in a \$8.2 million change in the related annual cash interest expenses.

Assuming the 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 annual cash interest expense.

As of June 28, 2024, the notional value of the Company's interest rate swap agreements totaled \$342.2 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 6, *Derivative Instruments* in the Notes to Condensed Consolidated Financial Statements included in this Quarterly Report on Form 10-Q for additional information regarding the Company's 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, earnings may experience volatility related to movements in foreign currency exchange rates.

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 June 28, 2024. Based on such evaluation, the Chief Executive Officer and Chief Financial Officer concluded that, as of June 28, 2024, the Company's disclosure controls and procedures were not effective due to the existence of a previously reported material weakness in internal control over financial reporting (ICFR) related to a subsidiary within Vertex Aerospace Services Holdings Corp (Vertex) which was acquired on July 5, 2022. The material weakness was identified and discussed in Part II, "Item 9A. Controls and Procedures" of our Annual Report on Form 10-K for the year ended December 31, 2023.

Notwithstanding the identified material weakness, management, including our CEO (principal executive officer) and CFO (principal financial officer), believes the consolidated financial statements included in this Form 10-Q fairly represent in all material respects our financial condition, results of operations and cash flows at and for the periods presented in accordance with GAAP.

Limitations on Effectiveness of Controls and Procedures

In designing and evaluating the disclosure controls and procedures, management recognizes that any controls and procedures, no matter how well designed and operated, can provide only reasonable assurance of achieving the desired control objectives. In addition, the design of disclosure controls and procedures must reflect the fact that there may be resource constraints and that management is required to apply its judgment in evaluating the benefits of possible controls and procedures relative to their costs.

Remediation Efforts to Address the Material Weakness

Management continues to improve controls at the Company in order to remediate the material weakness in internal control over financial reporting. During the first six months of 2024, several actions were implemented at Vertex including increasing the number of individuals responsible for implementing and monitoring controls; training individuals responsible for designing, executing, testing and monitoring controls; and enhancing documentation that evidences that controls are performed. These actions are ongoing and will continue during the remainder of 2024. During the second quarter of 2024, the Company also began testing the design and operating effectiveness of process-level and information technology controls to ensure efficacy of remediation efforts. Such controls must be in place and operating effectively for a sufficient period of time in order to validate the full remediation of the material weakness. We expect that the remediation of this material weakness will be completed as of December 31, 2024.

Changes in Internal Control over Financial Reporting

Other than with respect to the matter described above, there were no changes in our ICFR during the most recently completed fiscal quarter 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 relating to injuries to people or property damage, 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 results of operations, financial condition or cash flows.

Refer to Note 7, *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

There have been no material changes from the risk factors discussed in our Annual Report on Form 10-K for the year ended December 31, 2023.

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	Offer Letter between Jeremy Wensinger and the Company dated May 5, 2024 (incorporated by reference to Exhibit 10.1 to the Company's Current Report on Form 8-K filed on May 13, 2024)*
10.2	Director and Officer Indemnification Agreement between Jeremy Wensinger and the Company dated June 14, 2024*+
10.3	Separation Agreement and General Release of Claims between Charles L. Prow dated June 7, 2024 *+
10.4	Amendment No. 4 to First Lien Credit Agreement, dated as of May 30, 2024, by and among Vertex Aerospace Services LLC, a Delaware limited liability company, Vertex Aerospace Intermediate LLC, a Delaware limited liability company, the other Loan Parties hereto, the Additional Lender and Royal Bank of Canada as Administrative Agent (incorporated by reference to Exhibit 10.1 to the Company's Current Report on Form 8-K filed on June 3, 2024).
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 June 28, 2024, 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 or furnished (as applicable) 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: August 6, 2024

DIRECTOR AND OFFICER INDEMNIFICATION AGREEMENT

THIS AGREEMENT is made as of 14 June, 2024 between V2X, Inc., an Indiana corporation (the “Corporation”), and Jeremy Wensinger (the “Indemnitee”).

WITNESSETH THAT:

WHEREAS, it is in the Corporation’s best interest to attract and retain capable directors and officers;

WHEREAS, both the Corporation and the Indemnitee recognize the increased risk of litigation and other claims being asserted against directors and officers of public corporations in today’s environment;

WHEREAS, it is now and has always been the policy of the Corporation to indemnify the members of its Board of Directors and officers of the Corporation so as to provide them with the maximum possible protection available in accordance with applicable law;

WHEREAS, Article 4 of the Corporation’s By-laws (“By-laws”) and applicable law expressly recognize that the right of indemnification provided therein shall not be exclusive of any other rights to which any indemnified person may otherwise be entitled; and

WHEREAS, the Corporation’s By-laws, its Articles of Incorporation (“Articles of Incorporation”) and applicable law permit contracts between the Corporation and the members of its Board of Directors and officers covering indemnification.

NOW, THEREFORE, the parties hereto agree as follows:

1. Indemnity. In consideration of the Indemnitee’s agreement to serve or continue to serve as a Director and officer of the Corporation, or, at the request of the Corporation, as a director, officer, employee, fiduciary or agent of another corporation, partnership, limited liability company, joint venture, trust or other enterprise, whether for profit or not, and including, without limitation, any employee benefit plan (a “Designated Director”), if Indemnitee was or is made or is threatened to be made a party to, or is otherwise involved in, as a witness or otherwise, any threatened, pending or completed investigation, claim, action, suit, arbitration, alternate dispute resolution mechanism or proceeding (brought in the right of the Corporation or otherwise), whether civil, criminal, administrative or investigative (including, without limitation, any internal corporate investigation), whether formal or informal, and including all appeals thereto (a “Proceeding”), the Corporation hereby agrees to hold the Indemnitee harmless and to indemnify the Indemnitee to the fullest extent now or hereafter permitted by applicable law from and against any and all expenses (which term shall be broadly construed and include, without limitation, all direct and indirect costs of any type or nature whatsoever (including, without limitation, all attorneys’ fees and related disbursements, appeal bonds, other out-of-pocket costs) (“Expenses”), judgments, fines, amounts paid in settlement (with such judgments, fines or amounts including, without limitation, all direct and indirect payments of any type or nature whatsoever, as well as any penalties or excise taxes assessed on a person with respect to an

employee benefit plan), liabilities or losses actually and reasonably incurred by the Indemnitee by reason of the fact such person is or was a Director or officer of the Corporation or a Designated Director, or by reason of any actual or alleged action or omission to act taken or omitted in any such capacity.

