INTUITIVE MACHINES ROTH CONFERENCE TRANSCRIPT

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<<Suji Desilva, Analyst, ROTH Capital Partners, LLC>>

Good morning everyone, and thanks for coming. My name is Suji Desilva. I'm the semiconductor intelligence systems analyst here at ROTH Capital. And the intelligence systems means I get to cover cool companies like this. We're pleased to have Erik Sallee, the CFO of Intuitive Machines. And they're going to help the U.S. get back to the moon after 50 years, and this is fantastic, really. So with that, Erik, thanks for coming, really great to have you here. Maybe you can give people a perspective on Intuitive Machines and how your market opportunity emerged. Most would think this is something done by NASA and private companies do sub-contracting, but you seem to have a – your company seems to have a fairly major roles and maybe you can weave in the background of the folks of the company and how you're able to support NASA in this way.

<<Erik Sallee, Chief Financial Officer>>

Yes, thanks, Suji. So we're a diversified space exploration company, and people ask me what that means. What it really means is we had a unique opportunity about four or five years ago where NASA really pivoted back to realizing they needed to go back to lunar space, cislunar space and be back on the moon for lots of reasons from both a scientific and discovery perspective and also a geopolitical perspective as well. And with that, they also had to look at a new way to do it, because traditionally that kind of program would have been decades long, billion dollar – billions of dollars with the

traditional acquisition model that NASA has pursued in the past. So they looked at a new way, a commercial acquisition model faster, lower cost, more risk. And that's we were one of the companies that came out of that.

And we've been really fortunate to be – have contracts with NASA, more contracts with NASA than any other company to return NASA and the U.S. to the moon. We have three of them, which is great which we've won over the past few years. And our first landing is actually in June of this year, so just in a few months. So that market has emerged and there has been a whole host of commercial and other opportunities that come out of that, the technologies we've generated and we're looking at as access to XGO as we call it, space, lunar space, cislunar space and beyond becomes available at on a known cost, on a known schedule. In the future, we think from a commercial perspective in terms of markets, right, because we are heavily concentrated towards NASA today, which is fine, they've been a great customer. But just like LEO and GEO really opened up over the past five years as the cost of access came down and scheduled certainty and risk went down. We see that happening in the second half of this decade as well as we have success in the first half of the decade getting there. And that's really where some of the more diversification comes into play.

<<Suji Desilva, Analyst, ROTH Capital Partners, LLC>>

Great. Maybe for the audience, they're familiar with SpaceX and Elon Musk and RocketLab like ours as well. I mean, you started to talk about this already, but just give us a sense of how you differentiate as an offering or should we think of as more similar than different in terms of its launch, successful repeatability, how you're different or versus similar.

<<Erik Sallee, Chief Financial Officer>>

Yes, that's why we had a lot of discussions before we figured out we were a diversified space exploration company because we're not a launch company and we're not an earth imaging company, right, which is what you get a lot, and we're not a smallsat manufacturer, which are essentially the three different kinds of players in the public markets right now from a space perspective, the size of strategic. So we at least within our primary business line are – a transportation – we serve as the transportation layer. So right now, all of our launches are to get to orbit are with SpaceX on a Falcon 9. We have great partnership there. And then once we get our spacecraft orbit, our lander takes over and provides the transportation service to either cislunar space to drop off rideshare satellites in orbit or along the way, or actually to land payloads on the moon. So hopefully that gives a little better idea. And we've got a lot of technologies and businesses that have grown out of that from a data services model and other things. But that's fundamentally, I guess, what we do from a – where we sit in the architecture, Suji.

<<Suji Desilva, Analyst, ROTH Capital Partners, LLC>>

And I appreciate the term diversified space exploration came as much from what you are as what you're not.

<<Erik Sallee, Chief Financial Officer>>

Yes.

<<Suji Desilva, Analyst, ROTH Capital Partners, LLC>>

So now I understand that more. Can you talk about the NASA program, the Artemis program, obviously very exciting for us to watch unfolding and CPLS as a means of moving payloads around where you fit in? That'll kind of dovetail into the discussion about products and Nova-C.