2. Maintenance of Insurance; Subrogation; Other Rights of Recovery. (a) Subject only to the provisions of Section 2(c) hereof, the Corporation hereby agrees that, so long as the Indemnitee shall continue to serve as a Director or officer of the Corporation, and thereafter so long as the Indemnitee shall be entitled to indemnification hereunder, the Corporation will provide insurance coverage comparable to that presently provided and at least as favorable to Indemnitee as the insurance coverage provided to any other director or officer of the Corporation under the Corporation's Directors' and Officers' Liability Insurance policies (the "insurance policies") in effect at the date hereof.

(a) At the time the Corporation receives notice from Indemnitee, or is otherwise aware, of a Proceeding, the Corporation shall give prompt notice to the insurers in accordance with the procedures set forth in the insurance policies. The Corporation shall thereafter take all necessary or desirable action to cause such insurers to pay, on behalf of Indemnitee, all amounts payable as a result of such proceeding in accordance with the terms of such insurance policy.

(b) However, the Corporation shall not be required to maintain all or any of such insurance policies or comparable insurance coverage if, in the business judgment of the Board of Directors of the Corporation, (i) the premium cost for such insurance is substantially disproportionate to the amount of coverage, or (ii) the coverage provided by such insurance is so limited by exclusions that there is insufficient benefit from such insurance or (iii) such insurance is otherwise not reasonably available.

(c) In the event of any payment by the Corporation under this Agreement, the Corporation shall be subrogated to the extent of such payment to all of the rights of recovery of Indemnitee with respect to any insurance policy. Indemnitee shall execute all papers required and take all action necessary to secure such rights, including execution of such documents as are necessary to enable the Corporation to bring suit to enforce such rights in accordance with the terms of such insurance policy. The Corporation shall pay or reimburse all expenses actually and reasonably incurred by Indemnitee in connection with such subrogation.

(d) The Corporation shall not be liable under this Agreement to make any payment of amounts otherwise indemnifiable hereunder if and to the extent that Indemnitee has otherwise actually received such payment under this Agreement or any insurance policy, contract, agreement or otherwise.

3. Additional Indemnity. Subject only to the exclusions set forth in Section 4 hereof, the Corporation hereby further agrees to hold harmless and indemnify the Indemnitee:

(a) to the fullest extent provided under Article 4 of the Corporation's By-laws as in effect at the date hereof; and

(b) in the event the Corporation does not maintain in effect the insurance coverage provided under Section 2 hereof, to the fullest extent of the coverage which would otherwise have been provided for the benefit of the Indemnatee pursuant to the insurance policies in effect at the date hereof.

4. Limitations on Additional Indemnity. No indemnity pursuant to Section 3 hereof shall be paid by the Corporation:

(a) except to the extent the aggregate of losses to be indemnified thereunder exceed the amount of such losses for which the Indemnatee is indemnified or insured pursuant to either Section 1 or 2 hereof;

(b) in respect of any of the following as determined by a final judgment or other final adjudication:

(1) remuneration paid to, or indemnification of, the Indemnatee that was or is prohibited by applicable law;

(2) any transaction from which the Indemnatee derived an improper personal benefit;

(3) any breach of the Indemnatee's duty to act in good faith or if the Indemnatee did not (i) in the case of conduct in the Indemnatee's official capacity with the Corporation, reasonably believe that his or her conduct was in the best interests of the Corporation, (ii) in all other cases, reasonably believe that his or her conduct was at least not opposed to the Corporation's best interests or (iii) in the case of any criminal proceeding, have reasonable cause to believe that his or her conduct was lawful or had reasonable cause to believe that his or her conduct was unlawful; or

(4) acts or omissions which involve intentional misconduct or a knowing violation of law by the Indemnatee.

5. Continuation of Indemnity. All agreements and obligations of the Corporation contained herein shall continue during the period the Indemnatee is a Director or officer of the Corporation and shall continue thereafter so long as the Indemnatee may be made or threatened to be made a party to, or be otherwise involved in, as a witness or otherwise, any Proceeding, by reason of the fact that the Indemnatee was a Director or officer of the Corporation or a Designated Director, or by reason of any action alleged to have been taken or omitted in any such capacity.

6. Notification and Defense of Claim.

(a) Promptly after receipt by the Indemnatee of notice of the commencement of any Proceeding, the Indemnatee shall, if a claim in respect thereof is to be made against the Corporation under this Agreement, notify the Secretary of the Corporation in writing of the commencement thereof and shall provide the Secretary with such documentation and information

as is reasonably available to Indemnatee and reasonably necessary to determine whether and to what extent the Indemnatee is entitled to indemnification; but an omission to so promptly notify the Corporation will not relieve it from any liability which it may have to the Indemnatee (i) under this Agreement, except to the extent the Corporation is actually and materially prejudiced in its defense of such Proceeding or (ii) otherwise than under this Agreement, including, without limitation, its liability to indemnify the Indemnatee under the Corporation's By-laws.

(b) With respect to any such Proceeding:

(1) the Corporation shall be entitled to participate therein at its own expense;

(2) except as otherwise provided below, to the extent that it may wish, the Corporation jointly with any other indemnifying party shall be entitled to assume the defense thereof, with counsel reasonably satisfactory to the Indemnatee. After notice from the Corporation to the Indemnatee of its election so to assume the defense thereof and approval by the Indemnatee of such counsel (which approval shall not be unreasonably withheld), the Corporation will not be liable to the Indemnatee under this Agreement for any legal or other expenses subsequently incurred by the Indemnatee for separate counsel in connection with the defense thereof other than reasonable costs of investigation or as otherwise provided below. The Indemnatee shall have the right to employ its own counsel in such Proceeding but the fees and expenses of such counsel incurred after notice from the Corporation of its assumption of the defense thereof shall be at the expense of the Indemnatee unless (i) the employment of such counsel by the Indemnatee has been authorized by the Corporation, (ii) the Indemnatee shall have reasonably concluded (with written notice to the Corporation setting forth the basis for such conclusion) that there may be a conflict of interest between the Corporation and the Indemnatee in the conduct of the defense of such Proceeding, or (iii) the Corporation shall not in fact have employed counsel to assume the defense of such Proceeding, in each of which cases the fees and expenses of counsel shall be at the expense of the Corporation. The Corporation shall not be entitled to assume the defense of any action, suit or proceeding brought by or on behalf of the Corporation or as to which the Indemnatee shall have made the conclusion provided for in (ii) above; and

(3) the Corporation shall not be liable to indemnify the Indemnatee under this Agreement for any amounts paid in settlement of any Proceeding effected without the Corporation's written consent. The Corporation shall not settle any Proceeding in any manner that would impose any penalty, obligation or limitation on the Indemnatee without the Indemnatee's written consent. Neither the Corporation nor the Indemnatee will unreasonably withhold their consent to any proposed settlement.

(c) Except as otherwise required by applicable law, the determination of the Indemnatee's entitlement to indemnification shall be made pursuant to and in accordance with the procedures set forth in the By-Laws in effect as of the date hereof, or any such procedures that

may be more favorable to the Indemnatee that are set forth in the By-Laws in effect on the date Indemnatee provides the Secretary notice of the request for indemnification.

(d) The parties intend and agree that, to the extent permitted by applicable law, in connection with any determination with respect to Indemnatee's entitlement to indemnification hereunder by any person:

(1) it will be presumed that Indemnatee is entitled to indemnification under this Agreement and the Corporation or any other person or entity challenging such right will have the burden of proof to overcome that presumption in connection with the making by any person, persons or entity of any determination contrary to that presumption;

(2) the termination of any action, suit or proceeding by judgment, order, settlement, conviction, or upon a plea of nolo contendere or its equivalent, shall not, in and of itself, create a presumption that Indemnatee did not act in good faith and in a manner which Indemnatee reasonably believed to be in or not opposed to the best interests of the Corporation, and, with respect to any criminal action or proceeding, had reasonable cause to believe that Indemnatee's conduct was unlawful; and

(3) Indemnatee will be deemed to have acted in good faith if Indemnatee relies upon the books and records of the Corporation, including financial statements, or on information supplied to Indemnatee by the officers, employees, or committees of the board of directors of the Corporation, or on the advice of the Corporation's legal counsel or other advisors (including financial advisors and accountants) or on information or records given in reports made to the Corporation by an independent certified public accountant or by an appraiser or other expert or advisor selected by the Corporation unless, in each case, Indemnatee has knowledge concerning the matter in question that makes such reliance unwarranted.

◦ The provisions of this Section 6(d) shall not be deemed to be exclusive or to limit in any way the other circumstances in which Indemnatee may be deemed to have met the applicable standard of conduct set forth in this Agreement.

7. Advancement and Repayment of Expenses. Upon receipt by the Corporation of a statement from the Indemnatee requesting advancement or repayment of any Expenses incurred in connection with any Proceeding involving the Indemnatee, all such Expenses shall be paid promptly (and in any event within twenty (20) days of receipt of such statement, which statement shall reasonably evidence the Expenses incurred or to be incurred) by the Corporation in advance of the final disposition of such Proceeding. The Indemnatee agrees that the Indemnatee will reimburse (without interest) the Corporation for all reasonable Expenses advanced, paid or incurred by the Corporation on behalf of the Indemnatee in respect of a claim against the Corporation under this Agreement in the event and only to the extent that it shall be ultimately and finally determined that the Indemnatee is not entitled to be indemnified by the Corporation for such Expenses under the provisions of applicable law, the Corporation's Articles of Incorporation or By-laws, this Agreement or otherwise. The Corporation's obligations to

advance Expenses under this Section 7 shall not be subject to any conditions or requirements not contained in this Section.

8. Nonexclusivity. The provisions for indemnification and advancement and reimbursement of expenses set forth in this Agreement shall not be deemed exclusive of any other rights which Indemnatee may have under any provision of law, in any court in which a proceeding is brought, the Corporation's Articles of Incorporation or By-laws, other agreements or otherwise, and Indemnatee's rights hereunder shall inure to the benefit of the heirs, executors and administrators of Indemnatee. No amendment or alteration of the Corporation's Articles of Incorporation or By-laws or another agreement shall adversely affect the rights provided to Indemnatee under this Agreement. To the extent that a change in Indiana or other law, whether by statute or judicial decision, permits greater indemnification or payment than would be afforded currently under the Corporation's Articles of Incorporation, By-laws or this Agreement, it is the intent of the parties hereto that Indemnatee shall enjoy by this Agreement the greater benefits so afforded by such change.

9. Enforcement. If a claim under this Agreement is not paid in full by the Corporation within ninety days after a written request has been received by the Corporation, the Indemnatee may at any time thereafter bring suit against the Corporation to recover the unpaid amount of the claim and, if successful in whole or in part, the Indemnatee shall also be entitled to be indemnified for all expenses actually and reasonably incurred by the Indemnatee in connection with the prosecution of such claim. Nothing in this Section 9 is intended to limit the Corporation's obligations with respect to the advancement or repayment of expenses to Indemnatee in connection with any such action, suit or proceeding instituted by Indemnatee to enforce or interpret this Agreement.