<<Erik Sallee, Chief Financial Officer>>

Yes. So the NASA's Artemis program is an 80 plus billion dollar program to return humans to the moon. And one of the goals is actually to put the first woman on the moon, which is very exciting. And they have a timeline to do that. It will be in this – they're targeting second half – half of this decade at some point hopefully earlier than later, but we'll see. So in order to do that, there is a whole series of programs, precursor missions, prepositioning missions, more information they need about the lunar surface, the moon in general, that have to happen leading up to that. And that's where the CLPS, CLPS program came out of. That was the commercial lunar payload services, the acquisition model that NASA came up with five years ago to help change the traditional model where they could do something faster, cheaper.

And that's the one where I say we've won three of the contracts there, so more than anybody else within that contracting vehicle. And that's the precursor missions to set the stage for the actual human landing. But the human landing is one piece of the overall $80 billion plus Artemis program. The CLPS kind of NASA underneath that, as well as other programs such as the Lunar Terrain Vehicle, which we hope to participate in, and lots of other elements of the Artemis program. We obviously are – either are or are looking to be heavily involved to support that overall initiative, which is really a great, great thing to get back there for the first time since 50 years last time...

<<Suji Desilva, Analyst, ROTH Capital Partners, LLC>>

It's encouraging to see NASA seems very organized and deliberate about this process. So I think if you come back in a year, we'll be looking back at a very exciting year for you. Maybe you can give us a forward look at this. You have several missions coming up. Maybe you can just walk us through what's on the mission docket for this year, and how we should kind of put them in perspective as a sequence?

<<Erik Sallee, Chief Financial Officer>>

Yes, it is a very exciting year for us. So we have two different lunar missions scheduled this year. One is in June, so just three months away. And the other one's in Q4. The June mission is our first mission. It's going to land in the Malapert A region of the moon, so South Pole area. And it's going to provide some data back to NASA about the dust plume that kicks up again. So they have more information about how the lunar regolith reacts to propulsive landings to help inform future landings and then also measuring the electromagnetic spectrum to see how permissive the lunar environment is in that regard. And the one in Q4 is a little bit more ambitious. It's also going to the South Pole. It has a drill. We're actually going to drill for water ice on the moon and look at the regolith that's kicked up.

And so NASA is obviously very excited about – or interested in where the water ice is, that's probably the most important resource right now on the moon. We also Nokia – we were working with Nokia actually for our second mission to – they have a 4G LTE baseband unit antenna that they're actually going to put on the – a rover that we're taking with our second mission to do a technology demonstration to validate that their 4G LTE works and we'll create a mesh network actually between the rover, our lander. And the last thing is what we call our hopper, which is essentially a rocket powered drone, is the easiest way to put it in layman's terms. So we'll launch off our lander after we land and fly out several miles, so more – much more mobility than a rover never been done before.

And look at what's called permanently shadowed craters, which are craters on the moon that never see the sun. And there's lots of interesting elements of those that NASA and commercial industry is very interested in based on the extreme temperatures. So those are some of the two – our two missions this year, obviously very important, very focused on those. Those are number one priority for the company. Also we're continuing to bid on lots of new work. So we had lots of great milestones in terms of continuing to win one or multiple additional lunar missions this year, one of which could be with our mid-class lander, which would be the first mission for our mid-class lander, which would take 750 kilograms up to several thousand kilograms to the lunar surface, so significant step up from the current lander, which is 130 kilograms, even though they utilize most of the same technology. And then we're also looking to secure our foothold in a couple of the adjacent markets with anchor contracts in both the data services market and in the orbital services market as well in the first half of the year. So a lot of exciting events happening this year that are going to be great for the company and we're obviously very focused on executing on those.

<<Suji Desilva, Analyst, ROTH Capital Partners, LLC>>

Yes, I want to touch on the adjacent markets later on. They're all equally interesting, but let's stick with the access for a while second year. Maybe you can talk about your

revenue model among the SPACs that have come public that I've worked with and talked to, you've come out with tens of millions of revenue and visibility and so forth, and a model and forecast that is seems fairly ambitious, but you have the contracts and visibility for that. So maybe the audience can be helped in understanding how you recognize your revenues contract wise and then how you see that visibility with new wins into that...