10. Severability. If any provision of this Agreement shall be held to be or shall, in fact, be invalid, inoperative or unenforceable as applied to any particular case or in any particular jurisdiction, for any reason, such circumstances shall not have the effect of rendering the provision in question invalid, inoperative or unenforceable in any other distinguishable case or jurisdiction, or of rendering any other provision or provisions herein contained invalid, inoperative or unenforceable to any extent whatsoever. The invalidity, inoperability or unenforceability of any one or more phrases, sentences, clauses or Sections contained in this Agreement shall not affect any other remaining part of this Agreement.

11. Governing Law; Binding Effect; Amendment or Termination. (a) This Agreement shall be governed by and interpreted in accordance with the laws of the State of Indiana.

(a) This Agreement shall be binding upon the Indemnatee and upon the Corporation and its successors and assigns, and shall inure to the benefit of the Indemnatee and his or her heirs, personal representatives, executors and administrators, and to the benefit of the Corporation and its successors and assigns.

(b) This Agreement constitutes the entire agreement between the parties hereto with respect to the matters covered hereby, and any other prior oral or written understandings or agreements with respect to the matters covered hereby are expressly

superseded by this Agreement, except to the extent any such prior agreement may be more favorable to the Indemnatee than the provisions hereunder.

(c) No amendment, modification, termination or cancellation of this Agreement shall be effective unless in writing signed by both parties hereto.

[Signature Page Follows]

IN WITNESS WHEREOF, the parties hereto have executed this Agreement as of the day and year first above written.

V2X, Inc.

By: /s/ Kevin T. Boyle
Name: Kevin T. Boyle
Title: Chief Legal Officer, General
Counsel and Corporate Secretary

[Signature Page to Director's Indemnification Agreement]

Accepted and Acknowledged as of
the date first written above:

By: /s/Jeremy Wensinger
Name: Jeremy Wensinger

[Signature Page to Director's Indemnification Agreement]

SEPARATION AGREEMENT AND GENERAL RELEASE OF CLAIMS

This Separation Agreement and General Release of Claims and Exhibit (collectively, the "Agreement") is made by and between Charles L. Prow ("Executive"), and V2X, Inc. (the "Company"), individually each a "Party" and together "Parties."

WHEREAS, the Executive is party to an offer letter with Vectrus, Inc. ("Vectrus"), dated as of November 30, 2016 (the "Offer Letter"), governing the terms of his employment with the Company, including his participation in the Vectrus, Inc. Special Senior Executive Severance Pay Plan (the "Special Severance Plan");

WHEREAS, on July 5, 2022, Vectrus completed its merger with Vertex Aerospace Services Holding Corp., resulting in the formation of the Company (the "Merger"), with such Merger constituting an Acceleration Event under the terms of the Special Severance Plan; and

WHEREAS, the Parties have agreed to terminate Executive's employment with the Company and, in accordance with the terms of the Special Severance Plan, the Company desires to provide Executive with certain separation benefits and to resolve any claims that Executive has or may have against the Company and its affiliated persons and entities.

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

1. End of Employment/Consideration. The Executive and the Company agree that the Executive's employment with, and service as the Chief Executive Officer and President of the Company will end on June 16, 2024 (the "Termination Date"). Upon the Termination Date, the Executive shall be deemed to have resigned pursuant to the terms of this Agreement, without any further action by the Executive, from any and all officer and director positions that Executive, immediately prior to the Termination Date, (i) held with the Company or any of its affiliates (including, without limitation, as a member of the Board of Directors of the Company (the "Board")) or (ii) held with any other entities at the direction of, or as a result of your affiliation with, the Company or any of its affiliates. If for any reason this paragraph 1 is deemed to be insufficient to effectuate such resignations, then Executive shall, upon the Company's request, execute any documents or instruments that the Company may deem necessary or desirable to effectuate such resignations. In addition, Executive hereby designates the Secretary or any Assistant Secretary of the Company and its affiliates to execute any such documents or instruments as Executive's attorney-in-fact to effectuate such resignations if execution by the Secretary or any Assistant Secretary of the Company or its affiliates is deemed by the Company or its affiliates to be a more expedient means to effectuate such resignation or resignations. On the Termination Date (and not before), Executive agrees to execute the release attached hereto as Exhibit A (the "Exhibit A Release").
 - a. Moreover, in full consideration of the Executive's execution of this Agreement and his agreement to be legally bound and abide by its terms, as well as his agreement to assist in any transition matters as reasonably requested by the

Company, and subject to the terms below, the Company and the Executive agree as follows, provided that (i) Executive executes this Agreement without revocation as provided in paragraph 18, (ii) Executive executes on the Termination Date the Exhibit A Release without revocation as provided by paragraph 1(b) of the Exhibit A Release, and (iii) Executive has fulfilled all obligations and has not violated any of the requirements and prohibitions set forth in this Agreement (collectively, the "Termination Payment Conditions"):

- i. The Company will pay to the Executive the total sum of Five Million and Two Hundred and Fifty Thousand Dollars and Zero Cents (\$5,250,000) ("Severance Pay"), which consists of (a) two and half times his current annual base salary plus (b) two and half times his current target annual bonus, less required deductions and withholdings, with such amount payable in accordance with the terms of the Special Severance Plan. In addition, the Company will pay to the Executive One Million and Thirty-Nine Thousand Dollars and No Cents (\$1,039,000), in settlement of his 2022-2024 TSR Award, less required deductions and withholdings, with such amount payable in accordance with the terms of the 2022-2024 TSR Award agreement.
- ii. The Executive (and his wife, as applicable) shall be eligible for participation in the applicable Company employee welfare benefit plans that the Executive (and, as applicable, his wife) participated in immediately prior to the end of his employment, at the level he (or, as applicable, his wife) participated in at that time, in accordance with the provisions of such plans and to the extent required by the Consolidated Omnibus Budget Reconciliation Act ("COBRA"). The duration of this participation shall be eighteen (18) months from the Termination Date. The Company shall pay the full monthly premium for this coverage. The Executive's (and, as applicable, his wife's) participation in all other employee benefit plans will cease on the Termination Date.
- iii. The Executive understands that the Company will deduct from the monies described in paragraph 1(a)(i), above, all federal, state and local withholding taxes and other deductions the Company is required by law to make from payments to employees. Further, Executive expressly acknowledges and understands that the payments to the Executive shall be subject to reduction in accordance with Section 11 of the Special Severance Plan. After the termination of his employment, the Executive understands that he is not entitled to any compensation or benefits or any other payment from the Company, 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. The Company agrees to make to the Executive a lump sum payment for any accrued, unused Paid Time Off ("PTO") in the form of a direct deposit on the first regular Company payday, following the

end of the Executive's employment. The Executive will not continue to accrue PTO after the Termination Date.