<<Erik Sallee, Chief Financial Officer>>

Yes, it's going to – you bet. It's going to vary across different business lines. But, as I said, the majority of the traction historically is in the actual landing services with NASA and most of that has been over time. So we do have good revenue traction there. It's going to vary between business line to business line and the data service is going to be more of a telecom model. The orbital services will be a little bit of a mix, but mostly over time moving to sort of point in time in the future, right. And then space products infrastructure is also over time, but when, Suji, talks about how we look at our forecast, I think was the crux of the question, right? It's a bottoms up. So, we obviously have projections for this year showing us doing about $300 million in 2023 revenue.

It's all based on a bottoms up probability weighted forecast, assuming we're going to win X percentage of the overall thing – proposals we're bidding on. And the important thing to note as well of that revenue, $159 million of it, so over half was already under contract at the beginning of the year. I think that's very important to note that half of it is already contracted, right? So –and we have a couple, as I talked about, key milestones in terms of wins over the first half of the year that really account for the majority of the non-farm revenue this year.

<<Suji Desilva, Analyst, ROTH Capital Partners, LLC>>

Right. I mean, I've told people as I look at my model as I see these wins coming in, I'll gain more confidence with your revenue ramp here. Yes, perhaps you can talk about – I got – I had the privilege coming down to Houston to see your – see the Willy Wonka's toy shop or Behind the Green Curtain for The Wizard of Oz, but it was amazing really. And so I hope you could give people here a sense of what technologies you're working on Nova-C lander and so forth. That is enabling you to participate in these programs because I think it's really important and I don't think people could really contemplate all the challenges you have to tackle just to get all of this to work.

<<Erik Sallee, Chief Financial Officer>>

Yes. It's – I mean, it's been great. The team we have down in Houston is fantastic. Some of them are really incredibly talented folks from a aerospace engineering perspective and software perspective. So we are vertically integrated. I think that's important to note, but we've been very specific about it. We've vertically integrated the things that we thought were hard and then industry didn't do well. And the things where they

were good, low cost, readily available commercial options in the supply chain, we went ahead and bought those externally, right. We didn't invest capital reinventing the wheel. So specifically, we build the lander in-house fully. And the two, I think, things that we looked around and saw that didn't exist technology-wise that needed to exist in order to land on the moon reliably for a reasonable cost was the navigation and the propulsion.

So specifically the in-space navigation and the navigational algorithms to autonomously land on the lunar surface, so we use proprietary algorithms developed in-house to do optical navigation. We also have lidar on our first mission as well as a redundancy to actually land the lander on the lunar surface robotically autonomously. That's very important and unique and hard because people take for granted that we have GPS here on earth. And it just infiltrates so much of the basic technology and navigation that we assume how things work. That doesn't exist around the moon which is obvious when you say it, but you have to think about it. So that is something we've done in-house. Our CTO, Dr. Tim Crain, it's his area of expertise and we feel really good. We've done a lot of good testing about our technology in that area.

And the other one is the propulsion, so our engine. We unlike most non-human landers in the past have used smaller storable propulsion more along the lines of what you see on a satellite which creates doesn't have enough thrust necessarily to get you there directly. You do a lot of rotations to use gravity to get there. There's a lot of drawbacks to that approach. Obviously, it's size limited as well. What we've done is our engine is a LOX/methane engine. As I tell people, we have an actual rocket engine, just a small version of it. So we do a direct insertion to the moon, takes us about a five-day transit. So very similar to what the Apollo missions worked. We avoid going through radiation belts on multiple occasions and it also makes it scalable, because we have about the smallest version of what we think is viable from a LOX/methane engine. So we can scale that up to much, much larger landers.