- v. The Executive has been awarded (i) 44,428 (target) Performance Stock Units ("PSUs") pursuant to a TSR Award Agreement, dated March 10, 2023 and (ii) 43,411 (target) Performance Stock Units ("PSUs") pursuant to a TSR Award Agreement, dated March 8, 2024 (collectively, the "TSR Award Agreements"). These PSUs will remain outstanding and be eligible to vest as of the end of the performance period in accordance with the terms of the applicable TSR Award Agreement as if the Executive had remained in employment with the Company through the end of the performance period. The terms and conditions of each TSR Award Agreement, including the restrictive covenants contained in the Appendices thereto, are incorporated herein by reference.
 - vi. The Executive has been awarded (i) 11,545 Restricted Stock Units ("RSUs") pursuant to an RSU Agreement, dated March 10, 2022 (the "2022 RSU Agreement"), and (ii) 29,618 RSUs pursuant to an RSU Agreement, dated March 10, 2023 (the "2023 RSU Agreement" and, together with the 2022 RSU Agreement, the "RSU Agreements"), which are currently outstanding. Subject to paragraph 22 of this Agreement and the terms of the 2022 RSU Agreement, the RSUs subject to the 2022 RSU Agreement shall vest and be distributable as of the Termination Date. The RSUs subject to the 2023 RSU Agreement shall remain outstanding and shall continue to vest as if the Executive had remained in employment with the Company through the final vesting date. The terms and conditions of the RSU Agreements pursuant to which the RSUs were awarded, including the restrictive covenants contained in the Appendices thereto, are incorporated herein by reference.
 - vii. The Executive holds an outstanding option with respect to 21,898 shares (the "Option") pursuant to an Option Agreement, with a grant date of March 3, 2017 (the "Option Agreement") and which are scheduled to expire on March 3, 2027 (the "Expiration Date"). Pursuant to the Option Agreement, the Executive shall have until the Expiration Date to exercise the Option.
 - viii. The 51,307 (target) Special Performance Restricted Stock Units that were granted to the Executive on March 10, 2023 and the 43,411 RSUs granted to Executive on March 8, 2024 shall be forfeited as of the Termination Date without the payment of any consideration.
- b. The payments and benefits provided in this paragraph 1 are inclusive of all claims the Executive had, has, or may have had through the date of this Agreement for any alleged damages against the Company, 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 the Executive 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, including, for the avoidance of doubt, with respect to any excise tax under Section 4999 of the Internal Revenue Code of 1986, as amended (the "Code."). The Executive acknowledges that he has obtained no advice from the Company or its attorneys or other advisors and that neither the Company nor its attorneys or other advisors have made any representations regarding the tax or other financial consequences, if any, regarding the payments provided for above. The Executive shall indemnify the Company and hold the Company harmless for the Executive'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 the Executive's execution of this Agreement, provided that the Executive has not revoked this Agreement pursuant to paragraph 18, below, and no later than thirty (30) days from the date of his execution (and in any event no later than sixty (60) days from the Termination Date); provided, however, that the benefits described in paragraphs 1(a)(v) and (vi) shall vest according to the terms of those paragraphs.
2. Acknowledgments. By accepting the payments described in paragraph 1 of this Agreement, the Executive acknowledges that he is agreeing to the terms set forth in this Agreement in return for the Company's promise to provide him with money and benefits which he would otherwise not be entitled to receive. Further, the Executive is representing, warranting and agreeing that the following statements are true and correct:
- a. The Company has paid the Executive through the date of his signature below all wages, bonuses and other forms of compensation due to him for work performed on behalf of the Company, other than as described in this Agreement, including any overtime wages due to him;
 - b. Except as otherwise provided in this Agreement and under the terms and conditions of the Company's directors and officers indemnification policy ("D&O Policy") which shall apply to the Executive up to and including the Termination Date, the Executive is not entitled to receive compensation, fringe benefits, severance benefits or any other employee benefits or payments of any kind from the Company or its parent or affiliated companies, subsidiaries, divisions, related business entities;
 - c. The Executive has not suffered or incurred any workplace injury in the course of his employment with the Company 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;

- d. The Executive shall seek written approval from the Company prior to entering into any transaction involving Company securities, including the purchase or sale of any stock. The Executive will no longer be subject to the requirement for prior approval before the purchase or sale of any such stock after the 2024, third quarter trading window opens, but in no event later than six-months following the termination of his employment. The Executive is also subject to the securities laws and the Company's "insider trading" policies in respect of any transaction the Executive effects while in possession of material non-public information regarding such stock; and
- e. The Executive shall remain subject to the Company's Clawback Policy, effective as of October 2, 2023 and the compensation recoupment provisions set forth in the Company's equity incentive plan, annual incentive plan and award agreements.

3. Release of Claims.

- a. Payment of the amounts described in paragraph 1(a) to the Executive is accepted by him in full and final release and settlement of any and all claims which he may have against the Company and each of its predecessors, subsidiaries, associates, affiliates and equity holders (including, but not limited to, Vectrus, Inc., Vertex Aerospace Services Holding Corp., and/or Merger Sub, LLC and Vertex Aerospace Holdco LLC), and each of its and their respective former or current directors, managers, officers, employees, trustees, agents, attorneys, 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"), which arise on or before the Effective Date (defined below); provided, however, that it does not include any claim for workers compensation or any other claims that cannot be released as a matter of law. The claims which he hereby releases and settles 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 the Company'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 the Executive in respect of any bonus and/or incentive plan of the Company 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 the Executive's employment with the Company, 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. The Executive 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. The Executive understands that he is releasing potentially unknown claims, and that he has limited knowledge with respect to some of the claims being released. The Executive 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. The Executive assumes this risk and all other risks of any mistake in entering into this Agreement. The Executive agrees that this release is fairly and knowingly made.
 - d. The release of claims set forth above does not affect the Executive's vested rights in and to any welfare or qualified retirement benefit plan or officer indemnification rights he may be entitled to under the D&O Policy and other insurance policies, 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; claims to enforce this Agreement or claims that arise after the date on which he signs this Agreement.
4. Waiver of Additional Remedies. Notwithstanding any other provision of this Agreement, 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 the Executive, in good faith, from challenging the validity of this Agreement under the ADEA or the Older Worker Benefit Protection Act ("OWBPA") or to prohibit

the Executive from confidentially or otherwise communicating or filing a charge or complaint with a federal, state, local or other governmental agency or regulatory (including self-regulatory) entity; participating in a governmental agency or regulatory entity investigation or proceeding; giving truthful testimony or disclosures to a governmental agency or regulatory entity; responding to a valid subpoena or otherwise required to do so under applicable law; or exercising any protected right to communicate about lawfully acquired compensation information or other working conditions. Furthermore, the U.S. Defend Trade Secrets Act of 2016 provides that: (a) an individual shall not be held criminally or civilly liable under any federal or state trade secret law for the disclosure of a trade secret that (A) is made (i) in confidence to a federal, state, or local government official, either directly or indirectly, or to an attorney, and (ii) solely for the purpose of reporting or investigating a suspected violation of law; or (B) is made in a complaint or other document filed in a lawsuit or other proceeding, if such filing is made under seal; and (b) an individual who files a lawsuit for retaliation by an employer for reporting a suspected violation of law may disclose the trade secret to the attorney of the individual and use the trade secret information in the court proceeding, if the individual (A) files any document containing the trade secret under seal, and (B) does not disclose the trade secret, except pursuant to court order. Nothing in this Agreement prohibits or creates liability for any such protected conduct. For the avoidance of doubt, nothing in this Agreement shall be construed to prohibit Executive from engaging in protected concerted activity under the National Labor Relations Act for the purpose of collective bargaining or other mutual aid or protection, including, without limitation, (i) making disclosures concerning this Agreement in aid of such concerted activities; (ii) filing unfair labor practice charges; (iii) assisting others who are filing such charges; and (iv) cooperating with the investigative process of the National Labor Relations Board or other government agencies.

5. Opportunity to Consider the Agreement and Consult an Attorney. The Executive acknowledges that he has been and is in connection with this Agreement advised by the Company 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. The Executive further acknowledges that no representative of the Company ever stated or implied that he had less than twenty-one (21) days to consider this Agreement. The Executive 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 the Company. 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 the Executive, he and the Company 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. Subject to Paragraph 4, the Executive agrees not to make, now or at any time in the future, any disparaging statements concerning the Company, or any person associated with the Company that he is aware of, including any

officer, partner, director, member, employee, expert, or legal representative of the Company, 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 the Company or any affiliate that he is aware of, or to any individual or entity with whom or which the Company has a working or business relationship that he is aware of, including, but not limited to, the Company'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 the Company's or any affiliate's business or their respective reputations. This paragraph does not prohibit giving information to a government agency. In the event of a conflict between the provisions of this paragraph and those of paragraph 4, paragraph 4 shall govern.

- b. The Company shall direct the members of the Board and employees at the Senior Vice President level and above not to make, now or at any time in the future, any disparaging statements concerning the Executive, or make, issue, support, or publish any communication of a derogatory nature with respect to him.
7. Attorneys' Fees. 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. The Executive acknowledges that, as an employee of the Company, he had access to and possesses confidential information and proprietary business information about the Company, and its respective clients, licensors, and suppliers (collectively "Confidential Information"), which information is the property of the Company and not generally known or available to the public. Confidential Information includes, without limitation, the Company'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; the Company's sales, costs, profits and other financial information; short- and long-term strategy information; and human resources strategies. The Executive 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 the Company and maintained as such by the Company. Nothing in this Agreement is intended to or will be used in any way to limit the Executive'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 Termination Date, 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 involve Competitive Activity.
- b. Customer Nonsolicit. For a period of one year after the Termination Date, 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 the Company.
- c. Employee Nonsolicit. For a period of one year after the Termination Date, 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 the Company or assist a Competitor in efforts to hire a Covered Employee.
- d. Definitions & Understandings. For purposes of this paragraph 9, the following definitions and understandings will apply:
 - i. "Competitor" refers to a person or entity who is engaged in the Company's business and/or provides (or is planning to provide) Competitive Products in the markets where the Company 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 the Executive performed, supervised or managed for the Company in the Look Back Period.
 - iii. "Competitive Product" means goods or services of the type conducted, authorized, offered, or provided by the Company within two years prior to the termination of the Executive's employment that the Company remains in the business of providing and that would displace business opportunities for the Company's goods or services (existing or under development) that the Executive had involvement with.
 - iv. "Covered Customer" means a customer of the Company that the Executive 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 the Executive's employment with the Company ended that he had material contact with.
 - v. "Covered Employee" means an employee that the Executive worked with, gained knowledge of, or was provided Confidential Information

about as a result of his employment with the Company during the Look Back Period.