And the other important thing to note, it's a pressure-fed engine, so very simple and it's shockingly simple in its design. So very reliable, doesn't have turbo pumps, which is a lot of what people experience development issues with. And fully 3D printed is my last point I wanted to make, sorry. So we additively manufacture the entire engine in-house, which obviously allows for very cost competitive production, but also rapid iteration on the design during the R&D process. So that's really two of our biggest pieces of IP or core competencies that we hang our hat on.

<<Suji Desilva, Analyst, ROTH Capital Partners, LLC>>

It's clear to me that NASA is benefiting from innovators like yourselves to get things done more efficiently and cost wise. Can you talk about the three other segments, the data services, orbital and products and all those things, how they emanate from your core business, because that gives me the what financial analyst like, which is leverage out of their core investments?

<<Erik Sallee, Chief Financial Officer>>

Yeah. And this is a big year for like I say, footholds in those adjacent markets from a contracting perspective really significant ones. And people ask, this is a lot, how are you in all this? How is it relevant to you guys? So the data services in order to operate these lunar missions, NASA didn't just pay us to go build a lander. They paid us to essentially provide transportation as a service to the moon. And part of that is the data, getting the data back. Most of the telecommunications space comms providers today don't have dishes big enough to reach out to lunar distance. So we went around and developed a ground network. There were dishes large enough to communicate at lunar distance and we put baseband units at each of those satellites.

So we now have an operational 24/7 lunar communications network line of site to the moon. What we're also doing on our second and third mission is putting up our own comm satellites in lunar orbit to augment the capability. So we can do data caching, provide essentially think live 4K video from the moon, things like that. Other sensing technologies relevant to the national security, the community, things of that nature.

And so that's why we've already built that out. So as other customers, NASA and commercial need data services in cislunar – at lunar and greater distance, we're able to provide that. The orbital services, that's again, we looked around and the most important – we're already doing rideshare on our second and third mission, right? We're active in that market. We have signed contracts to deploy folks either on a TLI injection, some of which are staying around the moon, and some of which want to use the moon's gravity to get back into highly elliptical or a GEO orbit around earth.

But also there is a satellite servicing that market, which is still a few years away from maturing on the commercial side. But NASA is doing that today. And the key technologies there are again, the rendezvous and proximity, software and algorithms, which is the same technology that we use to actually land on the moon. So the optical navigation, the robotics, that's technology adjacency, excuse me. So that's why we're well qualified to service NASA in that regard.

And then space products and infrastructure, that's where we're trying to utilize this new acquisition model that NASA is moving forward with to disrupt traditional large programs of record that used to only be the domain of the strategics. And an example of that is the Fission Surface Power program out of NASA. This past year we were one of the three companies as a prime that were awarded the down select on that and are going to be able to compete bid for the final award. It was us, Lockheed and another strategic. So that tells you we're making inroads there and we've got to be able to do that and take advantage of NASA's desire to move towards a faster, more nimble, more cost effective acquisition model.

<<Suji Desilva, Analyst, ROTH Capital Partners, LLC>>

Maybe we can touch on two last points and then we can throw it out to the audience for more for questions there. The ability of Intuitive Machines to diversify beyond NASA. Can you talk about other U.S. governmental agencies, international governments, commercial, just give us a – set our expectations of how soon that can happen or whether that will take time and so forth?

<<Erik Sallee, Chief Financial Officer>>

Yeah, we don't see the revenue mix shifting significantly from where we're at currently until the latter half of the decade, right. And that's when it'll happen. Whether it happens towards the beginning of that timeframe or the latter half of that timeframe depends on how successful we are with some of our technology development, our missions, things of that nature also others. But we have some now. There's some interest and it's growing. We see as people understand that there is a fixed schedule and a fixed cost that you can get to the moon for, they start to develop more business cases. As I said, Nokia is working with us, our rideshare or commercial. We also are seeing good interest from the international community. As you said, right, a lot of other countries want to be a part of developing the moon, have from a national pride, from a business model perspective, depending on what industries are big there. There's ways they can see those as being extensible to the lunar environment.