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

vii. "Restricted Area" is each geographic territory or region assigned to the Executive 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 the Company did business during the Look Back Period that the Executive 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 the Executive 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 the Executive 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, the Executive agrees and represents that he has either already returned to the Company, or will do so to the extent he has not already done so by the Termination Date, all documents, equipment and other materials belonging to the Company, unless specifically excluded by the Company, 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 the Company 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 the Company except for those items indicated in the List of Company Property Items Excluded. The Executive agrees that all memoranda, notes, records, or other documents compiled by him or made available to him during the term of his employment with the Company concerning its businesses or customers is its property, whether or not confidential, and has been returned by the Executive to the Company. The Executive further agrees that he shall not be entitled to any payments pursuant to this Agreement until such equipment and materials have been returned to the Company.

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

12. Disqualifying Conduct. If the Executive, in any material way: (i) breaches the terms of this Agreement; (ii) fails to comply with the Company's Company Covenant Against Disclosure and Assignment of Rights to Intellectual Property executed by the Executive or improperly utilizes the Company's confidential or proprietary information or breaches paragraph 8 of this Agreement; (iii) fails to comply with applicable provisions of the Company's Code of Corporate Conduct or applicable policies; (iv) breaches any provision of the applicable award agreements referred to in paragraph 1, above; or (v) engages in fraud, misfeasance or malfeasance, as determined in the sole discretion of the Company (collectively, "Disqualifying Conduct"), then the PSUs and RSUs identified in paragraphs 1.a.v and 1.a.vi shall be immediately forfeited. Moreover, the Company will have no further obligation to make any other payments or benefits described in this Agreement, other than those to which the Executive may be entitled. In the event that the Company has to file suit or take other action to recover any such payment, the Executive will also be liable to the Company for the legal fees incurred by the Company.

13. Medicare Status and Satisfaction of Any Medicare Reimbursement Obligations

- a. The Executive represents and warrants that the Executive 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. The Executive understands that Releasees have requested certain personal information of the Executive, including the Executive's Social Security Number, to meet Releasees' reporting obligations under Section 111 of MMSEA. The Executive 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. The Executive represents and warrants that the Executive has not received any medical services or items related to, arising from, or in connection with the Released Matters.
- c. The Executive acknowledges and agrees that it is the Executive'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 the Executive 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 Company policy or procedure by the Company or any of its divisions, affiliates or any of their respective officers, directors, employees or the Executive.

15. Entire Agreement. This Agreement, along with the attachments and other Company policies and agreements referred to herein, and any other agreement applicable to the Executive, including but not limited to the award agreements referred to in paragraph 1(a), above, sets forth the entire agreement between the Executive and the Company relating to his employment with and separation from the Company; 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. The Executive acknowledges that in entering into this Agreement he has not relied upon any representation, oral or written, not set forth in this Agreement. Executive acknowledges and agrees that he remains bound by the post-employment restrictive covenants contained in Appendices A of the TSR Award Agreements and the RSU Award Agreements (collectively, the "Other Ongoing Obligations"), and that the covenants contained in paragraph 9 of this Agreement are in addition to, and do not conflict with or lessen, the Other Ongoing Obligations.
16. Severability. By signing this Agreement, the Executive 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 the Company the payment provided to him in this Agreement.
17. Cooperation. By signing this Agreement, the Executive agrees to reasonably cooperate with the Company and its attorneys in the prosecution and/or defense of any legal action wherein the Company is a party and that involves any facts or circumstances arising during the course of his employment with the Company, including its subsidiaries and affiliated entities. Such cooperation includes, but is not limited to, meeting with the Company'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. The Executive will be reimbursed for all reasonable costs and expenses incurred during his cooperation. The Executive also agrees that, for a period of six (6) months after his employment with the Company ends, he will make himself reasonably available to the Company for any assistance with transition issues as is needed by the Company. The Executive will not be compensated for any such time.
18. Right to Revoke Agreement. The Executive 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 the Company, 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, the Executive must deliver or cause to be delivered to Jo Ann Bjornson, 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 the Executive signs this Agreement.

19. No Reliance. The Executive acknowledges that he has had the opportunity to conduct an investigation into the facts and evidence relevant to his decision to sign this Agreement. The Executive 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 the Company has disclosed all material facts to him. By entering into this Agreement, the Executive 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. The Executive 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. The Executive 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 the Executive and the Company 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 arising from or related to this Agreement, the TSR Award Agreements, the RSU Award Agreements, or Executive's employment or termination thereof, shall be exclusively brought in the state or federal courts of Fairfax County, Virginia. 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 Section 409A of the Code. This Agreement is intended to comply with Section 409A of the Code ("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 the Executive, 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 the Company to the Executive as a result of the Executive's separation of service is necessary in order to prevent any accelerated or additional tax under Section 409A, then the Company will defer the commencement of the payment of any such payments or benefits until the date that is six (6) months following his last day of employment.

23. Effective Date. This Agreement shall be effective on the first day after the expiration of the seven-day expiration period described above (the "Effective Date").
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.**

IN WITNESS WHEREOF, and intending to be legally bound thereby, the Parties have set their hands and seals by and through their authorized representatives as indicated below.

V2X, INC.

CHARLES L. PROW

/s/Philip C. Widman

By: Philip C. Widman
Title: Chair-CHCC

/s/ Charles L. Prow

6-6-24

Date 6/7/24

Date

Exhibit A

This General Release (this "Release") is entered into by and between Charles L. Prow ("Executive"), and V2X, Inc. (the "Company" and together with the Executive, the "Parties"). Any capitalized terms not defined herein shall have the meanings ascribed to them in the Separation Agreement and Release of Claims dated as of June __, 2024 (collectively, the "Agreement").

1. **General Release.** In return for the consideration referenced in the Agreement, Executive reaffirms his obligations and undertakings in the Agreement and further agrees, on behalf of Executive and all of Executive's heirs or personal representatives, to the following release of claims.