And then the last one you mentioned is obviously moving into away from just different federal government, U.S. government customers into DoD and then obviously the national security community as well. There is geopolitical considerations with the moon and cislunar space. And so they're obviously interested in making sure that we maintain all elements of national power shall we say in that area, and looking at ways to do that in a short timeframe. And we think we're well positioned to be a good partner to give them that capability.

<<Suji Desilva, Analyst, ROTH Capital Partners, LLC>>

Since we're within five minutes, I want to give the audience time to ask questions. Table mind for a second.

<<Erik Sallee, Chief Financial Officer>>

Sure.

<<Suji Desilva, Analyst, ROTH Capital Partners, LLC>>

Yes. Microphones.

Q&A

<Q>: All right. You mentioned the change in revenue mix towards the end of the decade. Can you explain what a little bit more about that? What do you see as that mix being?

<A – Erik Sallee>: Yeah. So right now we're 80% plus U.S. government and highly concentrated with NASA. We look at that shifting to more commercial customers as just like over the past decade or so. If you look at a launch provider in 2015, they were going to be heavily U.S. government focused, whereas now with cost of access coming down launch providers are closer to 50:50 potentially in terms of commercial versus government. So we see that same sort of ratio in that 50:50, 60:40, one way or the other mix. Again, assuming the technology is successful in everything. We see that's where things could shake out sometime, I'm giving broad time horizons because space is uncertain, but yet towards the latter half of the decade 25 to 30 sometime in there.

<Q>: Hi. Along those lines of looking down the road, I'm trying to better understand what limitations NASA may be imposing with respect to the data you're collecting for them. They're paying you a lot of money. Is there something proprietary that you can't be sharing with these other potential commercial clients of yours and how is that going to potentially slow down your acceleration of revenue?

<A – Erik Sallee>: That's a great question. NASA is a great partner in two different ways in that regard. One, just generally they want to make all their data publicly available in the – sort of in the general sort of academic or scientific community sense, right? They want to share it with people, they think there's benefit from wide knowledge. They also think it's important to sort of set that standard for the international community. People should share data about space exploration. So they don't have any restrictions on that. And they're happy with that. And they also part of the clips model, as I said, moving to faster, more agile is they want to help new companies be successful in a commercial way. So they have been very open to how we are going to build business models and commercialize lunar access. So to the extent that we are able to do that, we have rights to the data as well and we can commercialize it in ways that other companies or businesses would find value in.

<Q>: Just quick follow-up, sorry, I know someone else has a question. Is the unified goal then to one day commercialize, populate, have businesses? Is that the vision, a decade down the road? Is that the vision for like, I don't know, colonization? What are you thinking?

<A – Erik Sallee>: That would be great. Yes. I think there's a lot of benefit there. Obviously, you can talk very blue sky about resource limitations on earth. This is by far the closest celestial body. What resources does it have? And I think those are all wonderful goals and we are really excited to be a part of facilitating those. I always want to talk very carefully though about that because there's a lot of things that have to go right and companies like us are doing everything we can to make sure all those things go right.

But for us to hit our 2024 revenue projections, for example, we don't need to have the moon colonized by then, right? It's a very much bottoms up kind of traditional or I don't say traditional, but USG NASA focused in the near term. But yeah, that's where the Artemis program. If you look at all this stuff, that's where it's headed to having a permanent human habitat on the moon. And obviously, China is working towards that goal as well. And the Artemis program has all the things in place necessary laid out with the acquisitions in place for the terrain vehicle, the power, all that to go do it. And it's really exciting because the technology is there. So thank you for that question.

<<Suji Desilva, Analyst, ROTH Capital Partners, LLC>>

Yeah, no, it was helpful to have the analogy of Rocket Lab and seven years ago versus today, right. With that, I apologize, we're out of time. I know we have probably a lot more questions. But thanks Erik for your time. Thanks for coming and thanks everybody for attending.

About Intuitive Machines

Intuitive Machines is a diversified space company focused on space exploration. Intuitive Machines supplies space products and services to support sustained robotic and human exploration to the Moon, Mars, and beyond. Intuitive Machines' products and services are offered through its four business units: Lunar Access Services, Orbital Services, Lunar Data Services, and Space Products and Infrastructure. For more information, please visit intuitivemachines.com.

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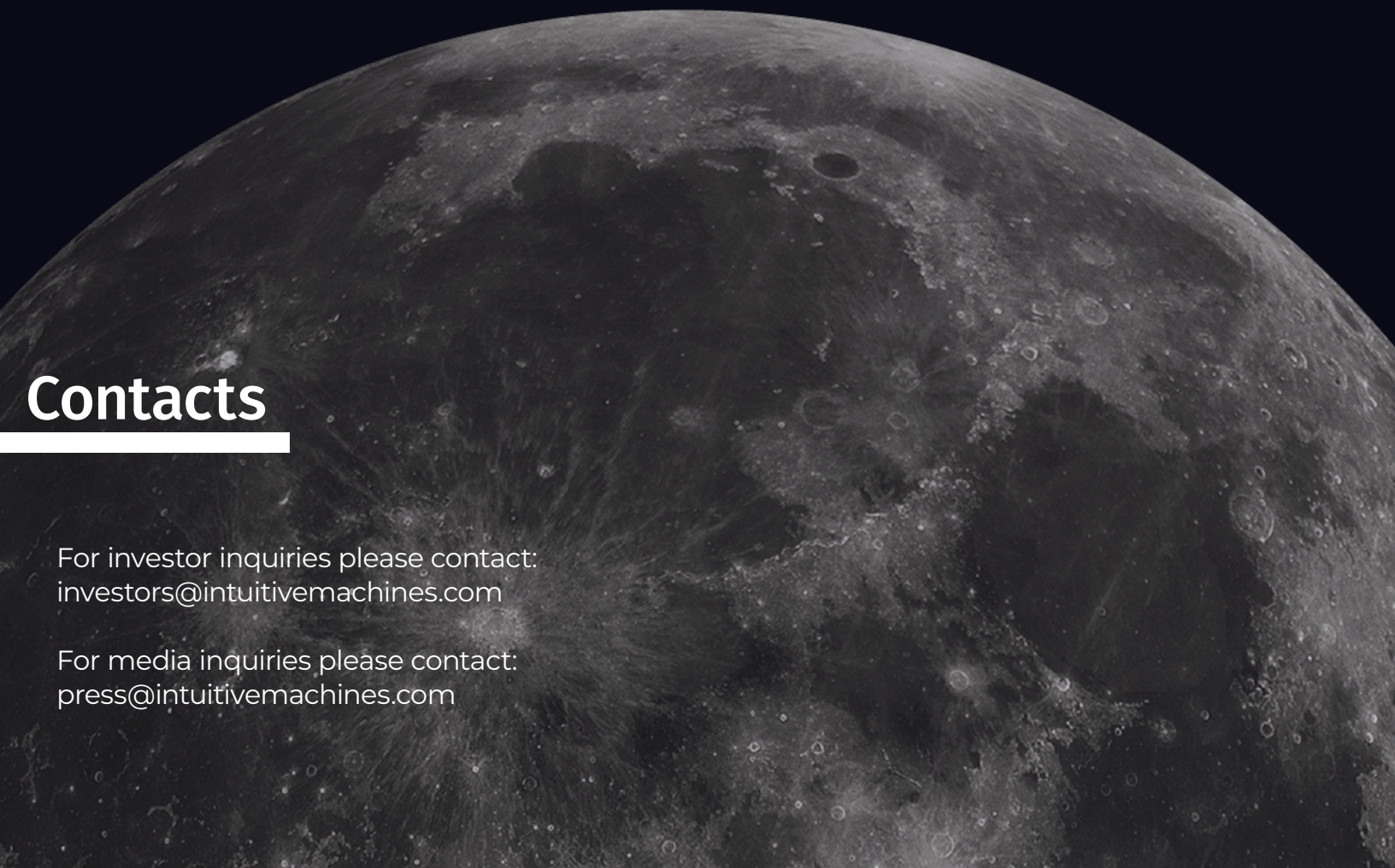

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