- a. Payment of the amounts described in paragraph 1(a) of the Agreement to Executive is accepted by him in full and final release and settlement of any and all claims which he may have against the Company and each of its predecessors, subsidiaries, associates, affiliates and equity holders (including, but not limited to, Vectrus, Inc., Vertex Aerospace Services Holding Corp., and/or Merger Sub, LLC and Vertex Aerospace Holdco LLC), and each of its and their respective former or current directors, managers, officers, employees, trustees, agents, attorneys, 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"), which arise on or before the Release Effective Date (defined below); provided, however, that it does not include any claim for workers compensation or any other claims that cannot be released as a matter of law. The claims which he hereby releases and settles 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 the Company'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 the Agreement, including any claim for amounts payable to the Executive in respect of any bonus and/or incentive plan of the Company 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 the Executive's employment with the Company, 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. The Executive 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. The Executive understands and agrees that he: (a) has carefully read and fully understands all of the provisions of this Release; (b) has been given a full twenty-one (21) days within which to consider this Release before executing it; (c) is, through this Release, releasing the Company, and the parties identified in paragraph 1, 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 Release; (e) knowingly and voluntarily intends to be legally bound by this Release; (f) had the opportunity to consult with an attorney before executing this Release; (g) had a full seven (7) calendar days following his execution of this Release to revoke this Release; (h) understands that rights or claims under the ADEA that may arise after the effective date of this Release are not waived; and (i) understands that this Release shall not become effective or enforceable until the first calendar day after the expiration of the seven-day revocation period described above. In order to revoke this Release, the Executive must deliver or cause to be delivered to Jo Ann Bjornson, at the address identified in paragraph 7(c) of the Agreement, an express written revocation, no later than 11:59 p.m. EDT on the seventh calendar day following the date the Executive signs this Release. The first day after the expiration of the seven-day expiration period described above is defined as the "Release Effective Date."
- c. The Executive understands that he is releasing potentially unknown claims, and that he has limited knowledge with respect to some of the claims being released. The Executive acknowledges that there is a risk that, after signing this Release, he may learn information that might have affected his decision to enter into this Release. The Executive assumes this risk and all other risks of any mistake in entering into this Release. The Executive agrees that this release is fairly and knowingly made.
- d. The release of claims set forth above does not affect the Executive's vested rights in and to any welfare or qualified retirement benefit plan or officer indemnification rights he may be entitled to under the D&O Policy and other insurance policies, 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; claims
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to enforce this Agreement or claims that arise after the date on which he signs this Release.

2. **Waiver of Additional Remedies.** Notwithstanding any other provision of this Release, nothing in this Release shall be construed to prevent the Executive, in good faith, from challenging the validity of this Release under the ADEA or the Older Worker Benefit Protection Act ("OWBPA") or to prohibit the Executive from confidentially or otherwise communicating or filing a charge or complaint with a federal, state, local or other governmental agency or regulatory (including self-regulatory) entity; participating in a governmental agency or regulatory entity investigation or proceeding; giving truthful testimony or disclosures to a governmental agency or regulatory entity; responding to a valid subpoena or otherwise required to do so under applicable law; or exercising any protected right to communicate about lawfully acquired compensation information or other working conditions. Furthermore, the U.S. Defend Trade Secrets Act of 2016 provides that: (a) an individual shall not be held criminally or civilly liable under any federal or state trade secret law for the disclosure of a trade secret that (A) is made (i) in confidence to a federal, state, or local government official, either directly or indirectly, or to an attorney, and (ii) solely for the purpose of reporting or investigating a suspected violation of law; or (B) is made in a complaint or other document filed in a lawsuit or other proceeding, if such filing is made under seal; and (b) an individual who files a lawsuit for retaliation by an employer for reporting a suspected violation of law may disclose the trade secret to the attorney of the individual and use the trade secret information in the court proceeding, if the individual (A) files any document containing the trade secret under seal, and (B) does not disclose the trade secret, except pursuant to court order. Nothing in this Release prohibits or creates liability for any such protected conduct. For the avoidance of doubt, nothing in this Release shall be construed to prohibit Executive from engaging in protected concerted activity under the National Labor Relations Act for the purpose of collective bargaining or other mutual aid or protection, including, without limitation, (i) making disclosures concerning this Release in aid of such concerted activities; (ii) filing unfair labor practice charges; (iii) assisting others who are filing such charges; and (iv) cooperating with the investigative process of the National Labor Relations Board or other government agencies.
 3. **Other Representations and Warranties.** By executing this Release, Executive acknowledges that Executive: (i) is not relying upon any statements, understandings, representations, expectations, or agreements other than those expressly set forth in this Release or the Agreement; (ii) has made Executive's own investigation of the facts and is relying solely upon Executive's own knowledge and the advice of Executive's own legal counsel; (iii) knowingly waives any claim that this Release was induced by any misrepresentation or nondisclosure and any right to rescind or avoid this Release based upon presently existing facts, known or unknown; (iv) is entering into this Release freely and voluntarily; (v) has carefully read and understood all of the provisions of this Release; and (vi) has been represented by the counsel of Executive's choice in connection with the negotiation and execution of this Release. The Parties stipulate that the Company is relying upon these representations and warranties in entering into this Release. These representations and warranties shall survive the execution of this Release.
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4. Separation Pay. Executive understands and agrees that in the event he revokes this Release, or fails to satisfy any of the Termination Payment Conditions, he will not be entitled to payments provided in paragraph 1(a) of the Agreement.

[Remainder of page intentionally left blank.]

IN WITNESS WHEREOF, and intending to be legally bound thereby, the Parties have set their hands and seals by and through their authorized representatives as indicated below.

V2X, INC.

CHARLES L. PROW

By:
Title: _____
Date _____

Date _____

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

I, Jeremy Wensinger, 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.
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Date: August 6, 2024

/s/ Jeremy Wensinger

Jeremy Wensinger

President and Chief Executive Officer

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

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

Date: August 6, 2024

/s/ Shawn Mural

Shawn Mural

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 June 28, 2024 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: August 6, 2024

/s/ Jeremy Wensinger

Jeremy Wensinger

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 June 28, 2024 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: August 6, 2024

/s/ Shawn Mural

Shawn Mural

Senior Vice President and Chief Financial Officer